

Sunset Ridge School District No. 29

Northfield, Illinois

Annual Financial Report

Year Ended June 30, 2015

Sunset Ridge School District No. 29

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015

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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, 2015, 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

The District'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 opinions 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.

(Continued)

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note N to the audited financial statements, net position, net pension liability, and deferred outflows as of July 1, 2014 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27 (GASB 68)* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68 (GASB 71)*. Our opinion is not modified with respect to this matter.

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 5 through 14, the Illinois Municipal Retirement Fund and Teacher's Retirement System pension data on pages 64 - 67, the other postemployment benefits data on page 68, and budgetary comparison schedules and notes to the required supplementary information on pages 69 through 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2015 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 as 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 for the year ended June 30, 2015 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 for the year ended June 30, 2015 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Sunset Ridge School District No. 29's basic financial statements, as of and for the year ended June 30, 2014, (not presented herein) and have issued our report thereon dated October 15, 2014, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sunset Ridge School District No. 29's basic financial statements as a whole. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund and Fire Prevention and Safety Fund for the year ended June 30, 2014 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for General Fund, Operations and Maintenance Fund, Transportation Fund and Municipal Retirement / Social Security Fund, have been subjected to the auditing procedures applied in the audit of those 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund and Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

Other Information

The Other Supplemental Information, as listed in the table of contents, 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 14, 2015 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.



Certified Public Accountants

Deerfield, Illinois
October 14, 2015

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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, 2015. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- During FY2015, 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 2014 fiscal year financial statements and the school system's 2014 financial profile, places the District in the ISBE's highest category of financial achievement which the District has achieved for the past twelve 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 \$20,274,482 and total governmental fund balances of \$14,074,106; \$13,485,411 of which is related to operating funds (General, Operations and Maintenance, Transportation, and Municipal Retirement/Social Security Funds). The District's Working Cash Account had an ending fund balance of \$1,225,180; a fund typically viewed as a long-term savings fund.
- General revenues from property taxes, personal property replacement taxes, state aid, investment earnings and other sources accounted for \$12,799,155, or 77% of the District's total revenue of \$16,547,095. Program specific revenues in the form of charges for services, contributions, and grants were \$3,747,940, or 23% of total revenue.
- The District had \$16,183,861 in expenses related to governmental activities. However, only \$3,747,940 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 Accounts) had \$15,009,178 in revenues, primarily consisting of property taxes, state aid, and other local revenue, and \$13,819,570 in expenditures.
- The District continued to pay down its general obligation long-term debt by retiring \$360,000 in fiscal year 2015.
- 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 a proposed property tax freeze. Despite the potential of these threats, the Board is committed to maintaining the District's strong financial status.

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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 supplemental information in addition to the basic financial statements.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Financial Reporting for Pensions* (GASB 68), and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68* (GASB 71), which were adopted by the District as of the fiscal year ended June 30, 2015. GASB 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pension liabilities. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute the present value to periods of employee service. GASB 71 established standards for measuring amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The implementation of GASB 68 and GASB 71 required the District to record the net pension liability for TRS and IMRF. As a result of this implementation, net position as of July 1, 2014 decreased by \$675,440, net pension liability (included in long-term liabilities) increased by \$777,745 and deferred outflows increased by \$102,305.

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 and deferred outflows of resources and liabilities and deferred inflows of resources 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.

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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.

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 Accounts), 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, 2015

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 other postemployment benefits and pension data related to the Illinois Municipal Retirement Fund and the Teacher's Retirement System.

Government-Wide Financial Analysis

Net position: The District's combined net position was \$17,014,002 at June 30, 2015.

Table 1		
Condensed Statement of Net position		
	Governmental Activities <u>2015</u>	Governmental Activities <u>2014</u>
Assets:		(as originally reported)
Current and other assets	\$ 20,274,482	\$ 19,469,071
Capital assets	<u>5,418,538</u>	<u>5,813,207</u>
Total assets	<u>25,693,020</u>	<u>25,282,278</u>
Deferred outflow of resources:		
Deferred outflows related to pensions	<u>214,905</u>	<u>-</u>
Liabilities:		
Long-term debt outstanding	2,521,110	1,887,129
Other current liabilities	<u>198,984</u>	<u>188,871</u>
Total liabilities	<u>2,720,094</u>	<u>2,076,000</u>
Deferred inflow of resources:		
Property taxes levied for a future period	5,988,293	5,880,070
Deferred inflows related to pensions	<u>185,536</u>	<u>-</u>
Total deferred inflow of resources	<u>6,173,829</u>	<u>5,880,070</u>
Net position:		
Net investment in capital assets	3,919,589	4,014,023
Restricted	3,931,299	4,396,009
Unrestricted	<u>9,163,114</u>	<u>8,916,176</u>
Total net position	<u>\$ 17,014,002</u>	<u>\$ 17,326,208</u>

Sunset Ridge School District No. 29
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Government-Wide Financial Analysis (Continued)

Table 2		
Changes in Net position		
	Governmental Activities <u>2015</u>	Governmental Activities <u>2014</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 244,482	\$ 57,318
Operating grants and contributions	3,503,458	2,725,861
<i>General revenues:</i>		
Taxes	12,492,743	12,428,494
State aid-formula grants	100,659	102,327
Other	<u>205,753</u>	<u>150,939</u>
Total revenues	<u>16,547,095</u>	<u>15,464,939</u>
Expenses:		
Instruction	11,436,009	10,515,676
Pupil and instructional staff services	549,226	581,024
Administration and business	2,140,440	1,769,559
Transportation	91,127	84,994
Operations and maintenance	1,547,474	1,591,869
Other:		
Central	250,029	6,195
Community services	9,904	9,614
Nonprogrammed charges	60,667	83,602
Interest and fees	<u>98,985</u>	<u>115,203</u>
Total expenses	<u>16,183,861</u>	<u>14,757,736</u>
Increase in net position	363,234	707,203
Net position, beginning of year	* <u>16,650,768</u>	<u>16,619,005</u>
Net position, end of year	<u>\$ 17,014,002</u>	** <u>\$ 17,326,208</u>

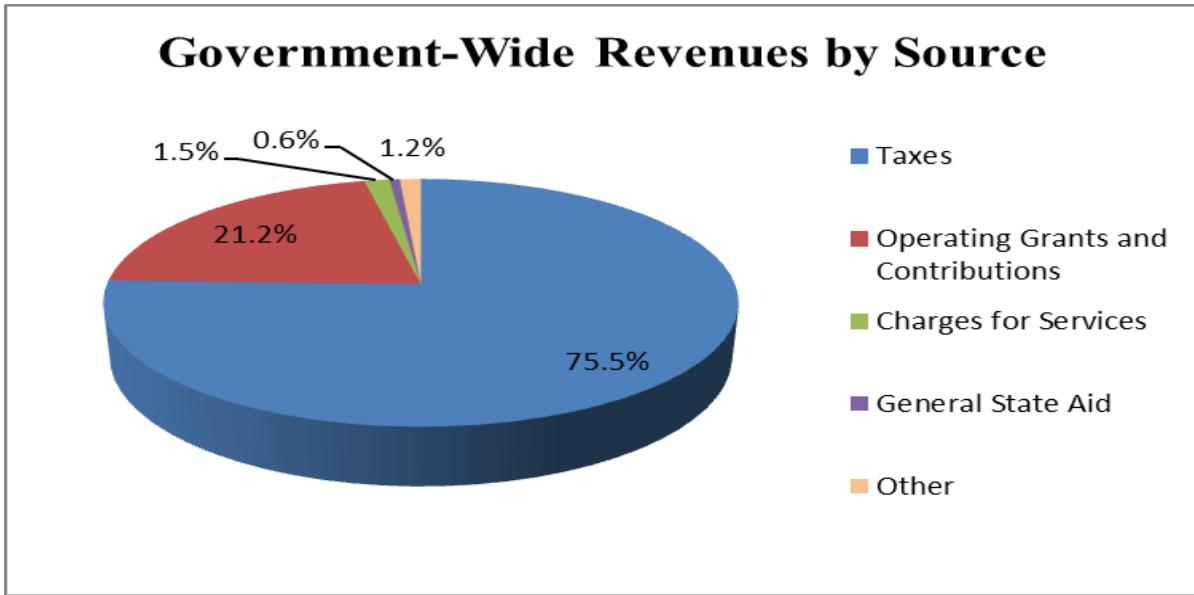
* The beginning net position was restated due to the implementation of GASB 68 and GASB 71.

** This amount is presented as originally reported. The amount was restated at July 1, 2014 due to implementation of GASB 68 and GASB 71.

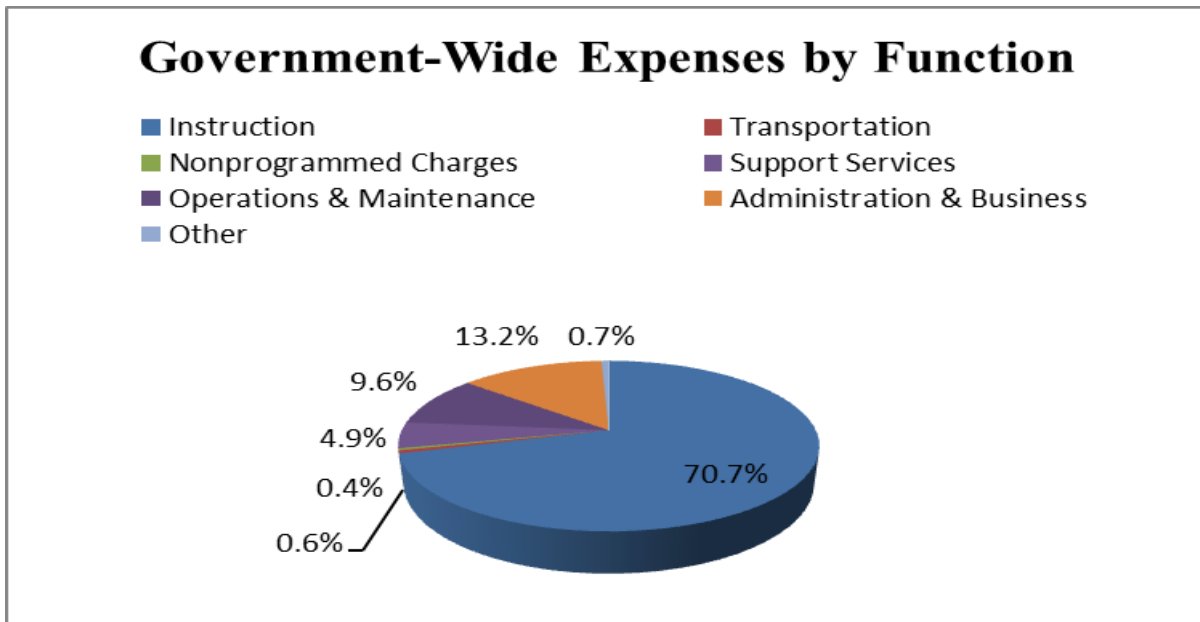
Sunset Ridge School District No. 29 Management's Discussion and Analysis For the Year Ended June 30, 2015

Government-Wide Financial Analysis (Continued)

Revenues by Source: Property taxes accounted for the largest portion of the District's revenue, contributing 75 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 \$16,183,861. 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, 2015

Financial Analysis of the District's Funds

The District's governmental funds' combined fund balance increased by \$680,406 from \$13,393,700 to \$14,074,106.

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 \$682,098. The actual results for the year show the revenues exceeded expenditures by \$1,150,813.

Capital Assets and Debt Administration

Capital Assets

By the end of FY2015, the District had compiled a total investment of \$5,418,538 (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 \$500,988.

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

Table 3		
Capital Assets (net of depreciation)		
	<u>2015</u>	<u>2014</u>
Land	\$ 76,885	\$ 76,885
Construction in Progress	66,642	
Improvements other than buildings	51,216	66,827
Buildings	4,767,696	5,137,648
Equipment	<u>456,099</u>	<u>531,847</u>
Total	<u>\$ 5,418,538</u>	<u>\$ 5,813,207</u>

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2015

Capital Assets and Debt Administration (Continued)

Long-term liabilities

The District retired \$360,000 in general obligation bonds, and recognized \$96,671 of accretion on capital appreciation bonds in FY15. The carrying amount of these capital appreciation bonds, on June 30, 2015, is \$1,490,832. The District also retired \$25,000 of its Northfield Community Center intergovernmental loan and \$36,906 of its capital lease in FY15.

Table 4		
Outstanding Long-Term Liabilities		
	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 1,490,832	\$ 1,754,161
Capital lease	8,117	45,023
Intergovernmental loan	50,000	75,000
IMRF net pension liability (asset)	305,773 *	(79,179)
TRS net pension liability	647,749 *	856,924
Other postemployment benefits	<u>18,639</u>	<u>12,945</u>
Total	<u>\$ 2,521,110</u>	<u>\$ 2,664,874</u>

* The amounts were restated due to the implementation of GASB 68 and GASB 71.

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, yet the Board of Education is closely monitoring uncertain financial challenges that may lie ahead for the District. Among these challenges is the pending outcome of a proposed property tax freeze bill. Although it is too early to determine the impact this bill will have on the District, the proposal calls for either a one or two year property tax freeze beginning as early as 2016. With property taxes being the largest revenue source the District has, the passage of a property tax freeze bill may require the Board of Education to identify various cost saving measures to maintain fiscal stability.

Sunset Ridge School District No. 29 Management's Discussion and Analysis For the Year Ended June 30, 2015

The Board of Education is also closely following proposed changes to the school funding formula and a possible pension cost shift to school districts. The current General State Aid (GSA) formula is archaic and needs to be updated and it is currently rumored that a GSA Commission will be appointed by the State Superintendent to develop an alternative distribution formula. The Pension Reform Law ("the Act") introduced last year was held unconstitutional and given the looming discussion in the State legislature of a possible pension cost shift the District is uncertain at this time what the potential financial impact will be if the cost shift were to be approved. 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.

For tax year 2014 payable in 2015, the District's equalized assessed value (EAV) for all real property within the District 29 boundaries increased approximately 2.2% from \$405.4 million to \$414.1 million. New property growth was \$1.7 million. This was the first increase the District has experienced in EAV since 2008. As the EAV goes up, the tax rate falls because of the inverse relationship. The 2014 tax year rate was 3.068 as compared to 3.077 in 2013. Property tax cap legislation (PTELL) limited the 2014 levy extension increase to 1.5% which was the 2013 CPI. The total 2014 levy extension was \$12,702,766. Although this is \$232,568 greater than the 2013 levy extension, the District continues to experience a slow-down in revenue growth in property taxes mostly attributable to a low CPI and continued stagnation of new property growth.

In the Fall of 2014, the Board of Education reopened its examination of the District's facility needs. After a comprehensive review of repair needs and facility shortcomings, the Board of Education initiated a "Request for Proposal" to identify potential architectural firms to assist with further examining the District's capital improvement needs and options. After the architectural firm as well as a construction manager were selected, the District began collecting feedback from staff, students, and community members through a series of formal and informal meetings regarding the values and priorities for the capital improvement. The feedback from these meetings was shared with the Board of Education to inform them regarding the community's priorities for the project and the outcome determined the need to build a new Sunset Ridge School. The budget for the project was set at \$25 million and will be funded with a combination of available fund balance and capital lease certificates. The District will not need a referendum to pay for the project. It is anticipated the new building will be completed by September 2017.

The Board of Education also committed \$2 million of available fund balance to capital improvements and safety enhancements at Middlefork School. In the coming months, the architect will begin assessing these needs and prepare recommendations for the Board of Education to review at an upcoming Finance/Facilities Committee meeting.

The Sunset Ridge Education Association (SREA) is currently in the second year of a five year 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.

Recently, the District was recently ranked 42nd in the nation and 2nd in Illinois on the Niche 2015 list. Furthermore, 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.

Sunset Ridge School District No. 29
Management's Discussion and Analysis
For the Year Ended June 30, 2015

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, 2015

ASSETS

Cash and investments	\$	13,950,949
Receivables (net of allowance for uncollectibles):		
Interest		21,290
Property taxes		6,175,502
Replacement taxes		20,516
Intergovernmental		89,534
Prepaid items		16,691
Capital assets:		
Land		76,885
Construction in progress		66,642
Depreciable buildings, property, and equipment, net		<u>5,275,011</u>
 Total assets		 <u>25,693,020</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions		<u>214,905</u>
 Total deferred outflows		 <u>214,905</u>

LIABILITIES

Accounts payable		99,728
Payroll deductions payable		79,856
Other current liabilities		19,400
Long-term liabilities:		
Due within one year		393,117
Due after one year		<u>2,127,993</u>
 Total liabilities		 <u>2,720,094</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions		185,536
Property taxes levied for a future period		<u>5,988,293</u>
 Total deferred inflows		 <u>6,173,829</u>

NET POSITION

Net investment in capital assets		3,919,589
Restricted For:		
Operations and maintenance		2,984,192
Debt service		392,693
Student transportation		177,336
Retirement benefits		174,832
Capital projects		196,002
Tort immunity		6,244
Unrestricted		<u>9,163,114</u>
 Total net position		 <u>\$ 17,014,002</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, 2015

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	\$ 5,507,880	\$ 13,000	\$ 41,829	\$ (5,453,051)
Special programs	2,325,167	-	330,654	(1,994,513)
Other instructional programs	499,478	-	9,356	(490,122)
State retirement contributions	3,103,484	-	3,103,484	-
Support services:				
Pupils	510,732	-	-	(510,732)
Instructional staff	38,494	-	14,490	(24,004)
General administration	834,969	-	-	(834,969)
School administration	520,948	-	-	(520,948)
Business	784,523	183,549	3,645	(597,329)
Transportation	91,127	-	-	(91,127)
Operations and maintenance	1,547,474	47,933	-	(1,499,541)
Central	250,029	-	-	(250,029)
Community services	9,904	-	-	(9,904)
Nonprogrammed charges - excluding special education	60,667	-	-	(60,667)
Interest and fees	98,985	-	-	(98,985)
Total governmental activities	<u>\$ 16,183,861</u>	<u>\$ 244,482</u>	<u>\$ 3,503,458</u>	<u>\$ (12,435,921)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				10,933,893
Real estate taxes, levied for special purposes				1,068,639
Real estate taxes, levied for debt service				365,229
Personal property replacement taxes				124,982
State aid-formula grants				100,659
Investment earnings				38,951
Miscellaneous				166,802
Total general revenues				<u>12,799,155</u>
Change in net position				363,234
Net position, beginning of year - as restated (see Note N)				<u>16,650,768</u>
Net position, end of year				<u>\$ 17,014,002</u>

The accompanying notes are an integral part of this statement.

Sunset Ridge School District No. 29

Governmental Funds

BALANCE SHEET

June 30, 2015

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 9,993,074	\$ 2,986,436	\$ 166,889	\$ 169,534
Receivables (net of allowance for uncollectibles):				
Interest	21,290	-	-	-
Property taxes	5,510,625	259,698	42,477	174,742
Replacement taxes	-	20,516	-	-
Intergovernmental	78,605	-	10,929	-
Prepaid items	16,691	-	-	-
Total assets	<u>\$ 15,620,285</u>	<u>\$ 3,266,650</u>	<u>\$ 220,295</u>	<u>\$ 344,276</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 15,542	\$ 30,396	\$ 1,770	\$ -
Payroll deductions payable	79,619	237	-	-
Other current liabilities	19,400	-	-	-
Total liabilities	<u>114,561</u>	<u>30,633</u>	<u>1,770</u>	<u>-</u>
DEFERRED INFLOWS				
Unavailable interest revenue	13,099	-	-	-
Property taxes levied for a future period	5,343,574	251,825	41,189	169,444
Total deferred inflows	<u>5,356,673</u>	<u>251,825</u>	<u>41,189</u>	<u>169,444</u>
FUND BALANCES				
Nonspendable	16,691	-	-	-
Restricted	6,244	2,984,192	177,336	174,832
Unassigned	10,126,116	-	-	-
Total fund balance	<u>10,149,051</u>	<u>2,984,192</u>	<u>177,336</u>	<u>174,832</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 15,620,285</u>	<u>\$ 3,266,650</u>	<u>\$ 220,295</u>	<u>\$ 344,276</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 387,121	\$ 102,020	\$ 145,875	\$ 13,950,949
-	-	-	21,290
183,732	-	4,228	6,175,502
-	-	-	20,516
-	-	-	89,534
-	-	-	16,691
<u>\$ 570,853</u>	<u>\$ 102,020</u>	<u>\$ 150,103</u>	<u>\$ 20,274,482</u>
\$ -	\$ 52,020	\$ -	\$ 99,728
-	-	-	79,856
-	-	-	19,400
-	<u>52,020</u>	-	<u>198,984</u>
-	-	-	13,099
<u>178,160</u>	-	<u>4,101</u>	<u>5,988,293</u>
<u>178,160</u>	-	<u>4,101</u>	<u>6,001,392</u>
-	-	-	16,691
392,693	50,000	146,002	3,931,299
-	-	-	10,126,116
<u>392,693</u>	<u>50,000</u>	<u>146,002</u>	<u>14,074,106</u>
<u>\$ 570,853</u>	<u>\$ 102,020</u>	<u>\$ 150,103</u>	<u>\$ 20,274,482</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, 2015

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

Total fund balances - governmental funds	\$ 14,074,106	
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.		5,418,538
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions	\$ 115,932	
Deferred outflows of 2015 employer contributions related to pensions	<u>98,973</u>	214,905
Deferred inflows of resources related to pensions		(185,536)
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.		13,099
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>(2,521,110)</u>
Net position - governmental activities		<u>\$ 17,014,002</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, 2015

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 11,056,695	\$ 510,750	\$ 82,843	\$ 343,746
Replacement taxes	-	124,982	-	-
State aid	3,470,825	-	44,854	-
Federal aid	130,906	-	-	-
Interest	32,255	11	2	7
Other	318,497	47,933	-	-
Total revenues	15,009,178	683,676	127,699	343,753
Expenditures				
Current:				
Instruction:				
Regular programs	5,279,641	-	-	83,635
Special programs	1,546,055	-	-	73,401
Other instructional programs	485,346	-	-	15,580
State retirement contributions	3,103,484	-	-	-
Support services:				
Pupils	438,591	-	-	14,462
Instructional staff	38,494	-	-	-
General administration	818,109	-	-	18,241
School administration	499,963	-	-	20,010
Business	566,831	-	-	26,008
Transportation	-	-	104,566	-
Operations and maintenance	2,625	1,037,667	-	34,745
Central	16,191	-	-	25
Community services	5,752	-	-	-
Nonprogrammed charges	770,823	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	247,665	48,874	-	-
Total expenditures	13,819,570	1,086,541	104,566	286,107
Excess (deficiency) of revenues over expenditures	1,189,608	(402,865)	23,133	57,646
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(38,795)	(161,630)	-	-
Total other financing sources (uses)	(38,795)	(161,630)	-	-
Net change in fund balance	1,150,813	(564,495)	23,133	57,646
Fund balance, beginning of year	8,998,238	3,548,687	154,203	117,186
Fund balance, end of year	\$ 10,149,051	\$ 2,984,192	\$ 177,336	\$ 174,832

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 365,229	\$ -	\$ 8,498	\$ 12,367,761
-	-	-	124,982
-	-	-	3,515,679
-	-	-	130,906
7	-	-	32,282
-	-	-	366,430
<u>365,236</u>	<u>-</u>	<u>8,498</u>	<u>16,538,040</u>
-	-	-	5,363,276
-	-	-	1,619,456
-	-	-	500,926
-	-	-	3,103,484
-	-	-	453,053
-	-	-	38,494
-	-	-	836,350
-	-	-	519,973
-	19,010	-	611,849
-	-	-	104,566
-	-	-	1,075,037
-	-	-	16,216
-	-	-	5,752
-	-	-	770,823
421,906	-	-	421,906
2,314	-	-	2,314
-	117,620	-	414,159
<u>424,220</u>	<u>136,630</u>	<u>-</u>	<u>15,857,634</u>
(58,984)	(136,630)	8,498	680,406
63,795	136,630	-	200,425
-	-	-	(200,425)
<u>63,795</u>	<u>136,630</u>	<u>-</u>	<u>-</u>
4,811	-	8,498	680,406
<u>387,882</u>	<u>50,000</u>	<u>137,504</u>	<u>13,393,700</u>
<u>\$ 392,693</u>	<u>\$ 50,000</u>	<u>\$ 146,002</u>	<u>\$ 14,074,106</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, 2015

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

Net change in fund balances - total governmental funds	\$ 680,406
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.	(394,669)
Certain revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.	6,669
Changes in deferred outflows and inflows or resources related to pensions are reported only in the statement of activities:	
Deferred outflow and inflows of resources related to IMRF pension	110,914
Deferred outflow and inflows of resources related to TRS pension	(183,850)
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>143,764</u>
Change in net position - governmental activities	<u><u>\$ 363,234</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, 2015

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 50,420</u>
LIABILITIES	
Due to student groups	<u>\$ 50,420</u>

The accompanying notes are an integral part of this statement.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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. 68, *Accounting and Financial Reporting for Pensions*, which was implemented by the District during the fiscal year ended June 30, 2015. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures on the government-wide financial statements. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute the present value to periods of employee service.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 71, *Pension Transition For Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, and was implemented by the District during the fiscal year ended June 30, 2015. This Statement established standards for measuring amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. New Accounting Pronouncement (Continued)

Specific changes to the District's financial statements relate to the recognition of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. See Note N for the effects of this restatement.

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, intergovernmental revenues, and local fees.

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.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

a. General Fund

The *General Fund* includes the Educational 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 three years. 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 and personal property replacement 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, 2015

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.

c. Debt Service Fund

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

d. Capital Projects Funds

The *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, 2015

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 and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned. At the end of the current fiscal year, the component of unavailable revenue reported in the governmental funds was as follows:

	<u>Unavailable</u>
Interest income receivable	\$ <u>13,099</u>
Total unavailable revenue	\$ <u><u>13,099</u></u>

The fiduciary fund statements are reported using the accrual basis of accounting.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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, 2015, the District has deferred outflows related to pensions. 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, 2015, the District's property taxes levied for a future period and unavailable interest revenue are reported as deferred inflows of resources, in addition to deferred inflows related to pensions.

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

The Illinois Compiled Statutes require the District to utilize the investment services of the Township School Treasurer (the Treasurer). 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 recognized 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, 2015

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 liabilities 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, 2015

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, 2015, 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 Chief School Business Official. At June 30, 2015, the District had no assigned fund balances.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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, 2015, are as follows:

The nonspendable fund balance in the General Fund consists of \$16,691 for prepaid items. The restricted fund balance in the General Fund is comprised of \$6,244, 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.

15. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

16. Restricted Net Position

For the government-wide financial statements, net position are reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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	\$ (1,490,832)
Capital lease	(8,117)
Intergovernmental loan	(50,000)
IMRF net pension liability	(305,773)
TRS net pension liability	(647,749)
Other postemployment benefits	<u>(18,639)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (2,521,110)</u></u>

Sunset Ridge School District No. 29
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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	\$ (9,162)
Depreciation expense, net of disposals	<u>(385,507)</u>
Net adjustment to decrease net change in fund balances total governmental funds to arrive at change in net position - governmental activities	<u>\$ (394,669)</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 bonds	\$ 360,000
Capital lease	36,906
Intergovernmental Loan	25,000
IMRF pension expense, net	(384,952)
TRS pension expense, net	209,175
Other postemployment benefits, net	(5,694)
Accretion on general obligation bonds	<u>(96,671)</u>
Net adjustment to increase net change in fund balances total governmental funds to arrive at change in net position - governmental activities.	<u>\$ 143,764</u>

Sunset Ridge School District No. 29
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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, 2015, the fair value of all investments held by the Treasurer's office was \$13,784,900.

At June 30, 2015, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>13,950,949</u>	\$ <u>50,420</u>	\$ <u>14,001,369</u>

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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, 2015, as follows:

	<u>Total</u>
Deposits with financial institutions	\$ 13,908,160
Illinois School District Liquid Asset Fund Plus	<u>93,209</u>
	<u>\$ 14,001,369</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, 2015, the carrying value of the District's student activity funds and imprest funds was \$50,420 and \$3,000, respectively, all of which was deposited with financial institutions.

4. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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, 2015

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, 2015, the bank balance of the District's deposits with financial institutions totaled \$13,910,110, 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 9, 2014. 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 2.7253 for 2014.

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 2014 tax levy was \$414,096,955.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 2014 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 property taxes levied for a future period (deferred inflow).

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

Plan Description

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

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

Benefits Provided

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

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

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

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

Benefits Provided (Continued)

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

Contributions

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

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

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2015, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$3,036,845 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$37,893, and are deferred because they were paid after the June 30, 2014 measurement date.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

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

Contributions (Continued)

Federal and Special Trust Fund Contributions

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

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$4,325 were paid from federal and special trust funds that required employer contributions of \$1,427. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

Early Retirement Cost Contributions

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

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

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

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

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

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

District's proportionate share of the net pension liability	\$ 647,749
State's proportionate share of the net pension liability associated with the District	<u>37,719,807</u>
Total	<u>\$ 38,367,556</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.0010643560 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.0013678141 percent.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

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

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

For the year ended June 30, 2015, the District recognized pension expense of \$3,087,972 and revenue of \$3,036,845 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 342	\$ -
Net difference between projected and actual earnings on pension plan investments	-	32,554
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>-</u>	<u>152,982</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>342</u>	<u>185,536</u>
District contributions subsequent to the measurement date	<u>39,320</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 39,662</u>	<u>\$ 185,536</u>

The District reported \$39,320 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

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

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

<u>Year ended June 30</u>	<u>Net deferred inflows of resources</u>
2016	\$ 45,187
2017	45,187
2018	45,187
2019	45,187
2020	4,446
Thereafter	<u>-</u>
Total	<u>\$ 185,194</u>

Actuarial Assumptions

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

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

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

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

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Sunset Ridge School District No. 29
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

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

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

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

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 799,938	\$ 647,749	\$ 521,719

TRS Fiduciary Net Position

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

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (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 managed with the Illinois Municipal Retirement Fund (IMRF), the administer of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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

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

Sunset Ridge School District No. 29
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	39
Inactive plan members entitled to but not yet receiving benefits	202
Active plan members	32
Total	273

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2014 was 9.18%. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	3.50%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, the IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projections scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Long-term Expected Rate of Return	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Sunset Ridge School District No. 29
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.60 %
Equity	17	7.80
Fixed Income	27	3.00
Real Estate	8	6.15
Investments	9	5.25-8.50
Cash Equivalents	1	2.25
Total	100 %	

Single Discount Rate

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

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

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

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

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

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2014:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	\$ 4,291,659	\$ 4,370,838	\$ (79,179)
Changes for the year:			
Service cost	144,367	-	144,367
Interest on the total pension liability	320,706	-	320,706
Difference between expected and actual experience of the total pension liability	160,103	-	160,103
Changes of assumptions	214,972	-	214,972
Contributions - Employer	-	107,748	(107,748)
Contributions - Employees	-	56,644	(56,644)
Net Investment Income	-	266,282	(266,282)
Benefit payments, including refunds of employee contributions	(175,512)	(175,512)	-
Other (net transfer)	-	24,522	(24,522)
Net changes	<u>664,636</u>	<u>279,684</u>	<u>384,952</u>
Balances at December 31, 2014	<u>\$ 4,956,295</u>	<u>\$ 4,650,522</u>	<u>\$ 305,773</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.50%)	Current Discount Rate	1% Higher (8.50%)
Net pension liability (asset)	\$ <u>914,077</u>	\$ <u>305,773</u>	\$ <u>(193,471)</u>

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2015, the District recognized pension expense of \$377,110. At June 30, 2015, the District reported deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>	
Differences between expected and actual experience	\$ 28,157
Change of assumptions	37,807
Net difference between projected and actual earnings on pension plan investments	<u>49,626</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>115,590</u>
Pension contributions made subsequent to the measurement date	<u>59,653</u>
Total deferred amounts related to pensions	<u>\$ 175,243</u>

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

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2016	\$ 78,371
2017	12,407
2018	12,407
2019	12,405
Thereafter	<u>-</u>
Total	<u>\$ 115,590</u>

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - PENSION LIABILITIES (Continued)

3. Social Security/Medicare

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

NOTE F - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of 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.

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 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$66,639, and the District recognized revenue and expenditures of this amount during the year.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE F - OTHER POSTEMPLOYMENT BENEFITS

1. **Teachers' Health Insurance Security (THIS)** (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$49,653 to the THIS Fund, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

2. **Retiree Health Plan**

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 2015, 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 2015, the District contributed \$4,632 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, 2015

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

	June 30, 2015
Annual required contribution	\$ 9,808
Interest on net OPEB obligation	518
Annual OPEB cost	10,326
Contributions made	(4,632)
Increase in net OPEB obligation	5,694
Net OPEB obligation beginning of year	12,945
Net OPEB obligation end of year	\$ 18,639

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the three preceding fiscal years were as follows:

Actuarial Valuation Date	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/15	\$ 10,326	47.0%	\$ 18,639
6/30/14	10,111	47.0%	12,945
6/30/13	6,618	79.0%	7,583

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

Funding Status and Funding Progress

As of June 30, 2014 (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, 2015

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (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, 2015

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Capital assets, not being depreciated				
Land	\$ 76,885	\$ -	\$ -	\$ 76,885
Construction in progress	-	66,642	-	66,642
Total capital assets not being depreciated	<u>76,885</u>	<u>66,642</u>	<u>-</u>	<u>143,527</u>
Capital assets, being depreciated				
Buildings	12,049,568	-	-	12,049,568
Improvements other than buildings	505,727	-	72,884	432,843
Equipment	2,383,727	39,677	42,597	2,380,807
Total capital assets being depreciated	<u>14,939,022</u>	<u>39,677</u>	<u>115,481</u>	<u>14,863,218</u>
Less accumulated depreciation for:				
Buildings	6,911,920	369,952	-	7,281,872
Improvements other than buildings	438,900	15,611	72,884	381,627
Equipment	1,851,880	115,425	42,597	1,924,708
Total accumulated depreciation	<u>9,202,700</u>	<u>500,988</u>	<u>115,481</u>	<u>9,588,207</u>
Total capital assets being depreciated, net	<u>5,736,322</u>	<u>(461,311)</u>	<u>-</u>	<u>5,275,011</u>
Governmental activities capital assets, net	<u>\$ 5,813,207</u>	<u>\$ (394,669)</u>	<u>\$ -</u>	<u>\$ 5,418,538</u>

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

Governmental activities	
Regular programs	\$ 86,844
Special programs	18,611
Instructional staff	36,233
General administration	4,962
School administration	4,962
Business	2,480
Operations and maintenance	<u>346,896</u>
	<u>\$ 500,988</u>

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES

The following is the long-term liability activity, for the District, for the year ended June 30, 2015.

	Balance July 1, 2014 (as restated)	Additions/ Accretion	Deletions	Balance June 30, 2015
General obligation bonds	\$ 1,754,161	\$ 96,671	\$ 360,000	\$ 1,490,832
Intergovernmental loan	75,000	-	25,000	50,000
Capital lease	45,023	-	36,906	8,117
IMRF net pension liability (asset)*	(79,179)	840,148	455,196	305,773
TRS net pension liability*	856,924	14,337	223,512	647,749
Other postemployment benefits	12,945	10,326	4,632	18,639
Total long-term liabilities	\$ 2,664,874	\$ 961,482	\$ 1,105,246	\$ 2,521,110

*See Note N.

Due within one year:

General obligation bonds	\$ 360,000
Intergovernmental loan	25,000
Capital lease	8,117
	<u>\$ 393,117</u>

1. General Obligation Bonds Payable

The summary of activity in bonds payable, for the year ended June 30, 2015, is as follows:

	Bonds Payable July 1, 2014	Accretion	Debt Retired	Bonds Payable June 30, 2015
Capital Appreciation Bonds, dated February 8, 2000, due December 2019, interest at 5.35% to 6.125%	\$ 1,754,161	\$ 96,671	\$ 360,000	\$ 1,490,832

The summary of the bonds payable at June 30, 2015 is as follows:

	Face Amount	Carrying Amount
Capital appreciation bonds - dated February 8, 2000	\$ 1,785,000	\$ 1,490,832

Sunset Ridge School District No. 29
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable (Continued)

At June 30, 2015, the District's future cash flow requirements for retirement of bond principal were as follows:

Year Ending June 30	Principal
2016	\$ 360,000
2017	360,000
2018	-
2019	-
2020	<u>1,065,000</u> *
Total	<u>\$ 1,785,000</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 \$392,693 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, 2015, the statutory debt limit for the District was \$28,572,690, of which \$26,729,573 is fully available.

Sunset Ridge School District No. 29
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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, 2015 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, 2015, there was \$50,000 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 (Educational) Fund.

Year Ending June 30	Principal	Interest	Total
2016	\$ 8,117	\$ 180	\$ 8,297

NOTE I - OPERATING LEASES

The District leases office equipment under noncancelable operating leases. Total costs for such leases were \$6,262 for the year ended June 30, 2015. At June 30, 2015, future minimum lease payments for these leases are as follows:

Year Ending June 30	Total
2016	\$ 6,262
2017	3,131
	\$ 9,393

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 (NSSSED), 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 \$38,795 from the General Fund to the Debt Service Fund. This transfer represents funds transferred to pay principal and interest on capital leases.

The District also transferred \$136,630 from the Operations and Maintenance to the Capital Projects Fund. This transfer represents funds transferred to pay capital project expenses.

Sunset Ridge School District No. 29
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE M - CONTINGENCIES

1. Litigation

The District is not involved in any significant litigation that would materially affect the balances reported at June 30, 2015. 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 insignificant.

NOTE N - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 68 (Note A-2) required the District to record the net pension liability for TRS and IMRF. As a result of this implementation, net position as of July 1, 2014 decreased by \$675,440, net pension liability (included in long-term liabilities) increased by \$777,745 and deferred outflows increased by \$102,305.

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2015, 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, except for the item disclosed below.

In October 2015, the District approved a resolution authorizing and providing for a lease agreement for the purpose of building and equipping a new elementary school building and for the issuance of Lease Certificates not to exceed \$25,000,000.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Sunset Ridge School District No. 29
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 Illinois Municipal Retirement Fund
June 30, 2015

Calendar year ended December 31	2014
Total pension liability	
Service cost	\$ 144,367
Interest on the total pension liability	320,706
Difference between expected and actual experience of the total pension liability	160,103
Assumption changes	214,972
Benefit payments and refunds	(175,512)
Net change in total pension liability	664,636
Total pension liability, beginning	4,291,659
Total pension liability, ending	\$ 4,956,295
Plan fiduciary net position	
Contributions, employer	\$ 107,748
Contributions, employee	56,644
Net investment income	266,282
Benefit payments, including refunds of employee contributions	(175,512)
Other (net transfer)	24,522
Net change in plan fiduciary net position	279,684
Plan fiduciary net position, beginning	4,370,838
Plan fiduciary net position, ending	\$ 4,650,522
Net pension liability (asset)	\$ 305,773
Plan fiduciary net position as a percentage of the total pension liability	93.83 %
Covered Valuation Payroll	\$ 1,258,738
Net pension liability as a percentage of covered valuation payroll	24.29 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, and therefore, 10 years of information is not available.

Sunset Ridge School District No. 29
SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2015

<u>Calendar Year</u> Ending <u>December 31,</u>	<u>Actuarially</u> Determined <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> Deficiency <u>(Excess)</u>	<u>Covered</u> Valuation <u>Payroll</u>	<u>Actual Contribution</u> as a % of <u>Covered Valuation Payroll</u>
2014	\$ 107,748	* \$ 107,748	-	\$ 1,258,738	8.56 %

* Estimated based on contribution rate of 8.56% and covered valuation payroll of \$1,258,738.

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, and therefore, 10 years of information is not available.

Sunset Ridge School District No. 29
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2015

District's proportion of the net pension liability	0.0010643560 %
District's proportionate share of the net pension liability	\$ 647,749
State's proportionate share of the net pension liability (asset) associated with the District	<u>37,719,807</u>
Total	<u>\$ 38,367,556</u>
District's covered-employee payroll	\$ 6,113,904
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.105946871 %
Plan fiduciary net position as a percentage of the total pension liability	43 %

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, and therefore, 10 years of information is not available.

Sunset Ridge School District No. 29
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
June 30, 2015

Contractually required contribution	\$ 37,975
Contributions in relation to the contractually required contribution	<u>(37,975)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 6,113,904
Contributions as a percentage of covered-employee payroll	0.01 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, and therefore, 10 years of information is not available.

Sunset Ridge School District No. 29
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
June 30, 2015

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)
6/30/2015*	\$ -	\$ 69,927	0.00 %	\$ 69,927	NA	NA %
6/30/2014*	-	69,927	0.00	69,927	NA	NA
6/30/2013	-	69,927	0.00	69,927	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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 11,159,979	\$ 11,056,695	\$ (103,284)	\$ 11,192,690
Summer school tuition from pupils or parents	30,000	-	(30,000)	-
Interest on investments	25,003	32,255	7,252	32,883
Sales to pupils - lunch	169,000	183,549	14,549	-
Sales to adults	10,000	-	(10,000)	-
Fees	7,500	13,000	5,500	11,710
Contributions and donations from private sources	107,388	121,948	14,560	117,320
Refund of prior years' expenditures	-	-	-	2,241
Other	-	-	-	855
Total local sources	<u>11,508,870</u>	<u>11,407,447</u>	<u>(101,423)</u>	<u>11,357,699</u>
State sources				
General State Aid	102,327	100,659	(1,668)	102,327
Special Education - Extraordinary	58,320	55,568	(2,752)	58,320
Special Education - Personnel	150,000	200,995	50,995	202,013
Special Education - Summer School	-	-	-	505
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	8,502	9,356	854	254
State Free Lunch and Breakfast	65	13	(52)	61
Other state sources	-	750	750	-
Total state sources	<u>319,214</u>	<u>367,341</u>	<u>48,127</u>	<u>363,480</u>
Federal sources				
Special Milk Program	3,500	3,632	132	3,496
Title I - Low Income	39,161	39,443	282	44,497
Federal - Special Education - Pre-School Flow Through	670	549	(121)	1,560
Federal - Special Education - I.D.E.A. - Flow Through	73,520	73,542	22	113,527
Title II - Teacher Quality	13,231	13,740	509	10,971
Total federal sources	<u>130,082</u>	<u>130,906</u>	<u>824</u>	<u>174,051</u>
Total revenues	<u>11,958,166</u>	<u>11,905,694</u>	<u>(52,472)</u>	<u>11,895,230</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 4,440,126	\$ 4,342,064	\$ 98,062	\$ 4,176,931
Employee benefits	682,732	601,482	81,250	622,821
Purchased services	155,050	134,828	20,222	163,933
Supplies and materials	273,514	200,499	73,015	183,608
Capital outlay	5,000	5,054	(54)	395,620
Non-capitalized equipment	288,100	-	-	-
Total	<u>5,844,522</u>	<u>5,283,927</u>	<u>272,495</u>	<u>5,542,913</u>
Special education programs				
Salaries	1,300,075	1,287,358	12,717	1,238,797
Employee benefits	265,279	234,540	30,739	227,210
Purchased services	17,500	19,503	(2,003)	12,139
Supplies and materials	11,500	5,422	6,078	5,971
Total	<u>1,594,354</u>	<u>1,546,823</u>	<u>47,531</u>	<u>1,484,117</u>
Summer school programs				
Salaries	14,000	-	14,000	-
Employee benefits	330	-	330	-
Supplies and materials	2,400	-	2,400	-
Total	<u>16,730</u>	<u>-</u>	<u>16,730</u>	<u>-</u>
Gifted programs				
Salaries	298,236	312,048	(13,812)	155,124
Employee benefits	34,510	38,972	(4,462)	-
Purchased services	250	84	166	-
Supplies and materials	2,205	-	2,205	-
Total	<u>335,201</u>	<u>351,104</u>	<u>(15,903)</u>	<u>155,124</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Bilingual programs				
Salaries	\$ 111,286	\$ 103,084	\$ 8,202	\$ 97,966
Employee benefits	31,179	30,560	619	30,211
Supplies and materials	<u>1,300</u>	<u>598</u>	<u>702</u>	<u>392</u>
Total	<u>143,765</u>	<u>134,242</u>	<u>9,523</u>	<u>128,569</u>
Total instruction	<u>7,934,572</u>	<u>7,316,096</u>	<u>330,376</u>	<u>7,310,723</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	13,700	-	13,700	118,856
Employee benefits	4,701	-	4,701	16,622
Supplies and materials	<u>250</u>	<u>-</u>	<u>250</u>	<u>178</u>
Total	<u>18,651</u>	<u>-</u>	<u>18,651</u>	<u>135,656</u>
Guidance services				
Salaries	58,846	58,846	-	53,618
Employee benefits	<u>5,139</u>	<u>1,611</u>	<u>3,528</u>	<u>1,952</u>
Total	<u>63,985</u>	<u>60,457</u>	<u>3,528</u>	<u>55,570</u>
Health services				
Salaries	105,927	105,927	-	100,055
Employee benefits	19,123	19,009	114	20,561
Purchased services	3,000	1,950	1,050	1,300
Supplies and materials	<u>6,340</u>	<u>7,049</u>	<u>(709)</u>	<u>3,892</u>
Total	<u>134,390</u>	<u>133,935</u>	<u>455</u>	<u>125,808</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Psychological services				
Salaries	\$ 78,488	\$ 79,927	\$ (1,439)	\$ 15,000
Employee benefits	<u>20,136</u>	<u>19,771</u>	<u>365</u>	<u>-</u>
Total	<u>98,624</u>	<u>99,698</u>	<u>(1,074)</u>	<u>15,000</u>
Speech pathology and audiology services				
Salaries	124,105	117,269	6,836	162,383
Employee benefits	24,810	19,394	5,416	19,309
Supplies and materials	<u>2,000</u>	<u>1,185</u>	<u>815</u>	<u>1,936</u>
Total	<u>150,915</u>	<u>137,848</u>	<u>13,067</u>	<u>183,628</u>
Other support services - pupils				
Salaries	<u>6,800</u>	<u>6,653</u>	<u>147</u>	<u>6,459</u>
Total	<u>6,800</u>	<u>6,653</u>	<u>147</u>	<u>6,459</u>
Total pupils	<u>473,365</u>	<u>438,591</u>	<u>34,774</u>	<u>522,121</u>
Instructional staff				
Improvement of instruction services				
Purchased services	53,032	30,713	22,319	26,914
Supplies and materials	<u>4,000</u>	<u>4,185</u>	<u>(185)</u>	<u>4,766</u>
Total	<u>57,032</u>	<u>34,898</u>	<u>22,134</u>	<u>31,680</u>
Assessment and testing				
Supplies and materials	<u>9,000</u>	<u>3,596</u>	<u>5,404</u>	<u>9,491</u>
Total	<u>9,000</u>	<u>3,596</u>	<u>5,404</u>	<u>9,491</u>
Total instructional staff	<u>66,032</u>	<u>38,494</u>	<u>27,538</u>	<u>41,171</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
General administration				
Board of education services				
Purchased services	\$ 101,830	\$ 140,133	\$ (38,303)	\$ 133,202
Other objects	<u>139,000</u>	<u>101,451</u>	<u>37,549</u>	<u>96,769</u>
Total	<u>240,830</u>	<u>241,584</u>	<u>(754)</u>	<u>229,971</u>
Executive administration services				
Salaries	290,399	291,147	(748)	295,439
Employee benefits	49,611	47,583	2,028	34,700
Purchased services	10,000	4,041	5,959	2,166
Supplies and materials	5,100	3,365	1,735	676
Other objects	<u>22,500</u>	<u>9,461</u>	<u>13,039</u>	<u>9,403</u>
Total	<u>377,610</u>	<u>355,597</u>	<u>22,013</u>	<u>342,384</u>
Special area administrative services				
Salaries	113,394	113,394	-	110,000
Employee benefits	<u>11,978</u>	<u>11,881</u>	<u>97</u>	<u>11,555</u>
Total	<u>125,372</u>	<u>125,275</u>	<u>97</u>	<u>121,555</u>
Tort immunity services				
Purchased services	<u>106,600</u>	<u>93,267</u>	<u>13,333</u>	<u>95,749</u>
Total	<u>106,600</u>	<u>93,267</u>	<u>13,333</u>	<u>95,749</u>
Total general administration	<u>850,412</u>	<u>815,723</u>	<u>34,689</u>	<u>789,659</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
School administration				
Office of the principal services				
Salaries	\$ 412,768	\$ 413,941	\$ (1,173)	\$ 434,248
Employee benefits	87,703	86,750	953	48,769
Purchased services	8,000	1,436	6,564	4,159
Supplies and materials	1,225	132	1,093	656
Other objects	<u>1,500</u>	<u>90</u>	<u>1,410</u>	<u>432</u>
Total	<u>511,196</u>	<u>502,349</u>	<u>8,847</u>	<u>488,264</u>
Total school administration	<u>511,196</u>	<u>502,349</u>	<u>8,847</u>	<u>488,264</u>
Business				
Direction of business support services				
Salaries	154,800	155,361	(561)	169,367
Employee benefits	37,819	37,401	418	20,536
Termination benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,836</u>
Total	<u>192,619</u>	<u>192,762</u>	<u>(143)</u>	<u>197,739</u>
Fiscal services				
Salaries	144,184	144,183	1	140,533
Employee benefits	10,264	10,123	141	10,252
Purchased services	30,220	28,694	1,526	27,376
Supplies and materials	<u>35,000</u>	<u>19,909</u>	<u>15,091</u>	<u>30,154</u>
Total	<u>219,668</u>	<u>202,909</u>	<u>16,759</u>	<u>208,315</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Operation and maintenance of plant services				
Purchased services	\$ 3,350	\$ 2,625	\$ 725	\$ 3,000
Total	<u>3,350</u>	<u>2,625</u>	<u>725</u>	<u>3,000</u>
Food services				
Purchased services	178,000	170,301	7,699	1,432
Supplies and materials	1,832	175	1,657	1,495
Capital outlay	15,000	8,798	6,202	3,185
Other objects	<u>6,122</u>	<u>684</u>	<u>5,438</u>	<u>5,817</u>
Total	<u>200,954</u>	<u>179,958</u>	<u>20,996</u>	<u>11,929</u>
Total business	<u>616,591</u>	<u>578,254</u>	<u>38,337</u>	<u>420,983</u>
Central				
Information services				
Purchased services	<u>10,000</u>	<u>5,858</u>	<u>4,142</u>	<u>6,054</u>
Total	<u>10,000</u>	<u>5,858</u>	<u>4,142</u>	<u>6,054</u>
Data processing services				
Supplies and materials	15,800	10,333	5,467	141
Capital outlay	<u>-</u>	<u>233,813</u>	<u>(233,813)</u>	<u>-</u>
Total	<u>15,800</u>	<u>244,146</u>	<u>(228,346)</u>	<u>141</u>
Total central	<u>25,800</u>	<u>250,004</u>	<u>(224,204)</u>	<u>6,195</u>
Total support services	<u>2,543,396</u>	<u>2,623,415</u>	<u>(80,019)</u>	<u>2,268,393</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Community services				
Salaries	\$ 7,500	\$ 4,325	\$ 3,175	\$ 7,100
Employee benefits	<u>2,600</u>	<u>1,427</u>	<u>1,173</u>	<u>2,514</u>
Total Community Services	<u>10,100</u>	<u>5,752</u>	<u>4,348</u>	<u>9,614</u>
Payments to other districts and government units				
Payments for special education programs				
Purchased services	84,000	60,667	23,333	83,602
Other objects	<u>675,000</u>	<u>710,156</u>	<u>(35,156)</u>	<u>691,368</u>
Total	<u>759,000</u>	<u>770,823</u>	<u>(11,823)</u>	<u>774,970</u>
Total payments to other districts and other government units	<u>759,000</u>	<u>770,823</u>	<u>(11,823)</u>	<u>774,970</u>
Total expenditures	<u>11,247,068</u>	<u>10,716,086</u>	<u>530,982</u>	<u>10,363,700</u>
Excess of revenues over expenditures	<u>711,098</u>	<u>1,189,608</u>	<u>478,510</u>	<u>1,531,530</u>
Other financing uses				
Transfer to Debt Svc Fund for principal on capital leases	(29,000)	(36,906)	(7,906)	(35,270)
Transfer to Debt Svc Fund for interest on capital leases	<u>-</u>	<u>(1,889)</u>	<u>(1,889)</u>	<u>(1,074)</u>
Total other financing uses	<u>(29,000)</u>	<u>(38,795)</u>	<u>(9,795)</u>	<u>(36,344)</u>
Net change to fund balance	<u>\$ 682,098</u>	1,150,813	<u>\$ 468,715</u>	1,495,186
Fund balance, beginning of year		<u>8,998,238</u>		<u>7,503,052</u>
Fund balance, end of year		<u>\$ 10,149,051</u>		<u>\$ 8,998,238</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 494,422	\$ 510,750	\$ 16,328	\$ 258,112
Corporate personal property replacement taxes	122,954	124,982	2,028	116,260
Interest on investments	100	11	(89)	5
Rentals	<u>44,440</u>	<u>47,933</u>	<u>3,493</u>	<u>45,608</u>
Total local sources	<u>661,916</u>	<u>683,676</u>	<u>21,760</u>	<u>419,985</u>
Total revenues	<u>661,916</u>	<u>683,676</u>	<u>21,760</u>	<u>419,985</u>
Expenditures				
Operation and maintenance of plant services				
Salaries	226,765	215,189	11,576	217,240
Employee benefits	36,812	36,123	689	36,301
Purchased services	844,636	738,869	105,767	908,263
Supplies and materials	31,040	34,047	(3,007)	26,734
Capital outlay	88,625	48,874	39,751	35,489
Non-capitalized equipment	<u>18,500</u>	<u>13,439</u>	<u>5,061</u>	<u>-</u>
Total business	<u>1,246,378</u>	<u>1,086,541</u>	<u>159,837</u>	<u>1,224,027</u>
Total support services	<u>1,246,378</u>	<u>1,086,541</u>	<u>159,837</u>	<u>1,224,027</u>
Total expenditures	<u>1,246,378</u>	<u>1,086,541</u>	<u>159,837</u>	<u>1,224,027</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Deficiency of revenues over expenditures	\$ (584,462)	\$ (402,865)	\$ 181,597	\$ (804,042)
Other financing uses				
Other uses not classified elsewhere	(25,000)	(25,000)	-	(25,000)
Transfer to Capital Projects Fund	<u>(50,000)</u>	<u>(136,630)</u>	<u>(86,630)</u>	<u>-</u>
Total other financing uses	<u>(75,000)</u>	<u>(161,630)</u>	<u>(86,630)</u>	<u>(25,000)</u>
Net change in fund balance	<u>\$ (659,462)</u>	(564,495)	<u>\$ 94,967</u>	(829,042)
Fund balance, beginning of year		<u>3,548,687</u>		<u>4,377,729</u>
Fund balance, end of year		<u>\$ 2,984,192</u>		<u>\$ 3,548,687</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 78,885	\$ 82,843	\$ 3,958	\$ 55,781
Interest on investments	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>
Total local sources	<u>78,886</u>	<u>82,845</u>	<u>3,959</u>	<u>55,782</u>
State sources				
Transportation - Special Education	<u>19,000</u>	<u>44,854</u>	<u>25,854</u>	<u>18,933</u>
Total state sources	<u>19,000</u>	<u>44,854</u>	<u>25,854</u>	<u>18,933</u>
Total revenues	<u>97,886</u>	<u>127,699</u>	<u>29,813</u>	<u>74,715</u>
Expenditures				
Business				
Pupil transportation services				
Purchased services	<u>102,644</u>	<u>104,566</u>	<u>(1,922)</u>	<u>98,585</u>
Total support services	<u>102,644</u>	<u>104,566</u>	<u>(1,922)</u>	<u>98,585</u>
Total expenditures	<u>102,644</u>	<u>104,566</u>	<u>(1,922)</u>	<u>98,585</u>
Net change in fund balance	<u>\$ (4,758)</u>	23,133	<u>\$ 27,891</u>	(23,870)
Fund balance, beginning of year		<u>154,203</u>		<u>178,073</u>
Fund balance, end of year		<u>\$ 177,336</u>		<u>\$ 154,203</u>

Sunset Ridge School District No. 29
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 168,018	\$ 171,883	\$ 3,865	\$ 210,941
Social security/Medicare only levy	168,018	171,863	3,845	210,879
Interest on investments	<u>10</u>	<u>7</u>	<u>(3)</u>	<u>10</u>
Total local sources	<u>336,046</u>	<u>343,753</u>	<u>7,707</u>	<u>421,830</u>
Total revenues	<u>336,046</u>	<u>343,753</u>	<u>7,707</u>	<u>421,830</u>
Expenditures				
Instruction				
Regular programs	99,433	83,635	15,798	92,495
Special education programs	76,809	73,401	3,408	75,413
Gifted programs	4,052	8,355	(4,303)	3,793
Bilingual programs	<u>7,826</u>	<u>7,225</u>	<u>601</u>	<u>6,963</u>
Total instruction	<u>188,120</u>	<u>172,616</u>	<u>15,504</u>	<u>178,664</u>

(Continued)

Sunset Ridge School District No. 29
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services	\$ 3,580	\$ -	\$ 3,580	\$ 3,672
Guidance services	832	853	(21)	777
Health services	9,026	9,003	23	8,701
Psychological services	1,200	1,783	(583)	1,148
Speech pathology and audiology services	2,563	1,750	813	2,384
Other support services -pupils	<u>1,132</u>	<u>1,073</u>	<u>59</u>	<u>1,050</u>
Total pupils	<u>18,333</u>	<u>14,462</u>	<u>3,871</u>	<u>17,732</u>
General administration				
Executive administration services	16,720	16,628	92	29,680
Special area administrative services	<u>1,601</u>	<u>1,613</u>	<u>(12)</u>	<u>1,547</u>
Total general administration	<u>18,321</u>	<u>18,241</u>	<u>80</u>	<u>31,227</u>
School administration				
Office of the principal services	<u>22,000</u>	<u>20,010</u>	<u>1,990</u>	<u>19,602</u>
Total school administration	<u>22,000</u>	<u>20,010</u>	<u>1,990</u>	<u>19,602</u>

(Continued)

Sunset Ridge School District No. 29
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Business				
Direction of business support services	\$ 2,330	\$ 2,320	\$ 10	\$ 2,634
Fiscal services	23,966	23,688	278	23,375
Operation and maintenance of plant services	<u>36,251</u>	<u>34,745</u>	<u>1,506</u>	<u>35,195</u>
Total business	<u>62,547</u>	<u>60,753</u>	<u>1,794</u>	<u>61,204</u>
Central				
Information services	<u>-</u>	<u>25</u>	<u>(25)</u>	<u>-</u>
Total central	<u>-</u>	<u>25</u>	<u>(25)</u>	<u>-</u>
Total support services	<u>121,201</u>	<u>113,491</u>	<u>7,710</u>	<u>129,765</u>
Total expenditures	<u>309,321</u>	<u>286,107</u>	<u>23,214</u>	<u>308,429</u>
Net change in fund balance	<u>\$ 26,725</u>	57,646	<u>\$ 30,921</u>	113,401
Fund balance, beginning of year		<u>117,186</u>		<u>3,785</u>
Fund balance, end of year		<u>\$ 174,832</u>		<u>\$ 117,186</u>

(Concluded)

Sunset Ridge School District No. 29

Notes to the Required Supplementary Information
June 30, 2015

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 9, 2014.
- 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>
Capital Projects	\$ 86,630
Transportation	1,922
Debt Service	7,720

Sunset Ridge School District No. 29

Notes to the Required Supplementary Information
June 30, 2015

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	\$ 11,905,694	\$ 10,716,086
To adjust for on-behalf payments received	3,103,484	-
To adjust for on-behalf payments made	<u>-</u>	<u>3,103,484</u>
	<u>\$ 15,009,178</u>	<u>\$ 13,819,570</u>

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

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

Sunset Ridge School District No. 29

Notes to the Required Supplementary Information

June 30, 2015

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2014 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2014 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular members): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 calculation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2012 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

Sunset Ridge School District No. 29

General Fund
COMBINING BALANCE SHEET
June 30, 2015

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 8,763,280	\$ 4,743	\$ 1,225,051	\$ 9,993,074
Receivables (net of allowance for uncollectibles):				
Interest	21,290	-	-	21,290
Property taxes	5,456,874	49,523	4,228	5,510,625
Intergovernmental	78,605	-	-	78,605
Prepaid items	16,691	-	-	16,691
	<u>\$ 14,336,740</u>	<u>\$ 54,266</u>	<u>\$ 1,229,279</u>	<u>\$ 15,620,285</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 15,542	\$ -	\$ -	\$ 15,542
Payroll deductions payable	79,619	-	-	79,619
Other current liabilities	19,400	-	-	19,400
	<u>114,561</u>	<u>-</u>	<u>-</u>	<u>114,561</u>
DEFERRED INFLOWS				
Unavailable interest revenue	13,099	-	-	13,099
Property taxes levied for a future period	5,291,453	48,022	4,099	5,343,574
	<u>5,304,552</u>	<u>48,022</u>	<u>4,099</u>	<u>5,356,673</u>
FUND BALANCES				
Nonspendable	16,691	-	-	16,691
Restricted	-	6,244	-	6,244
Unassigned	8,900,936	-	1,225,180	10,126,116
	<u>8,917,627</u>	<u>6,244</u>	<u>1,225,180</u>	<u>10,149,051</u>
Total fund balance	<u>8,917,627</u>	<u>6,244</u>	<u>1,225,180</u>	<u>10,149,051</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 14,336,740</u>	<u>\$ 54,266</u>	<u>\$ 1,229,279</u>	<u>\$ 15,620,285</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, 2015

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 10,949,028	\$ 98,962	\$ 8,705	\$ 11,056,695
State aid	3,470,825	-	-	3,470,825
Federal aid	130,906	-	-	130,906
Interest	32,253	2	-	32,255
Other	318,497	-	-	318,497
	<u>14,901,509</u>	<u>98,964</u>	<u>8,705</u>	<u>15,009,178</u>
Total revenues				
Expenditures				
Current:				
Instruction:				
Regular programs	5,279,641	-	-	5,279,641
Special programs	1,546,055	-	-	1,546,055
Other instructional programs	485,346	-	-	485,346
State retirement contributions	3,103,484	-	-	3,103,484
Support services:				
Pupils	438,591	-	-	438,591
Instructional staff	38,494	-	-	38,494
General administration	724,842	93,267	-	818,109
School administration	499,963	-	-	499,963
Business	566,831	-	-	566,831
Operations and maintenance	2,625	-	-	2,625
Central	16,191	-	-	16,191
Community services	5,752	-	-	5,752
Nonprogrammed charges	770,823	-	-	770,823
Capital outlay	247,665	-	-	247,665
	<u>13,726,303</u>	<u>93,267</u>	<u>-</u>	<u>13,819,570</u>
Total expenditures				
Excess of revenues over expenditures	<u>1,175,206</u>	<u>5,697</u>	<u>8,705</u>	<u>1,189,608</u>
Other financing uses				
Transfers (out)	(38,795)	-	-	(38,795)
Total other financing uses				
	<u>(38,795)</u>	<u>-</u>	<u>-</u>	<u>(38,795)</u>
Net change in fund balance	1,136,411	5,697	8,705	1,150,813
Fund balance, beginning of year	<u>7,781,216</u>	<u>547</u>	<u>1,216,475</u>	<u>8,998,238</u>
Fund balance, end of year	<u>\$ 8,917,627</u>	<u>\$ 6,244</u>	<u>\$ 1,225,180</u>	<u>\$ 10,149,051</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 379,578	\$ 365,229	\$ (14,349)	\$ 374,261
Interest on investments	<u>20</u>	<u>7</u>	<u>(13)</u>	<u>9</u>
Total local sources	<u>379,598</u>	<u>365,236</u>	<u>(14,362)</u>	<u>374,270</u>
Total revenues	<u>379,598</u>	<u>365,236</u>	<u>(14,362)</u>	<u>374,270</u>
Expenditures				
Debt service				
Other interest	<u>-</u>	<u>1,889</u>	<u>(1,889)</u>	<u>3,523</u>
Total debt service - interest	<u>-</u>	<u>1,889</u>	<u>(1,889)</u>	<u>3,523</u>
Principal payments on long-term debt	<u>416,000</u>	<u>421,906</u>	<u>(5,906)</u>	<u>420,270</u>
Other debt service				
Purchased services	<u>500</u>	<u>425</u>	<u>75</u>	<u>440</u>
Total	<u>500</u>	<u>425</u>	<u>75</u>	<u>440</u>
Total debt service	<u>416,500</u>	<u>424,220</u>	<u>(7,720)</u>	<u>424,233</u>
Total expenditures	<u>416,500</u>	<u>424,220</u>	<u>(7,720)</u>	<u>424,233</u>
Deficiency of revenues over expenditures	<u>(36,902)</u>	<u>(58,984)</u>	<u>(22,082)</u>	<u>(49,963)</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Other financing sources				
Transfer to pay for principal on capital leases	\$ 29,000	\$ 36,906	\$ 7,906	\$ 35,270
Transfer to pay for interest on capital leases	-	1,889	1,889	1,074
Other sources not classified elsewhere	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total other financing sources	<u>54,000</u>	<u>63,795</u>	<u>9,795</u>	<u>61,344</u>
Net change in fund balance	<u>\$ 17,098</u>	4,811	<u>\$ (12,287)</u>	11,381
Fund balance, beginning of year		<u>387,882</u>		<u>376,501</u>
Fund balance, end of year		<u>\$ 392,693</u>		<u>\$ 387,882</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
State sources				
School maintenance grant	\$ -	\$ -	\$ -	\$ 50,000
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	-	19,010	(19,010)	-
Capital outlay	<u>50,000</u>	<u>117,620</u>	<u>(67,620)</u>	<u>-</u>
Total support services	<u>50,000</u>	<u>136,630</u>	<u>86,630</u>	<u>-</u>
Total expenditures	<u>50,000</u>	<u>136,630</u>	<u>86,630</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>	<u>(136,630)</u>	<u>86,630</u>	<u>50,000</u>
Other financing sources				
Transfer in from Operations and Maintenance Fund	<u>50,000</u>	<u>136,630</u>	<u>(86,630)</u>	<u>-</u>
Total other financing sources	<u>50,000</u>	<u>136,630</u>	<u>(86,630)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>50,000</u>
Fund balance, beginning of year		<u>50,000</u>		<u>-</u>
Fund balance, end of year		<u>\$ 50,000</u>		<u>\$ 50,000</u>

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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 9,629	\$ 8,498	\$ (1,131)	\$ 9,570
Interest on investments	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Total local sources	<u>9,630</u>	<u>8,498</u>	<u>(1,132)</u>	<u>9,570</u>
Total revenues	<u>9,630</u>	<u>8,498</u>	<u>(1,132)</u>	<u>9,570</u>
Excess of revenues over expenditures	<u>9,630</u>	<u>8,498</u>	<u>(1,132)</u>	<u>9,570</u>
Fund balance, beginning of year		<u>137,504</u>		<u>127,934</u>
Fund balance, end of year		<u>\$ 146,002</u>		<u>\$ 137,504</u>

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

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

	2014	2013	2012	2011	2010
Assessed valuation	<u>\$414,096,955</u>	<u>\$405,356,889</u>	<u>\$453,227,558</u>	<u>\$483,660,807</u>	<u>\$535,066,547</u>
Rates Extended					
Educational	2.7106	2.7293	2.4738	2.2649	1.6176
Tort Immunity and Judgment	0.0246	0.0244	0.0182	0.0170	0.0154
Operations and Maintenance	0.1290	0.1221	-	0.0385	0.3850
Debt Service	0.0913	0.0933	0.0834	0.0782	0.0706
Transportation	0.0211	0.0195	0.0068	0.0043	0.0096
Municipal Retirement	0.0434	0.0415	0.0568	0.0213	0.0289
Social Security	0.0434	0.0415	0.0568	0.0213	0.0289
Working Cash	0.0021	0.0024	0.0023	0.0021	0.0067
Fire Prevention and Safety	<u>0.0021</u>	<u>0.0024</u>	<u>0.0023</u>	<u>0.0021</u>	<u>0.0096</u>
Total rates extended	<u>3.0676</u>	<u>3.0764</u>	<u>2.7004</u>	<u>2.4497</u>	<u>2.1723</u>
Levies Extended					
Educational	\$ 11,224,512	\$ 11,063,405	\$ 11,212,074	\$ 10,954,265	\$ 8,655,294
Tort Immunity and Judgment	101,867	98,907	82,400	82,400	82,400
Operations and Maintenance	534,185	494,940	1	186,111	2,060,000
Debt Service	378,000	378,000	378,000	378,000	378,000
Transportation	87,374	79,044	30,900	20,600	51,500
Municipal Retirement	179,718	168,223	257,500	103,000	154,500
Social Security	179,718	168,223	257,500	103,000	154,500
Working Cash	8,696	9,728	10,300	10,300	36,050
Fire Prevention and Safety	<u>8,696</u>	<u>9,728</u>	<u>10,300</u>	<u>10,300</u>	<u>51,500</u>
Total levies extended	<u>\$ 12,702,766</u>	<u>\$ 12,470,198</u>	<u>\$ 12,238,975</u>	<u>\$ 11,847,976</u>	<u>\$ 11,623,744</u>
Total collections	<u>\$ 6,400,236</u>	<u>\$ 12,245,825</u>	<u>\$ 12,105,531</u>	<u>\$ 11,681,624</u>	<u>\$ 11,383,725</u>
Percentage of extensions collected	<u>50.38%</u>	<u>98.20%</u>	<u>98.91%</u>	<u>98.60%</u>	<u>97.94%</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, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating cost per pupil		
Average Daily Attendance (ADA):	<u>453.71</u>	<u>440.84</u>
Operating costs:		
Educational	\$ 10,622,819	\$ 10,267,951
Operations and Maintenance	1,086,541	1,224,027
Debt Service	424,220	424,233
Transportation	104,566	98,585
Municipal Retirement/Social Security	286,107	308,429
Tort Immunity and Judgment	<u>93,267</u>	<u>95,749</u>
Subtotal	<u>12,617,520</u>	<u>12,418,974</u>
Less Revenues/Expenditures of Nonregular Programs:		
Total payments to other districts and gov't units	770,823	774,970
Community services	5,752	9,614
Non-capitalized equipment	13,439	405,336
Capital outlay	296,539	28,958
Debt principal retired	<u>421,906</u>	<u>420,270</u>
Subtotal	<u>1,508,459</u>	<u>1,639,148</u>
Operating costs	<u>\$ 11,109,061</u>	<u>\$ 10,779,826</u>
Operating costs per pupil - based on ADA	<u>\$ 24,485</u>	<u>\$ 24,453</u>
Tuition Charge		
Operating costs	\$ 11,109,061	\$ 10,779,826
Less - revenues from specific programs, such as special education or lunch programs	<u>686,375</u>	<u>509,895</u>
Net operating costs	10,422,686	10,269,931
Depreciation allowance	<u>502,332</u>	<u>507,703</u>
Allowance tuition costs	<u>\$ 10,925,018</u>	<u>\$ 10,777,634</u>
Tuition charge per pupil - based on ADA	<u>\$ 24,079</u>	<u>\$ 24,448</u>