



Northbrook School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

Northbrook School District 27

Northbrook, Illinois

Northbrook School District 27

1250 Sanders Road • Northbrook, Illinois 60062 • (847) 498-2610 • www.nb27.org

Northbrook School District 27
Northbrook, Illinois

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

Official Issuing Report

Dr. Kimberly Arakelian

Assistant Superintendent for
Finance and Operations

Department Issuing Report

Finance and Operations

Northbrook School District 27
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended June 30, 2020

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INTRODUCTORY SECTION



NORTHBROOK SCHOOL DISTRICT 27

Assistant Superintendent for Finance & Operations
Dr. Kimberly S. Arakelian, CSBO

BOARD OF EDUCATION
Mrs. Helen Melnick, President
Mr. Alex Frum, Vice President
Mrs. Martha Carlos
Mrs. Melissa Copeland
Mr. Ed Feld
Mrs. Laurie Garber-Amram
Mr. Brian Paich

December 9, 2020

Members of the Board of Education
Citizens of Northbrook School District 27
1250 Sanders Road
Northbrook, Illinois 60062

Dear Members of the Board of Education and Citizens of Northbrook School District 27:

The Comprehensive Annual Financial Report (CAFR) for Northbrook School District 27, for the fiscal year ended June 30, 2020, is submitted herewith.

Each school district is required, as of June 30 of each fiscal year, to have an independent audit completed per Illinois School Code 105 ILCS 5/3-7. This CAFR is published to fulfill that requirement for fiscal year ended June 30, 2020.

The CAFR is a report that tells the financial story of the District through narrative, financial statements, and statistics. The CAFR includes summary and detailed information for the school year being reported, but also includes statistical information for the previous ten years. This CAFR will provide the District 27 stakeholders with a comprehensive presentation of the District's financial position and operating activities. The District 27 management assumes full responsibility for the completeness and reliability of the information contained in the CAFR. The information provided in the CAFR is based on an established comprehensive internal control framework. The objective of the internal control framework is to provide a reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Miller, Cooper & Co., Ltd. completed the audit for Northbrook School District 27 for the year ended June 30, 2020. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. District 27 management assumes full responsibility for the information provided in the MD&A.

ORGANIZATION PROFILE

Northbrook School District 27, located 20 miles northwest of Chicago, is a small North Shore suburban school district of approximately five square miles, in a middle to upper-middle class socio-economic community, with average ethnic diversity. The District is one of four elementary school districts in the Village of Northbrook, serving the northwest segment.

Northbrook School District 27 is a public K-8 district, serving a student population of 1,300, for school year 2019-20. The District anticipates stable enrollment over the next five years, projecting overall enrollment range to be between 1,300 and 1,341. The District is configured into three school buildings. Hickory Point School serves grades K-2, Shabonee School serves grades 3-5, and Wood Oaks Junior High School serves grades 6-8. District 27 is a feeder district to Glenbrook High School District 225. There are no charter schools in the District or surrounding community. The District currently holds a 69% reserve level and is in a financially solvent position. The policy and goal of the Board of Education is to target a 65% cumulative fund balance reserve level in order to mitigate any current or future financial risk while maintaining excellence in programs and services provided to the students and families. The District currently has no long-term debt, and in 2011 completed a 13-year cycle of building renovations, additions and site improvements in order to have state of the art facilities. For the next 20 years, the District will concentrate on maintaining its capital investment into the buildings by continuing to implement the strong facilities preventative maintenance program currently in place.

Northbrook School District 27 has a history of high academic performance and has been recognized for its excellence. District 27 offers comprehensive regular and support programs for students, as well as many opportunities for students to be involved in extracurricular activities.

Northbrook School District 27's mission is *to educate students to succeed in a changing world*. The core values for all students, staff, and our community partners, are to:

- Pursue learning that develops individual growth, potential, and leadership to the fullest of our capacity;
- Commit to performance excellence as a learning community;
- Use performance results to honor accomplishments, determine needs, and improve learning experiences and achievements;
- Share the responsibility to learn and work in a collaborative environment;
- Adhere to the highest standards of ethical behavior (both personal and organizational); and
- Treat others with respect and value differences.

Stakeholders have identified five key requirements of District 27, which have become the District's key success factors, as follows: 1) Outstanding Student Performance; 2) Coherent and Rigorous Programs and Services; 3) Highly Qualified Staff; 4) Safe, Caring, and Supportive Learning Environment; and 5) Healthy Financial Position.

The governing body consists of a seven-member Board of Education, each member elected for a four-year term, with the election conducted every other year on the odd year. The chief functions of the Board of Education are to set policy, ensure fiscal responsibility, hire and evaluate the Superintendent, and protect stakeholder interests. The District is not a component unit or a part of a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

The Board of Education operates three key working committees: Support Services, Policy, and Technology. It also has key liaison chairpersons to oversee Finance, Facilities, and Curriculum, with the senior leaders. The Board receives initiative updates and gives input into the District's Strategic Planning Process. The Board of Education meets twice each month. Typically, one meeting is a Board Working Session focusing on strategic initiatives and goal accomplishment, and the second meeting is a formal business meeting.

An organizational chart and schedule of officers and officials follows this transmittal letter.

LOCAL ECONOMY

Northbrook School District 27 is located within Northfield Township in Cook County, Illinois. Northfield Township is comprised of the Villages of Northbrook and Glenview and unincorporated parts of Cook County. In addition to its residential real estate, the Township houses numerous national and international businesses, such as Allstate Insurance Company, Walgreen Company, Underwriters Laboratories, ABT Electronics, Crate and Barrel, and Kraft Foods, Inc.

In reviewing an 18-year history of the equalized assessed valuation (EAV) of property within the attendance boundaries of District 27, we have seen large scale increases going from \$524 million in 2000 to \$1.1 billion in 2009. The property values in District 27 have provided a strong stable tax base. For four consecutive years the District saw a decline in the equalized assessed valuation, going from \$1.1 billion in 2009 to \$716 million in 2013. These decreases were directly related to the depressed housing market and decline in property values. The District has had slight increases in EAV from 2014 to 2019, going from \$716 million to \$947 million. The District will hopefully maintain stability in total property values or EAV going forward. The District has remained committed to pursuing additional cost containment measures in an effort to maintain a balanced budget and a healthy financial position.

In addition, as a Cook County School District, the District is bound by the Property Tax Extension Limitation Law (PTELL). This legislation limits the District's ability to generate property tax revenues.

For additional information regarding the District's financial position, please read the Management's Discussion and Analysis included in the CAFR.

LONG-TERM FINANCIAL PLANNING

One of the District's key success factors is to maintain a healthy financial position. In terms of strategic planning, the objective is to ensure the financial solvency of the District by proactively managing in an environment of changing funding patterns. The related goals to this key success factor are to maintain a responsible approach to fiscal operations and advocate for federal, state, and local revenue to support District funding. Planning forward, the District will closely monitor the current economic landscape for any potential changes in legislation that would impact school funding; i.e. the financial stability of the State of Illinois, cost shift to employers for pension obligations, school funding reform and, at the federal level, the further implementation of the Patient Protection & Affordable Care Act.

The District aggressively implements cost containment measures in the areas of telecommunications, energy, insurance, transportation, inventory control, and staffing pattern alignment. With these cost containment measures; the District has been able to reduce its operating expenditures in order to maintain a strong financial position for the future and reflect a more cost-effective operation.

The District is committed to long-term strategic planning for all operations, long-term financial planning, and long-term cost containment efforts. We have taken this approach in managing the District's financial operations in order to be both fiscally responsible and reasonable.

The District ensures that adequate budgetary and financial resources are available to support the organization by appropriate financial planning. In accordance with the budget process, to ensure that the budget is balanced, the District conducts regular updates of its long-range projections in order to project all aspects of the budget in terms of staffing and support services.

The financial projection model is updated continually to forecast revenues and expenditures and plan for any new initiatives which may require additional funding. The projections allow for assessment of any current or future risk in terms of revenue generation and its impact on expenditures for meeting a projected annual balanced budget, as well as maintaining financial solvency.

For the past 20 years, the Board of Education has maintained a level of reserve between 49%-74%. Due to strategic financial planning, the Board has budgeted for operating expenses, mandated health life safety improvements, and building renovations, while maintaining at least a 5-6-month cash reserve.

The District currently has no long-term debt.

The District's financial statements are reviewed and approved by the Board on a monthly basis. Twice a year, the Board of Education reviews the District's long-range financial projections in order to ensure the fiscal solvency of the District. This review is conducted to maintain a stable financial position so that the District can continue providing excellence in programming for our students. Throughout the year, the Board of Education also reviews key legislative issues and other pending events that may have a financial impact upon the District.

RELEVANT FINANCIAL POLICIES/PROCEDURES

The District's financial calendar includes three key components: the annual budget process, the annual tax levy process, and the independent audit completion, along with subsequent financial publications.

The Board of Education currently has budget and fiscal management policies in place that require the District to maintain a reasonable fund balance reserve sufficient to mitigate current and future financial risks. The policy requires the District to target a 65% cumulative fund balance reserve, defined as fiscal year end cumulative fund balance divided by next year's Board approved projected operating expense budget, in order to ensure the District can meet its cash flow requirements. The budget policies also outline parameters for the identification and distribution of resources to support all programs and services, the upkeep of school facilities, compliance with all applicable regulatory agencies, and the continuous monitoring of compliance measures and internal controls. The District has a detailed budget calendar and process time line. The District legally adopts a budget for all funds. The budget planning process begins in December with the updating of the budget calendar. The proposed tentative budget is available for public inspection and comment at least 30 days before the budget hearing. Prior to the end of the first quarter, after final budget adoption by the Board of Education, the budget is filed with the Cook County Clerk's office and filed electronically with the Illinois State Board of Education (ISBE). The adopted budget is also posted on the District's website.

The Board of Education reviews and approves a tentative tax levy during the month of November. During the month of December, the public hearing for the tax levy is held, and it is formally adopted, by the Board, with a vote.

The independent audit is conducted during the months of June through August. The District also publishes an Annual Statement of Affairs regarding its financial position by December 1 of each year.

The Township Treasurer serves as the Chief Investment Officer. The Township Treasurer invests funds not required for current operations, in accordance with Board policy and state law. The Board of Education has established an investment policy to ensure safety of principal, liquidity of principal, return on investments, and maintenance of the public's trust. See the Notes to the Financial Statements for additional information on cash and investments.

MAJOR INITIATIVES

The major initiatives that District 27 is embarking upon are structured around the five key success factors for the District; 1) Outstanding Student Performance; 2) Coherent and Rigorous Programs and Services; 3) Highly Qualified Staff; 4) Safe, Caring, and Supportive Learning Environment; and 5) Healthy Financial Position.

One component of the strategic planning process for the District is to build and map out a Five-Year Program and Service Implementation Plan. The Plan details the major initiatives to accomplish within the various work systems. The District has three main work systems: Academic Programs and Services, Business Services, and Personnel and Student Services. The current Five-Year Program and Service Implementation Plan covers the fiscal years of 2021 to 2026. **The COVID-19 pandemic has impacted the District's current five-year program, in that each major initiative and main work system is focused on operating in a pandemic.** The following information will detail the current District 27 initiatives within the 2021-2026 Five-Year Plan related to the various work systems and overall strategic planning process. Much of this work will start up once school operations return to a more reasonable work flow.

Major Initiatives - Academic Programs and Services Work System

Curriculum & Program Revisions

Over the next few years, the District will monitor the adoption of new standards by the State in art, music, and physical education. In addition, the District will monitor the development of social studies standards.

At Wood Oaks Junior High, the District continues to offer updated technology classes and “STEAM” (Science, Technology, Engineering, Arts and Math elective courses). These courses are designed to develop students’ critical thinking and problem-solving skills, innovation, creativity, and global competence.

English Language Learners (EL)

The District implemented revisions to the English Language Learners (EL) program. Within the Five-Year Plan, the District has also mapped out time for program refinement and will monitor the changing dynamics of the EL population and respond to emerging needs.

Instructional Technology

The District reviews and updates its multiyear technology plan annually with implementation and appropriate professional development planning phases mapped out. The District continues to provide the 1:1 student netbook program in grades 3-8, and iPads at our primary center for grades K-2.

Social and Emotional Development

The District continues to implement the Positive Behavior Interventions and Supports (PBIS) system for student social and emotional development. Within the Five-Year Plan, this program will continue to be implemented with on-going professional development for staff.

Conduct Satisfaction Surveys

The District conducts biennial satisfaction surveys to determine staff, student, and parent perceptions of our schools. The District conducts these surveys on the even years.

Research and Development of Futures Concept – Global Competence

The District continues to research and develop ideas to build students’ competencies to succeed in the global era. Adjustments will be made to the District’s curriculum and programs, including incorporating futures studies.

Major Initiatives – Business Services Work System

Long-Term Financial Planning

The key action plan with this major initiative is to proactively manage in an environment of changing funding patterns and increased financial mandates from the State and Federal governments. The goal is to maintain a reasonable approach to fiscal operations ensuring cost efficiencies while maintaining programs and services.

Master Facilities Plan

During fiscal year 2011-12 the District updated the Ten-Year Health Life Safety Study. As a result of this study the District will continue to implement the recommendations for future preventive maintenance of building infrastructures and systems. The updated Ten-Year Health Life Safety Study will be a valid working document through the 2021-22 school year. Currently, the District has mapped out a multi-year roof replacement project.

Emergency Preparedness Planning

The District continues to implement and refine the Northbrook School District 27 Emergency Preparedness Plan (EPP). The District has implemented the EPP township-wide at all Northfield Township schools. The goal, to partner with the schools in the township to have one protocol for emergency response. The EPP is designed around the National Incident Management System (NIMS) framework.

Major Initiatives – Personnel and Student Services Work System

Long-Term Staffing Projections

The key action plan with this major initiative is to create long-term staffing projections and implement annual staffing plans that address essential and highly-valued District programs and services. The creation of long-term staffing projections will allow the District to meet the challenge of providing cost effective staffing patterns in an effort to proactively manage in an environment of changing funding patterns.

AWARDS AND ACHIEVEMENTS

Exemplary Student Academic Performance

The District continues exemplary student academic performance in all state and national testing. Currently the District's performance places it as one of the highest performing districts in the state and nation.

Blue Ribbon Award

Wood Oaks Junior High School was awarded the 2011 National Blue-Ribbon School Award. This award is presented by the U.S. Department of Education and recognizes high student academic achievement. Wood Oaks Junior High School was one of 3 junior high schools in Illinois to receive this award. In Illinois, only 11 schools received this award and 255 public schools across the country were recognized for this award.

Gallup High Hope School

Wood Oaks Junior High School and Shabonee School were named Gallup High Hope Schools. Of the 1,700 schools across the nation that participated in the Gallup Student Poll, Wood Oaks and Shabonee were two of only 192 to have high hope student bodies.

School Search Bright Red Apple Award

The District received the School Search Bright Red Apple Award each year from 2010 to 2013. The District is one of only 83 Illinois School Districts (out of 868 school districts) to be honored with this award. The award honors strength in academic performance, pupil/teacher ratio, expenditure per pupil, education level of teachers, and average teacher salary. 2013 was the last year School Search offered this award.

School Search Bright A+ Award

The District received the School Search Bright A+ Award each year from 2011 to 2013. The District is one of only 59 Illinois School Districts (out of 868 school districts) to be honored with this award. The award honors academic excellence in student testing. 2013 was the last year School Search offered this award.

Academic Award of Excellence

Wood Oaks Junior High School received an Academic Award of Excellence in 2012, from the Illinois State Board of Education for having 90 percent of the student body meet or exceeds standards as measured by the ISAT for seven consecutive years. The Illinois State Board of Education recognized 438 schools across the state.

Facilities Master Award

The District was awarded the 2008 Facilities Master Award through the Association of School Business Officials (ASBO). This award honors districts that achieve best practice in school facility management operations. This was the second consecutive year that the District received this honor. 2008 was the last year ASBO offered this award.

Schools of Illinois Purchasing Cooperative Stewardship Award

The District received the 2008 SIPC Stewardship Award through the Schools of Illinois Purchasing Cooperative (SIPC). This award recognizes the District's achievement in reaching SIPC Green Cleaning Gold Status and the District's commitment to Green Cleaning, resulting in a healthier environment for the students, staff, and visitors.

Certificate of Financial Recognition

The District continues to receive the Certificate of Financial Recognition through the Illinois State Board of Education for financial achievement with financial statements and the School District Financial Profile. This recognition has been received each year for the past 19 years.

Certificate of Achievement for Excellence in Financial Reporting

The District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, for fiscal year ended June 30, 2019. For eleven consecutive years the District has achieved this award for its processes, financial controls and results delineated in the Comprehensive Financial Reports for Fiscal Years 2009 through 2019.

Certificate of Excellence in Financial Reporting

The District received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International, for fiscal year ended June 30, 2019. This is the eleventh consecutive year that the District received this award. This award recognizes school systems for best practice in financial reporting and commitment to fiscal integrity, transparency, and best practice in management of public tax dollars.

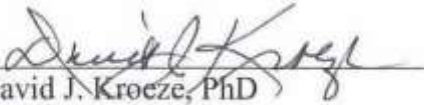
Excellence in Communications

The District received the Award of Excellence for 2010 and 2011 from the Illinois Chapter of the National School Public Relations Association for excellence in communication pertaining to the District's Annual Report and website. The District was also recognized with an Award of Merit for a financial publication written on understanding property tax bills and for producing an educational video on the subject of teacher partnerships.

ACKNOWLEDGEMENTS

We wish to express our deepest appreciation to the members of the Board of Education for their steadfast commitment to maintain the highest level of standards of integrity and professionalism in the management of all operations for Northbrook School District 27.

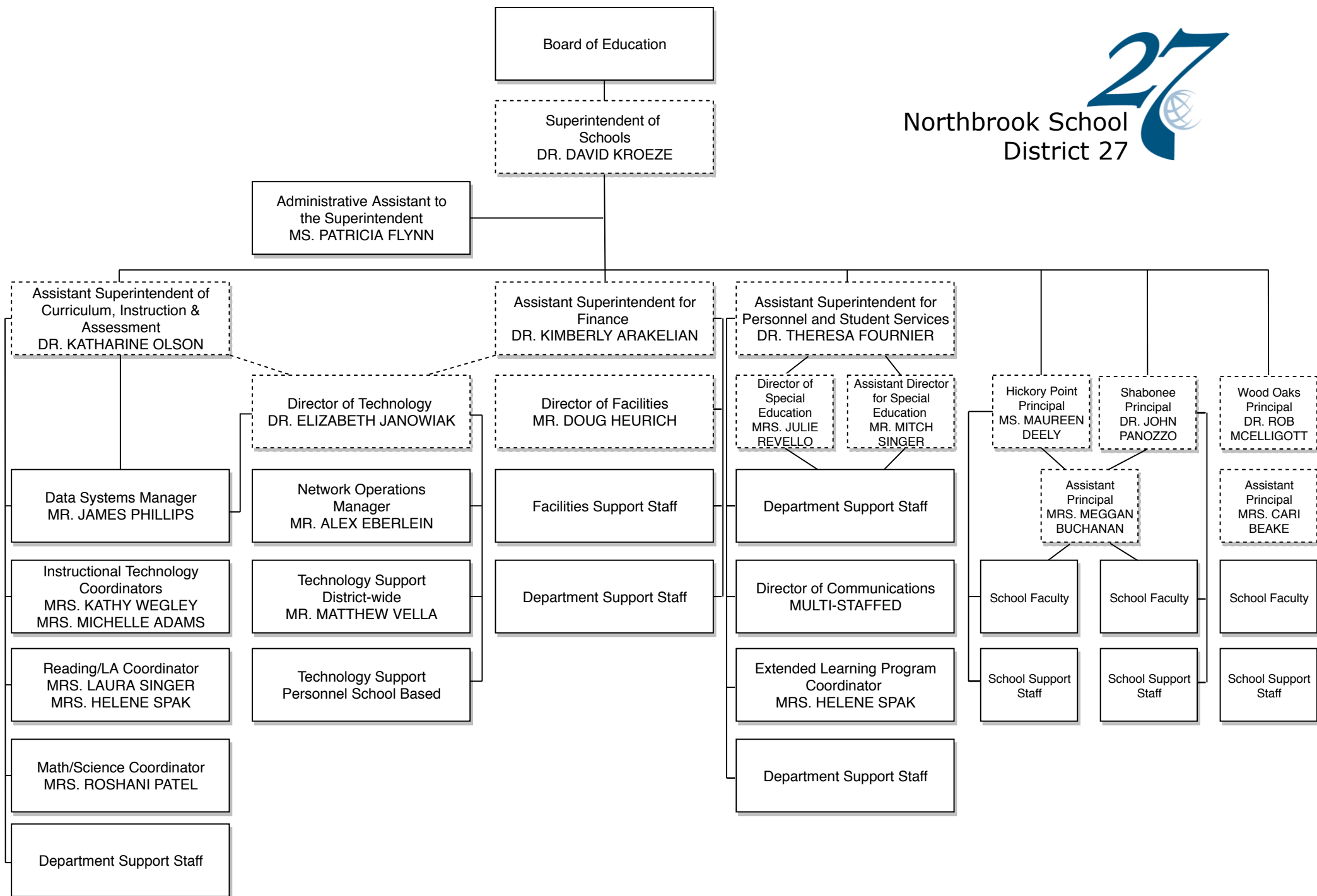
Respectfully,



David J. Kroeze, PhD
Superintendent of Schools



Kimberly Arakelian
Assistant Superintendent for Finance & Operations



Northbrook School District 27
1250 Sanders Road
Northbrook, Illinois 60062

Comprehensive Annual Financial Report

Officers and Officials

Fiscal Year Ended June 30, 2020

Board of Education

		<u>Term Expires</u>
Helen Melnick	President	2021
Alex Frum	Vice-President	2023
Martha Carlos	Member	2021
Melissa Copeland	Member	2021
Ed Feld	Member	2021
Laurie Garber-Amram	Member	2021
Brian Paich	Member	2023

Township School Treasurer

Dr. Craig Schilling

District Administration

Dr. David Kroeze	Superintendent
Dr. Theresa Fournier	Assistant Superintendent for Personnel and Student Services
Dr. Katharine Olson	Assistant Superintendent for Curriculum, Instruction and Assessment
Dr. Kimberly Arakelian	Assistant Superintendent for Finance and Operations
Multi-Staffed	Director of Communications
Doug Heurich	Director of Facilities
Julie Revello	Director of Special Education
Dr. Elizabeth Janowiak	Director of Technology
Maureen Deely	Principal, Hickory Point School
Dr. John Panozzo	Principal, Shabonee School
Dr. Rob McElligott	Principal, Wood Oaks Jr. High School
Cari Beake	Asst. Principal, Wood Oaks Jr. High School
Meggan Buchanan	Asst. Principal, Shabonee & Hickory Point schoo

Official Issuing Report

Dr. Kimberly Arakelian

Assistant Superintendent for Finance and Operations

Department Issuing Report

Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Northbrook School District 27

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Northbrook School District 27
Illinois**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Northbrook School District 27
Northbrook, 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 Northbrook School District 27 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 the District, as of June 30, 2020, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 73 through 76, the other postemployment benefits data on page 77 through 79, budgetary comparison schedules and notes to the required supplementary information on pages 80 through 100 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, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents, the introductory section, the supplementary financial information, and the statistical section 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, 2020 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2020 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, 2020 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2020.

(Continued)

The introductory and statistical sections, as listed in the table of contents, have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2020, on our consideration of the District'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 the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

A handwritten signature in cursive script that reads "Miller, Cooper & Co., Ltd." is written over a horizontal line.

Certified Public Accountants

Deerfield, Illinois
December 9, 2020



Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2020

The discussion and analysis of Northbrook School District 27's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2020. 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.

Financial Highlights

- The District continues to maintain a healthy financial position with a 69% cumulative fund balance reserve; this percentage of reserve is derived from taking the ending cumulative fund balance at year end against the projected budgeted expenditures for the next fiscal year. The District has targeted, as written in Board Policy, to reach a 65% level of fund balance reserve in order to remain financially solvent. The reason for a targeted 65% reserve level is to make sure the District has the appropriate level of funding available to pay for regular operations in between property tax distributions. The District will need to continue to build this reserve in order to meet current and future financial obligations.
- The District experienced declines in the overall Equalized Assessed Valuation (EAV), from 2009 to 2015. The 2009 EAV was at \$1.109 billion, and rapidly declined to \$704 million by 2015. The decline was directly related to the overall economic recession impacting the real estate market and property values. For 2016, the EAV increased by 19.6%, and in 2017 the EAV increased by 3.5%, marking continued improvement in the growth of overall property values. In 2018 the District experienced a slight decline; however, with the 2019 triennial reassessment the EAV increased 11.77% to \$947 million. The District will hopefully maintain stability in total property values or EAV going forward.
- The District also continues to be impacted by the property tax appeals process in which successful appeals are directly negated from overall property tax distributions. Over the past 19 fiscal years the cumulative total for property tax refunds has totaled over \$11 million. In regards to State sources of revenue, the District deals with the instability of the State's financial position which translates into late distributions of payments to the District for State obligations owed.
- Interest income has increased slightly over the last two years.
- General revenues accounted for \$28,521,713 in revenue, or 66.64% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,278,382 or 33.36% of total revenues of \$42,800,095.



Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2020

Financial Highlights (Continued)

- The District had \$42,575,726 in expenses related to governmental activities. However, only \$14,278,382 of these expenses was offset by program-specific charges for services and grants and contributions. General revenues of \$28,521,713 were adequate to provide for regular operating costs.
- The General Fund had \$32,399,482 in fiscal 2020 revenues, which primarily consisted of property taxes and state aid, and \$31,081,060 in expenditures.
- The General Fund had a net change in fund balance of \$1,118,422 from a total of \$15,564,147 (previous year as of June 30, 2019) to a total of \$16,682,569 as of June 30, 2020. The majority of the net change in fund balance is due to budgeted contingencies not spent during the fiscal year.
- The enrollment for the 2019-20 school year was 1,300, which reflects a relatively stable enrollment. The good news is that this is the eighth consecutive year we have maintained our numbers and not experienced a noticeable decrease. Based on the District's current student enrollment projections, it is anticipated that enrollment should remain stable over the next five years.

Overview of the Basic Financial Statements

Management's 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, and
- Notes to the financial statements.

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

Government-wide financial statements

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

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



Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2020

Government-wide financial statements (Continued)

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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

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.



Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2020

Fund financial statements (Continued)

The District maintains four 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. The General Fund includes the Educational and Working Cash Accounts. The Educational Account is the District's primary operating account, accounting for all financial resources of the general government, except for those 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 to the Education, Operations and Maintenance or Transportation Funds. Money loaned by the Working Cash Account to other funds must be repaid within one year. The Operations and Maintenance Fund, Transportation Fund, and Municipal Retirement/Social Security Fund are all special revenue funds. These funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in Debt Service, Capital Projects, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes. All District funds are considered to be major funds. More detailed information on the government-wide and fund financial statements are provided in Note A-3 to the basic financial statements.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. 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 basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its certified and noncertified employees, as well as other postemployment benefit data, and budgetary comparison schedules. Other sections of the CAFR include supplemental and statistical data.



Northbrook School District 27

**Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020**

Government-Wide Financial Analysis

TABLE 1: Condensed Statement of Net Position		
	<u>2019</u>	<u>2020</u>
<u>Assets:</u>		
Current and other assets	\$33,117,950	\$32,988,855
Capital assets	<u>22,907,447</u>	<u>23,758,106</u>
TOTAL ASSETS	57,025,397	56,746,961
<u>Deferred Outflow of Resources:</u>		
Deferred Outflows Related to Pensions	2,141,536	420,239
Deferred Outflows Related to Other Post-Employment Benefits	<u>804,395</u>	<u>939,037</u>
TOTAL DEFERRED OUTFLOW	2,945,931	1,359,276
<u>Liabilities:</u>		
Current liabilities	523,584	59,231
Long-term liabilities	<u>22,595,104</u>	<u>21,018,752</u>
TOTAL LIABILITIES	23,118,688	21,078,013
<u>Deferred Inflows of Resources:</u>		
Deferred Inflows Related to Pensions	1,720,733	1,370,255
Deferred Inflows Related to Other Post-Employment Benefits	2,419,250	2,402,151
Property Taxes Levied for Future Period	<u>12,288,578</u>	<u>12,607,370</u>
TOTAL DEFERRED INFLOW OF RESOURCES	16,428,561	16,379,776
<u>Net Position:</u>		
Investment in capital assets	23,907,447	23,758,106
Restricted	4,991,483	3,639,685
Unrestricted	<u>(8,474,851)</u>	<u>(6,749,343)</u>
TOTAL NET POSITION	\$20,424,079	\$20,648,448

The District's total net position increased compared to June 30, 2019, by \$224,369. The increase is primarily due to a decrease in the net pension and OPEB liabilities.



Northbrook School District 27

**Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020**

Government-Wide Financial Analysis (Continued)

TABLE 2:
Condensed Statement of Changes in Net Position

	<u>2019</u>	<u>2020</u>
Revenues:		
<i>Program Revenues:</i>		
Charges for services	\$ 130,848	\$193,483
Operating grants and contributions	11,286,325	14,084,899
<i>General Revenues:</i>		
Taxes	26,455,271	27,338,775
General state aid	787,401	788,784
Other	<u>565,737</u>	<u>394,154</u>
Total Revenues	<u>39,225,582</u>	<u>42,800,095</u>
Expenses:		
Instruction	29,774,399	31,354,863
Pupil and instructional staff services	4,005,878	3,722,018
Administration and business	2,316,545	2,074,808
Transportation	999,930	859,959
Operations and maintenance	3,366,057	4,274,376
Other	<u>287,834</u>	<u>289,702</u>
Total Expenses	<u>40,750,643</u>	<u>42,575,726</u>
Change in net position	(1,525,061)	224,369
Net position, beginning of year	<u>21,949,140</u>	<u>20,424,079</u>
Net position, end year	<u>\$20,424,079</u>	<u>\$20,648,448</u>

Revenues by Source:

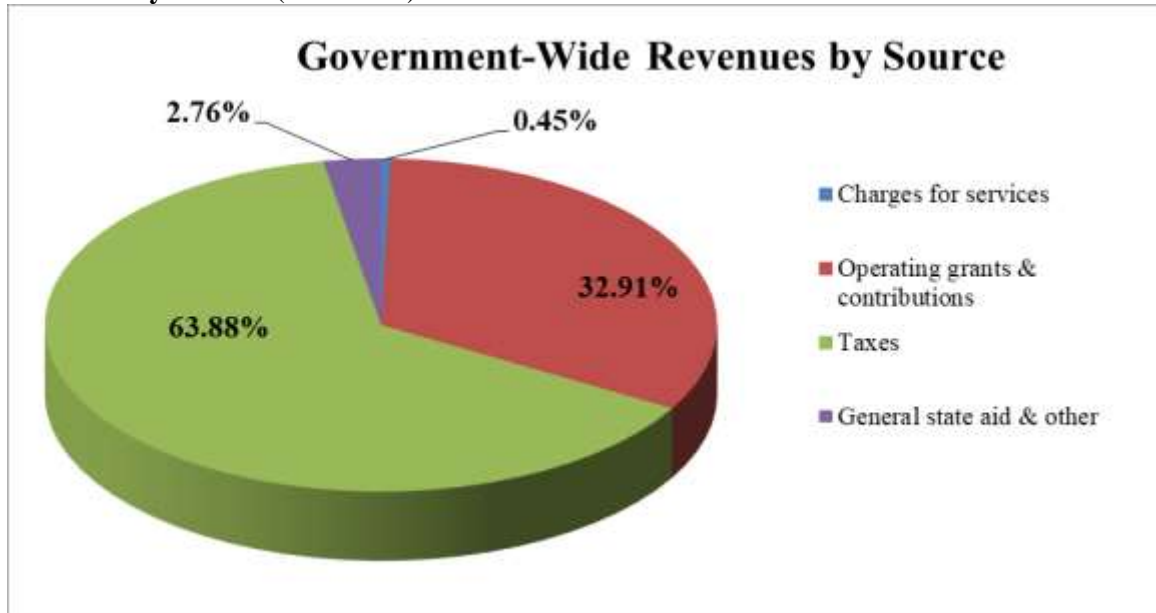
Revenues totaled \$42,800,095 for the fiscal year ended June 30, 2020. Property and replacement taxes in the amount of \$27,338,775 accounted for 63.88% of total revenues and continue to be the primary source of revenue for the District. In addition, operating grants and contributions of \$14,084,899 accounted for 32.91% of total revenues, and charges for services of \$193,483 accounted for 0.45% of total revenue. General state aid, interest, and other miscellaneous sources of revenue of \$1,182,938 accounted for 2.76% of total revenue.



Northbrook School District 27

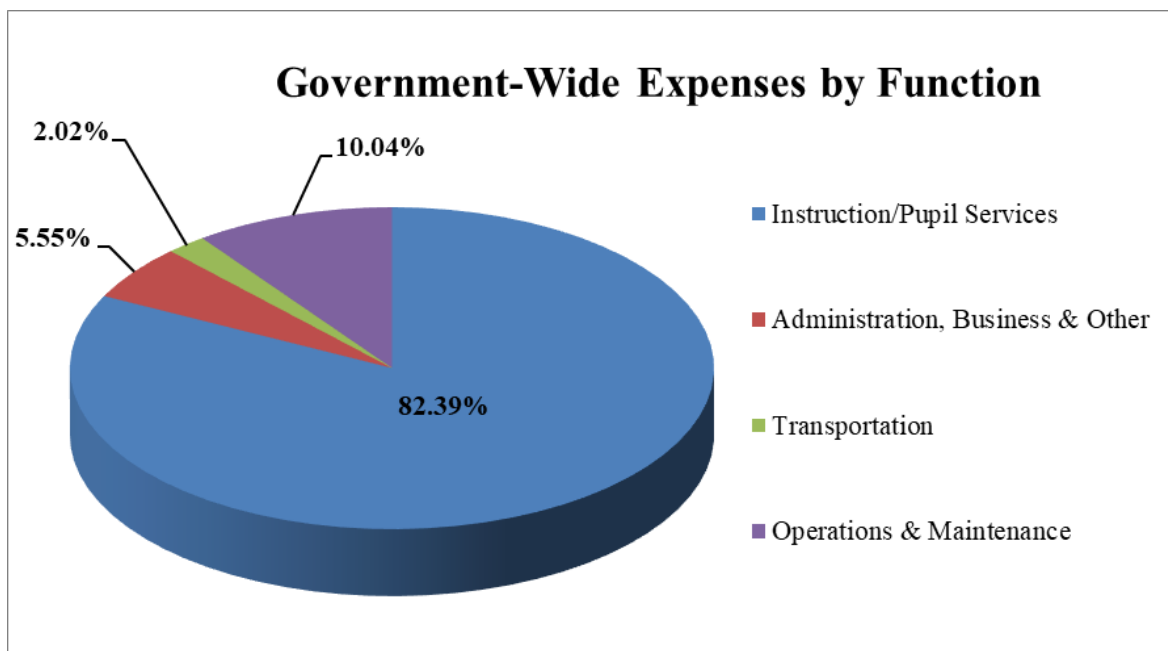
Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2020

Revenues by Source: (Continued)



Expenses by Function:

The total cost of all the District's programs was \$42,575,726. Expenses directly related to instruction and support services (pupil and instructional staff) for students totaled \$35,076,881 or 82.39% of total expenses. The cost to transport students totaled \$859,959, or 2.02% of total expenses. The District also incurred expenses for maintaining its capital assets in operations and maintenance totaling \$4,274,376 or 10.04% of total expenses, and for administration and other expenses of \$2,364,510 or 5.55%.





Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2020

Financial Analysis of the District's Funds

As the District closed the year, its governmental funds reported a combined fund balance of \$20,322,254, an increase of 0.08% from last year's ending fund balance of \$20,305,788. The increase in fund balance is primarily due to contingencies not spent specifically, in the Education Fund. The District ended the 2019-20 fiscal year with revenues exceeding expenditures by \$16,466.

The General Fund is the largest of the governmental funds. The fund balance at the beginning of the year was \$15,564,147. Total revenues were \$32,399,482 and total expenditures were \$31,081,060. The net change in fund balance was an increase of \$1,118,422 and the fund balance at the end of the year was \$16,682,569.

The Operations and Maintenance Fund's fund balance at the beginning of the year was \$4,282,224. Total revenues were \$2,134,717 and total expenditures were \$3,637,369. The net change in fund balance was a decrease of (\$1,502,652) and the fund balance at the end of the year was \$2,779,572. The primary reason for the negative net change in fund balance is due to capital outlay expenditures for roofing work completed.

The Transportation Fund's fund balance at the beginning of the year was (\$249,842). Total revenues were \$983,654 and total expenditures were \$859,959. The net change in fund balance was an increase of \$323,695 and the fund balance at the end of the year was \$73,853. The primary reason for revenues exceeding expenditures was due mainly to an increase in the budget for tax collections to balance the budget. An inter-fund transfer of \$200,000 was received from the Education Fund to help cover the deficit fund balance.

The Municipal Retirement/Social Security Fund's fund balance at the beginning of the year was \$709,259. Total revenues were \$823,020 and total expenditures were \$746,019. The net change in fund balance was \$77,001 and the fund balance at the end of the year was \$786,260.

The District continues to remain in a strong and stable financial position. The District is dedicated to maintaining a reasonable fund balance reserve sufficient to mitigate current and future financial risks. It is the current goal of the Board of Education to target a 65% cumulative fund balance reserve. The Board of Education and Administration will continue diligence in financial management and planning.



Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2020

General Fund Budgetary Highlights

The District's final budget for the General Fund anticipated that expenditures would equal revenues. The District ended the fiscal year with revenues exceeding expenditures by \$1,318,422.

- Actual expenditures, exclusive of state on-behalf payments, came in under budget. This is mainly due to contingencies not spent.

Capital Assets and Debt Administration

Capital assets

By the end of 2020, the District had compiled a total investment of \$23,758,106 net of accumulated depreciation, in a broad range of capital assets including buildings, land, and equipment and vehicles. Total depreciation expense for the year was \$1,201,424. More detailed information about capital assets can be found in Note D to the basic financial statements.

Over the years of 1998-2011, the District completed major construction projects at all school buildings; both renovations and additions. Due to the completion of these projects the District's long-range capital improvement plans include only repair and maintenance of existing facilities. Repair and maintenance of existing facilities will be the main capital need of the District for the long-term future; including roof systems replacements, HVAC system replacements and paving.

TABLE 3: Capital Assets (net of depreciation)		
	<u>2019</u>	<u>2020</u>
Land	\$ 677,542	\$677,542
Land improvements	386,295	340,992
Buildings and improvements	21,187,905	21,599,721
Equipment and vehicles	1,169,981	1,139,851
Construction in progress	<u>485,724</u>	<u>0</u>
Total	\$23,907,447	\$23,758,106

Long-term Debt

The District has no outstanding long-term bonded debt.

Long-term Liabilities

The District reports compensated absences, pension, and other postemployment benefits as long-term liabilities. See Note A-11, Note F, Note I, and Note J to the basic financial statements for more detailed information on the various long-term liabilities of the District.



Northbrook School District 27

**Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020**

Capital Assets and Debt Administration (Continued)

TABLE 4:
Long-Term Liabilities

	<u>2019</u>	<u>2020</u>
Compensated absences	\$ 103,505	\$183,686
Other postemployment benefits	17,955,276	17,431,836
Retirement recognition	466,216	408,804
IMRF Net Pension Liability	2,576,138	1,409,371
TRS Net Pension Liability	<u>1,493,969</u>	<u>1,585,085</u>
Total	<u>\$22,595,104</u>	<u>\$21,018,782</u>

Factors bearing on the District's Future

At the time, these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect the financial operations in the future:

- The District is in a stable financial position. It is the goal of the Board of Education and Administration to maintain financial solvency and a cumulative fund balance reserve level that is reasonable and sufficient to mitigate future risk. In addition, it is the goal of the District to operate with a balanced budget annually.

The District will continue to monitor local, state and federal sources of revenue. For state sources, the District will monitor the State's financial stability, specifically the COVID-19 impact on expenses. Regarding local revenue, the District will continue to monitor the local tax base as the property tax appeals process continues. Finally, with federal sources the District will continue to monitor and implement the requirements of the Patient Protection and Affordable Care Act (PPACA – health care reform).

- The District will continue to implement cost containment measures in all operations in order to protect the financial solvency of the District and maintain a balanced budget.



Northbrook School District 27

**Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020**

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 Dr. Kimberly Arakelian, CSBO, Assistant Superintendent for Finance & Operations, at 847-498-2610 extension 5117.

BASIC FINANCIAL STATEMENTS

Northbrook School District 27
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2020

ASSETS

Cash and investments	\$ 19,827,551
Receivables (net of allowance for uncollectibles):	
Property taxes	12,860,930
Replacement taxes	47,433
Intergovernmental	232,127
Other current assets	20,814
Capital assets:	
Land	677,542
Depreciable buildings, property, and equipment, net	<u>23,080,564</u>
Total assets	<u>56,746,961</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	420,239
Deferred outflows related to other postemployment benefits	<u>939,037</u>
Total deferred outflows	<u>1,359,276</u>

LIABILITIES

Accounts payable	59,231
Long-term liabilities:	
Due within one year	304,912
Due after one year	<u>20,713,870</u>
Total liabilities	<u>21,078,013</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	1,370,255
Deferred inflows related to other post employment benefits	2,402,151
Property taxes levied for a future period	<u>12,607,370</u>
Total deferred inflows	<u>16,379,776</u>

NET POSITION

Investment in capital assets	23,758,106
Restricted for:	
Operations and maintenance	2,779,572
Student transportation	73,853
Retirement benefits	786,260
Unrestricted	<u>(6,749,343)</u>
Total net position	<u>\$ 20,648,448</u>

The accompanying notes are an integral part of this statement.

Northbrook School District 27

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 14,304,674	\$ 169,481	\$ -	\$ (14,135,193)
Special programs	3,656,439	-	491,301	(3,165,138)
Other instructional programs	100,121	5,575	-	(94,546)
State retirement contributions	13,293,629	-	13,293,629	-
Support services:				
Pupils	2,220,796	-	-	(2,220,796)
Instructional staff	1,501,222	-	923	(1,500,299)
General administration	1,084,287	-	-	(1,084,287)
School administration	882,022	-	-	(882,022)
Business	108,499	3,093	57,527	(47,879)
Transportation	859,959	15,334	241,519	(603,106)
Operations and maintenance	4,274,376	-	-	(4,274,376)
Central	225,353	-	-	(225,353)
Community services	64,349	-	-	(64,349)
Total governmental activities	<u>\$ 42,575,726</u>	<u>\$ 193,483</u>	<u>\$ 14,084,899</u>	<u>\$ (28,297,344)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				\$ 24,552,752
Real estate taxes, levied for specific purposes				2,453,367
Personal property replacement taxes				332,656
State aid-formula grants - unrestricted				788,784
Investment earnings				372,689
Miscellaneous				21,465
Total general revenues				<u>28,521,713</u>
Change in net position				224,369
Net position, beginning of year				<u>20,424,079</u>
Net position, end of year				\$ 20,648,448

The accompanying notes are an integral part of this statement.

Northbrook School District 27

Governmental Funds

BALANCE SHEETJune 30, 2020

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.	Total
ASSETS					
Cash and investments	\$ 16,286,416	\$ 2,756,332	\$ 6,158	\$ 778,645	\$ 19,827,551
Receivables (net of allowance for uncollectibles):					
Property taxes	11,639,671	430,439	405,419	385,401	12,860,930
Replacement taxes	-	47,433	-	-	47,433
Intergovernmental	172,419	-	59,708	-	232,127
Other current assets	<u>20,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,814</u>
Total assets	<u>\$ 28,119,320</u>	<u>\$ 3,234,204</u>	<u>\$ 471,285</u>	<u>\$ 1,164,046</u>	<u>\$ 32,988,855</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	<u>\$ 26,554</u>	<u>\$ 32,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,231</u>
Total liabilities	<u>26,554</u>	<u>32,677</u>	<u>-</u>	<u>-</u>	<u>59,231</u>
DEFERRED INFLOWS					
Property taxes levied for a future period	<u>11,410,197</u>	<u>421,955</u>	<u>397,432</u>	<u>377,786</u>	<u>12,607,370</u>
FUND BALANCES					
Restricted	-	2,779,572	73,853	786,260	3,639,685
Assigned	3,750,103	-	-	-	3,750,103
Unassigned	<u>12,932,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,932,466</u>
Total fund balance	<u>16,682,569</u>	<u>2,779,572</u>	<u>73,853</u>	<u>786,260</u>	<u>20,322,254</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 28,119,320</u>	<u>\$ 3,234,204</u>	<u>\$ 471,285</u>	<u>\$ 1,164,046</u>	<u>\$ 32,988,855</u>

The accompanying notes are an integral part of this statement.

Northbrook School District 27
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances - governmental funds	\$ 20,322,254
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Amounts reported for governmental activities in the statement of net position are different because:

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.	23,758,106
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Net deferred outflows and (inflows) or resources related to:

IMRF pension	\$ (345,107)	
TRS pension	(604,909)	
RHP OPEB	317,367	
THIS OPEB	<u>(1,780,481)</u>	(2,413,130)

Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not included in the governmental funds balance sheet:

Compensated absences	\$ (183,686)	
IMRF net pension liability	(1,409,371)	
TRS net pension liability	(1,585,085)	
Retirement recognition payable	(408,804)	
RHP total other postemployment benefit liability	(738,964)	
THIS net other postemployment benefit liability	<u>(16,692,872)</u>	<u>(21,018,782)</u>

Net position of governmental activities	\$ <u><u>20,648,448</u></u>
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The accompanying notes are an integral part of this statement.

Northbrook School District 27

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

For the Year Ended June 30, 2020

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.	Total
Revenues					
Property taxes	\$ 24,552,752	\$ 929,937	\$ 721,487	\$ 801,943	\$ 27,006,119
Replacement taxes	-	317,656	-	15,000	332,656
State aid	6,875,975	838,784	241,519	-	7,956,278
Federal aid	458,183	-	-	-	458,183
Interest	326,920	34,378	5,314	6,077	372,689
Other	185,652	13,962	15,334	-	214,948
Total revenues	32,399,482	2,134,717	983,654	823,020	36,340,873
Expenditures					
Current:					
Instruction:					
Regular programs	14,131,760	(2,610)	-	327,248	14,456,398
Special programs	1,369,726	-	-	30,100	1,399,826
Other instructional programs	102,712	-	-	1,341	104,053
State retirement contributions	6,834,407	-	-	-	6,834,407
Support services:					
Pupils	2,154,395	-	-	64,886	2,219,281
Instructional staff	1,354,081	-	-	93,620	1,447,701
General administration	1,066,412	-	-	49,569	1,115,981
School administration	879,214	-	-	39,570	918,784
Business	87,992	20,507	-	-	108,499
Transportation	-	-	859,959	-	859,959
Operations and maintenance	15,537	2,821,954	-	132,726	2,970,217
Central	225,353	-	-	-	225,353
Community services	48,645	-	-	6,959	55,604
Nonprogrammed charges	2,229,737	-	-	-	2,229,737
Capital outlay	581,089	797,518	-	-	1,378,607
Total expenditures	31,081,060	3,637,369	859,959	746,019	36,324,407
Excess (deficiency) of revenues over expenditures	1,318,422	(1,502,652)	123,695	77,001	16,466
Other financing sources (uses)					
Transfers in	-	-	200,000	-	200,000
Transfers out	(200,000)	-	-	-	(200,000)
Total other financing sources (uses)	(200,000)	-	200,000	-	-
Net change in fund balance (deficit)	1,118,422	(1,502,652)	323,695	77,001	16,466
Fund balance (deficit), beginning of year	15,564,147	4,282,224	(249,842)	709,259	20,305,788
Fund balance, end of year	\$ 16,682,569	\$ 2,779,572	\$ 73,853	\$ 786,260	\$ 20,322,254

The accompanying notes are an integral part of this statement.

Northbrook School District 27

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$	16,466
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Amounts reported for governmental activities in the statement of activities are different because:

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 and loss on disposal exceeded capital outlay in the current period.

Capital outlay	\$	1,056,534	
Depreciation expense		(1,201,424)	
Loss on disposal		<u>(4,450)</u>	(149,340)

Changes in deferred outflows and inflows of resources related to pensions are reported only in the statement of activities:

Net deferred outflows and (inflows) of resources related to:			
IMRF pension	\$	(1,648,400)	
TRS pension		277,581	
RHP OPEB		203,865	
THIS OPEB		<u>(52,124)</u>	(1,219,078)

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. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

IMRF pension liability, net	\$	1,166,767	
TRS pension liability, net		(91,116)	
Compensated absences		(80,181)	
Retirement recognition payable		57,412	
RHP OPEB liability, net		1,156,588	
THIS OPEB liability, net		<u>(633,148)</u>	<u>1,576,322</u>

Change in net position of governmental activities	\$	<u><u>224,370</u></u>
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The accompanying notes are an integral part of this statement.

Northbrook School District 27
Fiduciary Funds
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ <u>80,196</u>
LIABILITIES	
Due to student groups	\$ 22,830
Due to employees	<u>57,366</u>
Total liabilities	<u>\$ 80,196</u>

The accompanying notes are an integral part of this statement.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Northbrook School District 27 (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.

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

2. 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 General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

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.

3. 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) amounts paid by recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

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

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash 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 upon the collection of property taxes in those funds. As allowed by the Illinois Compiled Statutes, this account may be permanently abolished and become part of the Educational Account, 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.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds

The special revenue funds are used to account for and report 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 all revenues and expenditures made for operations, repair, and maintenance of the District's buildings and land. Revenues consist primarily of local property taxes, personal property replacement taxes, and state reimbursement grants.

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

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 are derived primarily from local property taxes and personal property replacement taxes.

c. Fiduciary Funds

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

c. Fiduciary Funds (Continued)

Agency Fund - includes Student Activity Funds - These funds are custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds. The Student Activity 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 student council.

Flexible Spending Account Fund (Agency fund) is also custodial in nature and does not involve measurement of the results of operations. This Fund accounts for assets held by the District and administered by a third party on behalf of the District's employees, for personal medical and dependent care purposes.

4. 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 revenue 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. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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 most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if they are 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.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Property taxes, replacement taxes, interest, and intergovernmental revenues 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.

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

5. 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. At June 30, 2020, the District has deferred outflows of resources related to pensions and other postemployment benefits (OPEB). 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. At June 30, 2020, the District reported deferred inflows of resources related to pensions, OPEB, and property taxes levied for a future period.

6. Deposits and Investments

The Illinois Compiled Statutes require the District to utilize the investment services of the Northfield Township School Treasurer (the Treasurer). Investments are stated at fair value. Changes in fair value are included in investment income.

7. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance at the discretion of the District.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, and equipment and vehicles 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 historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15 - 20
Buildings and improvements	20 - 50
Equipment and vehicles	5 - 20

Construction in progress is stated at cost. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

9. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

10. Compensated Absences

The District grants vacation days earned to twelve-month employees based on individual employment contracts. The vacation days are earned as follows:

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Compensated Absences (Continued)

<u>Years of Employment</u>	<u>Vacation Time Earned</u>
0 - 1	1 day of vacation per 26 days worked
1 - 4	2 weeks
5 - 9	3 weeks
10 or more	4 weeks

The twelve-month period is calculated from July 1 through June 30 each fiscal year. Unused vacation time from any twelve-month period must be taken by the following December 31. Upon leaving employment with the District, the District may pay out unused vacation days up to a maximum of 20 days. The amount outstanding at June 30, 2020 is expected to be paid in the next year. The General and Operations and Maintenance Funds are used to liquidate the liability for compensated absences.

11. Pensions and Other Postemployment Benefits

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

12. Use of Estimates

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

13. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. 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.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Restricted Net Position

For the government-wide financial statements, net position is 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. The District's restricted net position was restricted as a result of 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 the resources are needed.

15. 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 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. The District had no committed fund balance at June 30, 2020.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Fund Balance (Continued)

- 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 delegated the authority to assign amounts to be used for specific purposes. The Board of Education has declared that the Superintendent may assign amounts for a specific purpose. The District has assigned the balance in the Working Cash Account to be used for operation and maintenance purposes.
- 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.

The District targets a fund balance reserve level of 65%.

The assigned fund balance in the General Fund is comprised of \$3,750,103 that is assigned for future operations and maintenance purposes. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

NOTE B - DEPOSITS AND INVESTMENTS

As discussed in Note A, the Illinois Compiled Statutes require the District to utilize the investment services of the Treasurer, 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 School Code and 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 of the School Board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

The Treasurer's investment policy, which is the same as the District's, is 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.

At June 30, 2020, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 19,827,551	\$ 80,196	\$ 19,907,747

For disclosure purposes, cash held by the District and Treasurer is segregated into the following components:

	<u>Total</u>
Cash on hand	\$ 300
Deposits with financial institutions*	3,437,673
Illinois School District Liquid Asset Fund Plus	7,470,874
Illinois Trust Term Series	8,998,900
	<u>\$ 19,907,747</u>

*Includes accounts held in demand and savings accounts and non-negotiable certificates of deposit and money market savings accounts which are valued at cost.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

District cash and investments (other than the student activity account, flexible spending account, imprest account, money market account, and cash on hand) are part of a common pool for all the school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balances by district or cooperative. Cash for all funds, including cash applicable to the Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's office operates as a nonrated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office.

The weighted-average maturity of all pooled marketable investments held by the Treasurer was 0.43 years at June 30, 2020. The Treasurer also holds money-market type investments and deposits with financial institutions, including certificates of deposit. As of the same date, the fair value of all investments held by the Treasurer's office was \$155,468,779, and the fair value of the District's proportionate share of the pool was \$11,998,900. Further information about investments held at the Treasurer's office is available from the Treasurer's financial statements.

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.

The following investments are measured at net asset value (NAV):

			Unfunded	Redemption	Redemption
			Commitments	Frequency	Notice
					Period
ISDLAF+	\$	7,470,874	n/a	Daily	1 day
Illinois Trust		8,998,900	n/a	Daily	1 day

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investment policy authorized investments in any type of security as permitted by State statute.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAm and are valued at share price, which is the price for which the investment could be sold.

The Illinois Trust, formerly known as the Illinois Institutional Investors Trust (IIIT), is a trust organized under the laws of the State of Illinois and managed by a Board of Trustees, elected from participating members. The Illinois Trust is not registered with the SEC as an investment company. Investments in the Illinois Trusts are rated AAAm and are valued at Illinois Trust's share price, which is the price for which the investment could be sold. There were no unfunded commitments.

At June 30, 2020, the carrying values of the District's imprest, money market, and fiduciary accounts totaled \$166,058 all of which was deposited with financial institutions and fully insured. The District also maintains \$300 in petty cash.

2. **Cash and Investments in the Custody of the District**

Custodial Credit Risk

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, 2020, the bank balances of the District's deposits with financial institutions totaled \$3,443,483, all of which was fully insured or collateralized.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE C - 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 19, 2019. 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.

Tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The District's annual property tax levy is subject to the Property Tax Extension Limitation Act (PTELA), which is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations, and tax increment finance district property becoming eligible for taxation.

The Cook County Assessor is responsible for the assessment of all taxable 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 2.9160 for 2019.

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 2019 tax levy was \$974,611,953.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE C - 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, equalization, and any changes from the prior year.

The portion of the 2019 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 2%. 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 deferred inflow of resources - property taxes levied for a future period.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 677,542	\$ -	\$ -	\$ 677,542
Construction in progress	485,724	-	485,724	-
	<u>1,163,266</u>	<u>-</u>	<u>485,724</u>	<u>677,542</u>
Total capital assets, not being depreciated	<u>1,163,266</u>	<u>-</u>	<u>485,724</u>	<u>677,542</u>
Capital assets, being depreciated				
Land improvements	1,573,949	-	-	1,573,949
Buildings and improvements	37,742,371	1,243,210	509,740	38,475,841
Equipment and vehicles	5,117,484	299,048	77,424	5,339,108
	<u>44,433,804</u>	<u>1,542,258</u>	<u>587,164</u>	<u>45,388,898</u>
Total capital assets, being depreciated	<u>44,433,804</u>	<u>1,542,258</u>	<u>587,164</u>	<u>45,388,898</u>
Less accumulated depreciation for:				
Land improvements	1,187,654	45,303	-	1,232,957
Buildings and improvements	16,554,466	829,220	507,566	16,876,120
Equipment and vehicles	3,947,503	326,901	75,147	4,199,257
	<u>21,689,623</u>	<u>1,201,424</u>	<u>582,713</u>	<u>22,308,334</u>
Total accumulated depreciation	<u>21,689,623</u>	<u>1,201,424</u>	<u>582,713</u>	<u>22,308,334</u>
Total capital assets, being depreciated, net	<u>22,744,181</u>	<u>340,834</u>	<u>4,451</u>	<u>23,080,564</u>
Governmental activities capital assets, net	<u>\$ 23,907,447</u>	<u>\$ 340,834</u>	<u>\$ 490,175</u>	<u>\$ 23,758,106</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE D - CAPITAL ASSETS (Continued)

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

Governmental activities	
General government	
Regular programs	\$ 1,081,973
Special programs	87,074
School administration	8,499
Business	4,303
Operations and maintenance	<u>19,575</u>
	<u>\$ 1,201,424</u>

NOTE E - OPERATING LEASES

The District has a noncancelable operating lease agreement for seven copiers, expiring in June 2022. The lease requires minimum monthly payments of \$1,617. Future minimum lease payments are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Minimum</u> <u>Payments</u>
2021	19,404
2022	<u>19,404</u>
	<u>\$ 38,808</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2020:

	<u>Balance</u> <u>July 1, 2019</u>		<u>Additions</u>		<u>Reductions</u>		<u>Balance</u> <u>June 30, 2020</u>		<u>Due Within</u> <u>One Year</u>
Compensated									
absences	\$ 103,505	\$	223,715	\$	143,534	\$	183,686	\$	183,686
Retirement recognition									
payable	466,216		145,608		203,020		408,804		121,226
IMRF net pension									
liability	2,576,138		1,527,105		2,693,872		1,409,371		-
TRS net pension									
liability	1,493,969		310,706		219,590		1,585,085		-
RHP total other									
postemployment									
benefit liability	1,895,552		335,866		1,492,454		738,964		-
THIS net other									
postemployment									
benefit liability	<u>16,059,724</u>		<u>1,254,453</u>		<u>621,305</u>		<u>16,692,872</u>		<u>-</u>
	<u>\$ 22,595,104</u>	<u>\$</u>	<u>3,797,453</u>	<u>\$</u>	<u>5,373,775</u>	<u>\$</u>	<u>21,018,782</u>	<u>\$</u>	<u>304,912</u>

The General and Operations and Maintenance funds are used to liquidate the long-term liabilities of the District.

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, 2020, the statutory debt limit for the District was \$67,248,225, all of which is fully available.

1. Retirement Recognition Payable

If a certified employee notifies the District by April 1 of an irrevocable intent to retire at the end of the school year three years later, the certified employee shall receive a lump sum amount payable over the next five years. In any given year the amount paid does not exceed 6% per year over his or her salary in the previous year. Any amount left unpaid through a salary increase is paid the year after retirement. As of June 30, 2020, the District's liability for increases due to intent to retire was \$408,804, which is equal to the present value of future anticipated payments.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - LONG-TERM LIABILITIES (Continued)

1. Retirement Recognition Payable (Continued)

At June 30, 2020, the District's future obligations under the arrangement was as follows:

Year Ending June 30,	Amount
2021	\$ 121,226
2022	<u>287,578</u>
Total	<u>\$ 408,804</u>

NOTE G - JOINT AGREEMENT

The District is a member of the Northern Suburban Special Education District (NSSSED), a joint agreement that provides certain special education services to residents of many school districts. 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 should not be included as a component unit of the District.

NOTE H- RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destructions 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 pools: the School Employee Loss Fund (SELF) for worker's compensation claims; and the Suburban School Cooperative Insurance Pool (SSCIP) for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools. Complete financial statements for SELF can be obtained from its business office at 1111 South Dee Road, Park Ridge, Illinois 60068. Complete financial statements for SSCIP can be obtained from its Treasurer at 5540 Arlington Drive, Hanover Park, 60103.

Settled claims have not exceeded coverage for the past three fiscal years, and the pool coverage has not been exceeded.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE H- RISK MANAGEMENT (Continued)

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 I - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

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 www.trsil.org/financial/cafrs/fy2019; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, 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 consecutive 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.

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 highest 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.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

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, 2019, was 9.0 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.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2020, 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 expenses of \$12,248,221 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$6,650,012 in the General Fund based on the current financial resources measurement basis.

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, 2020, were \$86,249, and are deferred because they were paid after the June 30, 2019 measurement date.

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, there were no salaries paid from federal and special trust funds, and thus there were no required employer contributions.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

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 District is 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, 2020, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$19,677 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2020, 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	\$ 1,585,085
State's proportionate share of the net pension liability associated with the District	<u>112,808,783</u>
Total	<u><u>\$ 114,393,868</u></u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - 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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. 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, 2019, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2019, the District's proportion was 0.0019542856 percent, which was an increase of 0.0000375855 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 12,248,221	\$ 6,650,012
District TRS pension expense (benefit)	<u>(97,042)</u>	<u>86,249</u>
Total TRS expense/expenditure	\$ <u>12,151,179</u>	\$ <u>6,736,261</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - 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)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 25,991	\$ -
Net difference between projected and actual earnings on pension plan investments	2,511	-
Changes of assumptions	35,517	30,426
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>23,128</u>	<u>747,879</u>
Total deferred amounts to be recognized in pension expense in the future periods	87,147	778,305
District contributions subsequent to the measurement date	<u>86,249</u>	<u>-</u>
	<u>\$ 173,396</u>	<u>\$ 778,305</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - 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)

The District reported \$86,249 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (224,622)
2022	(242,335)
2023	(163,645)
2024	(63,320)
2025	2,764
	<u>\$ (691,158)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, incl. inflation

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - 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 (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Real Return</u>
U.S. equities large cap	15.0 %	6.3 %
U.S. equities small/mid cap	2.0	7.7
International equities developed	13.6	7.0
Emerging market equities	3.4	9.5
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.0
International debt developed	2.2	1.1
Emerging international debt	2.6	4.4
Real estate	16.0	5.2
Real return	4.0	1.8
Absolute return	14.0	4.1
Private equity	15.0	9.7
Total	<u>100.0 %</u>	

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - 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)

Discount Rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 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. All projected future payments were covered, so 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ <u>1,936,043</u>	\$ <u>1,585,085</u>	\$ <u>1,296,528</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - 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)

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2019 is available in the separately issued *TRS Comprehensive Annual Financial Report*.

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 administrator of an agent 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).

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

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

Benefits Provided (Continued)

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

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

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	97
Inactive plan members entitled to but not yet receiving benefits	217
Active plan members	<u>66</u>
Total	<u><u>380</u></u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

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

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 2019 was 9.23%. For the fiscal year ended June 30, 2020 the District contributed \$317,034 to the plan. 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, 2019. 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, 2019:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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:

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60% - 7.60%
Cash Equivalents	1%	1.85%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability, which is the same rate used in the previous valuation. 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 pension plan investments is 7.25%, the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - 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, 2019:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 14,779,588	\$ 12,203,450	\$ 2,576,138
Changes for the year:			
Service cost	322,985	-	322,985
Interest on the total pension liability	1,054,657	-	1,054,657
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	149,463	-	149,463
Changes of assumptions	-	-	-
Contributions - Employer	-	288,295	(288,295)
Contributions - Employees	-	138,138	(138,138)
Net investment income	-	2,292,168	(2,292,168)
Benefit payments, including refunds of employee contributions	(788,180)	(788,180)	-
Other (net transfer)	-	(24,729)	24,729
Net changes	<u>738,925</u>	<u>1,905,692</u>	<u>(1,166,767)</u>
Balances at December 31, 2019	<u>\$ 15,518,513</u>	<u>\$ 14,109,142</u>	<u>\$ 1,409,371</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

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

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 7.25%, as well as what the plan's net pension liability or asset would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	<u>1% Lower (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Higher (8.25%)</u>
Net pension liability (asset)	\$ <u>3,164,914</u>	\$ <u>1,409,371</u>	\$ <u>(53,935)</u>

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

For the year ended June 30, 2020 the District recognized pension expense of \$805,043. At June 30, 2020, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 59,295	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>591,950</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>59,295</u>	<u>591,950</u>
Pension contributions made subsequent to the measurement date	<u>187,548</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 246,843</u>	<u>\$ 591,950</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

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

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

The District reported \$187,548 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, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30,	Outflows (Inflows) of Resources
2021	\$ (106,923)
2022	(180,283)
2023	38,835
2024	(284,284)
2025	-
Thereafter	-
Total	\$ <u>(532,655)</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 86,249	\$ 187,548	\$ 273,797
Experience	25,991	59,295	85,286
Assumptions	35,517	-	35,517
Proportionate share	23,128	-	23,128
Investments	2,511	-	2,511
	<u>\$ 173,396</u>	<u>\$ 246,843</u>	<u>\$ 420,239</u>
Net pension liability	<u>\$ 1,585,085</u>	<u>\$ 1,409,371</u>	<u>\$ 2,994,456</u>
Pension Expense	<u>\$ 12,151,179</u>	<u>\$ 805,043</u>	<u>\$ 12,956,222</u>
Deferred inflows of resources:			
Investments	\$ -	\$ 591,950	\$ 591,950
Experience	-	-	-
Assumptions	30,426	-	30,426
Proportionate share	747,879	-	747,879
	<u>\$ 778,305</u>	<u>\$ 591,950</u>	<u>\$ 1,370,255</u>

4. 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.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

Plan Description

The District participates in the Teacher Health Insurance Security Fund (THIS), 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 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. 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 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" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

Benefits Provided

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.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2020. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2020, the District recognized revenue and expenses of \$1,045,407 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$184,395 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2020, the District paid \$136,809 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2019 measurement date.

District contributions to the THIS Fund (Continued)

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.

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB 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 OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

District's proportionate share of the net OPEB liability	\$ 16,692,872
State's proportionate share of the net OPEB liability associated with the District *	<u>22,604,278</u>
Total	<u><u>\$ 39,297,150</u></u>

- * The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2019, the District's proportion was 0.060312 percent, which was a decrease of 0.000645 percent from its proportion measured as of June 30, 2018.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2020, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - OPEB revenue	\$ 1,045,407	\$ 184,395
and expense/expenditure		
District OPEB pension expense	<u>823,106</u>	<u>136,809</u>
Total OPEB expense/expenditure	<u>\$ 1,868,513</u>	<u>\$ 321,204</u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 277,005
Net difference between projected and actual earnings on		
OPEB plan investments	-	547
Changes of assumptions	6,328	1,913,547
Changes in proportion and differences between District		
contributions and proportionate share of contributions	<u>445,501</u>	<u>178,020</u>
Total deferred amounts to be recognized in OPEB		
expense in the future periods	451,829	2,369,119
District contributions subsequent to the measurement date	<u>136,809</u>	<u>-</u>
	<u>\$ 588,638</u>	<u>\$ 2,369,119</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The District reported \$136,809 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2021. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year ended June 30:	Net Deferred Inflows of Resources
	<u> </u>
2021	\$ (369,835)
2022	(369,835)
2023	(369,792)
2024	(369,702)
2025	(266,195)
Thereafter	<u>(171,931)</u>
	<u>\$ (1,917,290)</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure Total OPEB Liability
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Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2019, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation Rate	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare Trend Rate	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Healthcare Trend Rate	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Discount Rate

The State, the District and active members contribute 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2019. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.62 percent at June 30, 2018, and 3.13 percent at June 30, 2019, was used to measure the total OPEB liability. The decrease in the single discount rate, from 3.62 percent to 3.13 percent, caused the total OPEB liability for the entire plan to increase by approximately \$2,296 million as of June 30, 2019.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Investment Return

During plan year end June 30, 2019, the trust earned \$397,000 in interest, and the market value of assets at June 30, 2019, is \$68 million. Given the low asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 2.038% for plan year end June 30, 2019, and 1.301% for plan year end June 30, 2018.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.13 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current rate:

	<u>1% Decrease</u> <u>(2.13%)</u>	<u>Current</u> <u>Discount</u> <u>(3.13%)</u>	<u>1% Increase</u> <u>(4.13%)</u>
District's proportionate share of the net OPEB liability	\$ 20,070,890	\$ 16,692,872	\$ 14,024,962

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following table shows the District's net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	<u>1% Decrease *</u>	<u>Current Healthcare Trend Rate</u>	<u>1% Increase **</u>
District's proportionate share of the net OPEB liability	\$ 13,486,479	\$ 16,692,872	\$ 21,023,511

* One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

2. **Retiree Health Plan**

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Benefits Provided

The plan provides the ability for 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. Administrators and Certified retirees who have given notice of retirement prior to April 1, 2019, are reimbursed a part of the premium toward the cost of their insurance, which is determined by the Board. The remainder of the premium is the responsibility of the retiree. For certified retirees retiring after that date, The Board of Education will make an employer contribution of \$690 per month during each of the last four years of employment (\$33,120 total) into an IRC Section 115 Trust. The Trust shall be used by the retiree for post-retirement health care expenses. IMRF retirees are eligible to participate in the plan, provided they pay the entire premium. Retirees that were part of the Voluntary Separation Program are reimbursed a part of the premium toward the cost of their insurance, which is determined by the Board, for five years beyond the retirement date or until the retiree is Medicare eligible (whichever occurs first). The remainder of the premium is the responsibility of the retiree.

Employees Covered by Benefit Terms

As of June 30, 2020, the following employees were covered by the benefit terms:

Active	194
Inactive entitled to but not yet receiving benefits	-
Inactive currently receiving benefits	<u>20</u>
Total	<u><u>214</u></u>

Contributions

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District does not contribute for postemployment benefits premiums. For certified employees, the District contributes \$690 per month to a section 115 IRC trust during the final four years of employment. The Trust shall be used by the retiree for post-retirement health care expenses. For fiscal year 2020, the District contributed \$0 toward the cost of the postemployment benefits for retirees, which was 0% of covered payroll.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Total OPEB Liability

The total OPEB liability, after considering the share of benefit-related costs with inactive Plan members, was determined by an actuarial valuation performed as of July 1, 2019 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry age, Normal
Actuarial assumptions:	
Inflation rate	3.00%
Discount rate	2.66%
Projected salary rate increases	4.00%
Healthcare inflation rate	5.00%
	4.50% - 5.00% ultimate
Mortality rates	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

Election at Retirement: 15% of future IMRF Employees retirees are assumed to elect District insurance at retirement.

Coverage Status: 100% Employees are assumed to continue in their current plan into retirement if a District medical plan is selected. IMRF employees who declined active medical coverage are assumed to elect the HMO Illinois Plan at retirement.

Marital Status: 30% of active IMRF employees electing retiree coverage are assumed to be married and to elect spousal coverage with males three years older than females.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.66% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2020.

Changes in Total OPEB Liability

	Total OPEB Liability (A)	Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2019	\$ 1,895,552	\$ -	\$ 1,895,552
Changes for the year:			
Service cost	24,400	-	24,400
Interest on the total OPEB liability	51,482	-	51,482
Difference between expected and actual experience of the total OPEB liability	(15,336)	-	(15,336)
Changes of benefit terms	(1,376,485)	-	(1,376,485)
Changes of assumptions	135,548	-	135,548
Contributions - employer	-	-	-
Contributions - employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(100,633)	-	(100,633)
Other	124,436	-	124,436
Net changes	<u>(1,156,588)</u>	<u>-</u>	<u>(1,156,588)</u>
Balances at June 30, 2020	<u>\$ 738,964</u>	<u>\$ -</u>	<u>\$ 738,964</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.66%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	<u>1% Lower (1.66%)</u>	<u>Current Discount Rate (2.66%)</u>	<u>1% Higher (3.66%)</u>
Total OPEB liability	\$ 761,717	\$ 738,964	\$ 717,091

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50%-5.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	<u>1% Lower</u>	<u>Current Healthcare Rate</u>	<u>1% Higher</u>
Total OPEB liability	\$ 724,588	\$ 738,964	\$ 755,607

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020 the District recognized OPEB expense of (\$1,259,820). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from

<u>Deferred Amounts Related to OPEB</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB		
Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 25,548
Change of assumptions	<u>350,399</u>	<u>7,484</u>
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>-</u>
Total deferred amounts to be recognized in OPEB expense in the Future periods	<u>\$ 350,399</u>	<u>\$ 33,032</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ 40,782
2022	40,782
2023	40,782
2024	40,782
2025	40,782
Thereafter	<u>113,457</u>
	<u>\$ 317,367</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2020:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 136,809	\$ -	\$ 136,809
Experience	-	-	-
Assumptions	6,328	350,399	356,727
Proportionate share	<u>445,501</u>	<u>-</u>	<u>445,501</u>
Investments	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 588,638</u>	<u>\$ 350,399</u>	<u>\$ 939,037</u>
OPEB liability	<u>\$ 16,692,872</u>	<u>\$ 738,964</u>	<u>\$ 17,431,836</u>
OPEB expense (income)	<u>\$ 1,868,513</u>	<u>\$ (1,259,820)</u>	<u>\$ 608,693</u>
Deferred inflows of resources:			
Experience	\$ 277,005	\$ 25,548	\$ 302,553
Assumptions	1,913,547	7,484	1,921,031
Investments	547	-	547
Proportionate share	<u>178,020</u>	<u>-</u>	<u>178,020</u>
	<u>\$ 2,369,119</u>	<u>\$ 33,032</u>	<u>\$ 2,402,151</u>

NOTE K - INTERFUND TRANSFERS

During the year, the District transferred \$200,000 to the Transportation Fund from the General Fund (Educational Account) to provide a funding source for ongoing operations.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE L - CONTINGENCIES

1. Litigation

The District, in the normal course of business, is subject to various ongoing property tax appeals and objections, and general litigation. Although the outcome of these matters is not presently determinable, the resolution of these matters, should the outcome be unfavorable, could have a significant impact on future tax revenues.

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, not to be significant.

3. COVID-19

The direct and indirect impacts of the COVID-19 pandemic on the District's enrollment, vendors, operations, and financing arrangements are currently unknown, other than those mentioned below, as is the duration and severity of any impacts that the District may experience. Additionally, tax payors in Cook County have been granted an extension on the second installment payment for property tax (due August 1, 2020). Tax payors were given to October 1, 2020 to remit property tax payments without penalty, which will affect the timing of the District receiving those property taxes, and overall cash flows. While the District's evaluation is ongoing, management is currently unable to quantify the full effects that the pandemic will have on its operations, cash flows, and financial position; however, they may be significant. No adjustments have been made to these financial statements as a result of this uncertainty.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 9, 2020, 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 net position date that require additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Northbrook School District 27

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Illinois Municipal Retirement Fund

Six Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability			
Service cost	\$ 322,985	\$ 308,981	\$ 314,044
Interest on the total pension liability	1,054,657	982,633	964,048
Benefit changes	-	-	-
Difference between expected and actual experience of the total pension liability	149,463	515,823	31,530
Assumption changes	-	376,553	(426,310)
Benefit payments, including the implicit rate subsidy	(788,180)	(703,379)	(562,584)
Net change in total pension liability	738,925	1,480,611	320,728
Total pension liability, beginning	14,779,588	13,298,977	12,978,249
Total pension liability, ending	\$ <u>15,518,513</u>	\$ <u>14,779,588</u>	\$ <u>13,298,977</u>
Plan fiduciary net position			
Contributions, employer	\$ 288,295	\$ 333,447	\$ 320,135
Contributions, employee	138,138	137,513	144,842
Net investment income	2,292,168	(653,720)	1,924,547
Benefit payments, including refunds of employee contributions	(788,180)	(703,379)	(562,584)
Other (net transfer)	(24,729)	296,384	(270,254)
Net change in plan fiduciary net position	1,905,692	(589,755)	1,556,686
Plan fiduciary net position, beginning	12,203,450	12,793,205	11,236,519
Plan fiduciary net position, ending	\$ <u>14,109,142</u>	\$ <u>12,203,450</u>	\$ <u>12,793,205</u>
Net pension liability	\$ <u>1,409,371</u>	\$ <u>2,576,138</u>	\$ <u>505,772</u>
Plan fiduciary net position as a percentage of the total pension liability	90.92 %	82.57 %	96.20 %
Covered Valuation Payroll	\$ 3,052,771	\$ 3,012,162	\$ 2,912,970
Net pension liability as a percentage of covered valuation payroll	46.17 %	85.52 %	17.36 %

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

Note: Actuarial valuations are as of December 31, which is six months prior to the end of the fiscal year.

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 297,080	\$ 300,579	\$ 309,019
901,139	848,640	761,619
-	-	-
168,904	39,819	44,345
(29,192)	13,588	507,922
<u>(516,919)</u>	<u>(450,803)</u>	<u>(435,811)</u>
821,012	751,823	1,187,094
12,157,237	11,405,414	10,218,320
\$ <u><u>12,978,249</u></u>	\$ <u><u>12,157,237</u></u>	\$ <u><u>11,405,414</u></u>
\$ 303,980	\$ 288,763	\$ 280,489
124,108	120,368	119,248
718,920	52,538	602,659
(516,919)	(450,803)	(435,811)
<u>77,448</u>	<u>(10,342)</u>	<u>64,184</u>
707,537	524	630,769
10,528,982	10,528,458	9,897,689
\$ <u><u>11,236,519</u></u>	\$ <u><u>10,528,982</u></u>	\$ <u><u>10,528,458</u></u>
\$ <u><u>1,741,730</u></u>	\$ <u><u>1,628,255</u></u>	\$ <u><u>876,956</u></u>
86.58 %	86.61 %	92.31 %
\$ 2,731,172	\$ 2,658,955	\$ 2,614,071
63.77 %	61.24 %	33.55 %

Northbrook School District 27
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Six Most Recent Fiscal Years

<u>Fiscal Year</u>		<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2020	* \$	281,771	\$ 288,295	\$ (6,524)	\$ 3,052,771	9.44 %
2019		333,446	333,447	(1)	3,012,162	11.07
2018		320,135	320,135	-	2,912,970	10.99
2017		303,979	303,980	(1)	2,731,172	11.13
2016		288,763	288,763	-	2,658,955	10.86
2015		278,772	280,489	(1,717)	2,598,062	10.80

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

Northbrook School District 27
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Six Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	0.0019542856 %	0.0019167001 %	0.0031326327 %
District's proportionate share of the net pension liability (asset)	\$ 1,585,085	\$ 1,493,969	\$ 2,393,273
State's proportionate share of the net pension liability associated with the District	<u>112,808,783</u>	<u>102,343,123</u>	<u>103,110,586</u>
Total	\$ <u><u>114,393,868</u></u>	\$ <u><u>103,837,092</u></u>	\$ <u><u>105,503,859</u></u>
District's covered payroll	\$ 14,712,324	\$ 14,188,758	\$ 13,918,842
District's proportionate share of the net pension liability as a percentage of its covered payroll	10.77 %	10.53 %	17.19 %
Plan fiduciary net position as a percentage of the total pension liability	39.60 %	40.00 %	39.30 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net position liability is reported.

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0036757189 %	0.0038802991 %	0.0038884613 %
\$ 2,901,467	\$ 2,541,987	\$ 2,366,450
<u>108,272,769</u>	<u>85,297,368</u>	<u>78,647,025</u>
\$ <u><u>111,174,236</u></u>	\$ <u><u>87,839,355</u></u>	\$ <u><u>81,013,475</u></u>
\$ 13,640,291	\$ 13,223,022	\$ 12,818,216
21.27 %	19.22 %	18.46 %
36.40 %	41.50 %	43.00 %

Northbrook School District 27
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
Six Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 86,249	\$ 82,294	\$ 129,021
Contributions in relation to the contractually required contribution	<u>(88,505)</u>	<u>(79,637)</u>	<u>(129,063)</u>
Contribution deficiency (excess)	\$ <u>(2,256)</u>	\$ <u>2,657</u>	\$ <u>(42)</u>
District's covered payroll	\$ 14,870,540	\$ 14,712,324	\$ 14,188,758
Contributions as a percentage of covered payroll	0.60 %	0.54 %	0.91 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net position liability is reported.

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 144,113	\$ 134,488	\$ 139,146
<u>(142,350)</u>	<u>(135,965)</u>	<u>(138,738)</u>
\$ <u><u>1,763</u></u>	\$ <u><u>(1,477)</u></u>	\$ <u><u>408</u></u>
\$ 13,918,842	\$ 13,640,291	\$ 13,223,022
1.02 %	1.00 %	1.05 %

Northbrook School District 27

SCHEDULE OF CHANGES IN TOTAL OTHER POSTRETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

Retiree Health Plan

Three Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 24,400	\$ 114,073	\$ 102,406
Interest on the total OPEB liability	51,482	55,892	56,094
Changes of benefit terms	(1,376,485)	-	-
Difference between expected and actual experience of the total OPEB liability	(15,336)	-	(17,668)
Assumption changes	135,538	70,349	1,627
Benefit payments and refunds	(100,633)	(101,871)	(89,898)
Other	124,436	52,564	21,315
Net change in total OPEB liability	(1,156,598)	191,007	73,876
Total OPEB liability, beginning	<u>1,895,552</u>	<u>1,704,545</u>	<u>1,630,669</u>
Total OPEB liability, ending	<u>\$ 738,954</u>	<u>\$ 1,895,552</u>	<u>\$ 1,704,545</u>
Plan fiduciary net position			
Contributions, employer	\$ -	\$ -	\$ -
Contributions, employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 738,954</u>	<u>\$ 1,895,552</u>	<u>\$ 1,704,545</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered Valuation Payroll	\$ 14,921,000	\$ 16,015,846	\$ 16,015,846
Net OPEB liability as a percentage of covered valuation payroll	4.95 %	11.84 %	10.64 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Northbrook School District 27
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teacher Health Insurance Security Fund
Three Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.060312 %	0.060957 %	0.060514 %
District's proportionate share of the net OPEB liability	\$ 16,692,872	\$ 16,059,724	\$ 15,703,090
State's proportionate share of the net OPEB liability associated with the District	<u>22,604,278</u>	<u>21,564,746</u>	<u>20,622,059</u>
Total	<u>\$ 39,297,150</u>	<u>\$ 37,624,470</u>	<u>\$ 36,325,149</u>
District's covered payroll	\$ 14,712,324	\$ 14,188,758	\$ 13,918,842
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	113.46%	113.19%	112.82%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	-0.07%	-0.17%

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Northbrook School District 27
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teacher Health Insurance Security Fund
Three Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 135,353	\$ 124,861	\$ 116,918
Contributions in relation to the contractually required contribution	<u>136,378</u>	<u>127,164</u>	<u>116,936</u>
Contribution excess	<u>\$ 1,025</u>	<u>\$ 2,303</u>	<u>\$ 18</u>
District's covered payroll	\$ 14,870,540	\$ 14,712,324	\$ 14,188,758
Contributions as a percentage of covered payroll	0.91%	0.85%	0.82%

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 23,444,680	\$24,552,752	\$ 1,108,072	\$23,082,295
Regular tuition from pupils or parents	-	15,568	15,568	-
Summer school tuition from pupils or parents	2,000	5,575	3,575	3,404
Interest on investments	250,000	326,920	76,920	478,716
Sales to pupils - other	3,500	3,093	(407)	2,826
Fees	70,000	79,740	9,740	60,696
Rentals - regular textbook	54,000	74,173	20,173	47,765
Contributions and donations from private sources	5,000	7,226	2,226	13,292
Refund of prior years' expenditures	500	-	(500)	-
Other	<u>500</u>	<u>277</u>	<u>(223)</u>	<u>74</u>
Total local sources	<u>23,830,180</u>	<u>25,065,324</u>	<u>1,235,144</u>	<u>23,689,068</u>
State sources				
Special Education - Private Facility Tuition	10,000	40,645	30,645	35,395
Other restricted revenue from state sources	500	923	423	-
On-Behalf Payments to TRS from the State	<u>10,856,000</u>	<u>6,834,407</u>	<u>(4,021,593)</u>	<u>6,520,449</u>
Total state sources	10,866,500	6,875,975	(3,990,525)	6,555,844

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020				
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual	
Federal sources					
Special Milk Program	\$ 10,000	\$ 7,527	\$ (2,473)	\$ 10,514	
Federal Special Education - Preschool Flow-Through	5,636	4,277	(1,359)	4,235	
Federal Special Education - IDEA Flow Through	364,562	345,314	(19,248)	276,692	
Federal Special Education - IDEA Room & Board	-	59,611	59,611	20,206	
Medicaid Matching Funds - Administrative Outreach	-	18,738	18,738	-	
Medicaid Matching Funds - Fee-For-Service Program	<u>4,600</u>	<u>22,716</u>	<u>18,116</u>	<u>4,678</u>	
Total federal sources	<u>384,798</u>	<u>458,183</u>	<u>73,385</u>	<u>316,325</u>	
Total revenues	<u>35,081,478</u>	<u>32,399,482</u>	<u>(2,681,996)</u>	<u>30,561,237</u>	
Expenditures					
Instruction					
Regular programs					
Salaries	11,229,910	11,043,734	186,176	10,856,677	
Employee benefits	2,086,784	1,996,254	90,530	2,168,533	
On-Behalf Payments to TRS from the State	10,856,000	6,834,407	4,021,593	6,520,449	
Purchased services	17,100	4,551	12,549	7,926	
Supplies and materials	1,109,860	1,044,707	65,153	969,217	
Capital outlay	505,000	581,089	(76,089)	539,498	
Other objects	-	337	(337)	-	
Non-capitalized equipment	<u>28,000</u>	<u>42,177</u>	<u>(14,177)</u>	<u>24,648</u>	
Total	25,832,654	21,547,256	4,285,398	21,086,948	

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Special education programs				
Salaries	\$ 1,335,895	\$ 1,331,190	\$ 4,705	\$ 1,333,720
Employee benefits	32,626	33,354	(728)	33,076
Purchased services	1,500	1,549	(49)	2,063
Supplies and materials	14,200	3,633	10,567	4,554
Total	1,384,221	1,369,726	14,495	1,373,413
Interscholastic programs				
Purchased services	4,500	5,070	(570)	4,595
Total	4,500	5,070	(570)	4,595
Summer school programs				
Salaries	10,000	16,418	(6,418)	8,764
Employee benefits	150	222	(72)	124
Supplies and materials	500	-	500	-
Total	10,650	16,640	(5,990)	8,888
Gifted programs				
Salaries	77,248	78,434	(1,186)	74,079
Employee benefits	1,159	1,177	(18)	1,111
Supplies and materials	2,000	1,391	609	1,410
Total	80,407	81,002	(595)	76,600
Total instruction	27,312,432	23,019,694	4,292,738	22,550,444

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 387,408	\$ 370,246	\$ 17,162	\$ 358,379
Employee benefits	5,661	5,553	108	5,376
Supplies and materials	<u>3,000</u>	<u>429</u>	<u>2,571</u>	<u>2,374</u>
Total	<u>396,069</u>	<u>376,228</u>	<u>19,841</u>	<u>366,129</u>
Guidance services				
Salaries	102,399	102,398	1	98,410
Employee benefits	1,536	1,536	-	1,476
Purchased services	-	-	-	-
Supplies and materials	<u>30,000</u>	<u>44,122</u>	<u>(14,122)</u>	<u>39,998</u>
Total	<u>133,935</u>	<u>148,056</u>	<u>(14,121)</u>	<u>139,884</u>
Health services				
Salaries	255,727	251,561	4,166	255,174
Employee benefits	1,746	1,755	(9)	1,692
Purchased services	500	-	500	-
Supplies and materials	<u>5,250</u>	<u>1,442</u>	<u>3,808</u>	<u>3,751</u>
Total	<u>263,223</u>	<u>254,758</u>	<u>8,465</u>	<u>260,617</u>

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Psychological services				
Salaries	\$ 342,707	\$ 342,543	\$ 164	\$ 329,074
Employee benefits	5,141	5,138	3	4,936
Supplies and materials	<u>6,000</u>	<u>6,386</u>	<u>(386)</u>	<u>5,541</u>
Total	<u>353,848</u>	<u>354,067</u>	<u>(219)</u>	<u>339,551</u>
Speech pathology and audiology services				
Salaries	480,013	482,050	(2,037)	551,161
Employee benefits	7,200	7,231	(31)	8,267
Supplies and materials	<u>3,750</u>	<u>147</u>	<u>3,603</u>	<u>411</u>
Total	<u>490,963</u>	<u>489,428</u>	<u>1,535</u>	<u>559,839</u>
Other support services - pupils				
Salaries	567,134	522,572	44,562	467,401
Employee benefits	8,508	6,046	2,462	5,667
Supplies and materials	<u>500</u>	<u>3,240</u>	<u>(2,740)</u>	<u>7,727</u>
Total	<u>576,142</u>	<u>531,858</u>	<u>44,284</u>	<u>480,795</u>
Total pupils	<u>2,214,180</u>	<u>2,154,395</u>	<u>59,785</u>	<u>2,146,815</u>
Instructional staff				
Improvement of instruction services				
Salaries	866,241	852,711	13,530	892,820
Employee benefits	130,502	130,390	112	128,057
Purchased services	50,500	31,640	18,860	42,381
Supplies and materials	<u>31,000</u>	<u>32,166</u>	<u>(1,166)</u>	<u>30,224</u>
Total	<u>1,078,243</u>	<u>1,046,907</u>	<u>31,336</u>	<u>1,093,482</u>

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Educational media services				
Salaries	\$ 254,215	\$ 254,215	\$ -	\$ 271,588
Employee benefits	3,813	3,814	(1)	4,074
Supplies and materials	<u>78,700</u>	<u>43,083</u>	<u>35,617</u>	<u>73,987</u>
Total	<u>336,728</u>	<u>301,112</u>	<u>35,616</u>	<u>349,649</u>
Assessment and testing				
Purchased services	<u>10,000</u>	<u>-</u>	<u>3,938</u>	<u>6,046</u>
Total	<u>10,000</u>	<u>6,062</u>	<u>3,938</u>	<u>6,046</u>
Total instructional staff	<u>1,424,971</u>	<u>1,354,081</u>	<u>70,890</u>	<u>1,449,177</u>
General administration				
Board of education services				
Purchased services	<u>285,217</u>	<u>-</u>	<u>7,660</u>	<u>280,487</u>
Total	<u>285,217</u>	<u>277,557</u>	<u>7,660</u>	<u>280,487</u>
Executive administration services				
Salaries	703,329	705,096	(1,767)	692,337
Employee benefits	63,667	66,023	(2,356)	64,751
Purchased services	9,800	5,612	4,188	8,677
Supplies and materials	<u>16,000</u>	<u>12,124</u>	<u>3,876</u>	<u>16,560</u>
Total	<u>792,796</u>	<u>788,855</u>	<u>3,941</u>	<u>782,325</u>
Total general administration	<u>1,078,013</u>	<u>1,066,412</u>	<u>11,601</u>	<u>1,062,812</u>

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
School administration				
Office of the principal services				
Salaries	\$ 815,844	\$ 791,054	\$ 24,790	\$ 787,342
Employee benefits	79,066	82,194	(3,128)	79,744
Supplies and materials	<u>14,000</u>	<u>5,966</u>	<u>8,034</u>	<u>8,478</u>
Total	<u>908,910</u>	<u>879,214</u>	<u>29,696</u>	<u>875,564</u>
Total school administration	<u>908,910</u>	<u>879,214</u>	<u>29,696</u>	<u>875,564</u>
Business				
Fiscal services				
Purchased services	<u>79,513</u>	<u>-</u>	<u>5,000</u>	<u>72,392</u>
Total	<u>79,513</u>	<u>74,513</u>	<u>5,000</u>	<u>72,392</u>
Operation and maintenance of plant services				
Purchased services	<u>12,000</u>	<u>-</u>	<u>(3,537)</u>	<u>10,231</u>
Total	<u>12,000</u>	<u>15,537</u>	<u>(3,537)</u>	<u>10,231</u>
Food services				
Supplies and materials	<u>15,000</u>	<u>-</u>	<u>1,521</u>	<u>17,819</u>
Total	<u>15,000</u>	<u>13,479</u>	<u>1,521</u>	<u>17,819</u>
Total business	<u>106,513</u>	<u>103,529</u>	<u>2,984</u>	<u>100,442</u>

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Central				
Data processing services				
Purchased services	\$ 216,000	-	\$ (9,353)	\$ 208,811
Total	216,000	225,353	(9,353)	208,811
Total central	216,000	225,353	(9,353)	208,811
Total support services	5,948,587	5,782,984	165,603	5,843,621
Community services				
Salaries	45,000		6,110	55,340
Purchased services	-	-	(8,871)	9,057
Supplies and materials	12,682	8,871	11,798	(1,067)
Total	57,682	48,645	9,037	63,330
Payments to other districts and government units				
Payments for special education programs				
Purchased services	262,777	263,433	(656)	54,032
Other objects	1,500,000	1,966,304	(466,304)	1,945,272
Total	1,762,777	-	(466,960)	1,999,304
Total payments to other districts and other government units	1,762,777	2,229,737	(466,960)	1,999,304
Total expenditures	35,081,478	31,081,060	4,000,418	30,456,699

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020				2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Excess of revenues over expenditures	\$ -	\$ 1,318,422	\$ 1,318,422		\$ 104,538
Other financing uses					
Permanent transfer among funds	\$ -	\$ (200,000)	\$ -		\$ -
Total other financing uses	-	(200,000)	(200,000)		-
Net change to fund balance	\$ -	1,118,422	\$ 1,118,422		104,538
Fund balance, beginning of year		15,564,147			15,459,609
Fund balance, end of year		\$16,682,569			\$15,564,147

(Concluded)

Northbrook School District 27
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 1,659,402	\$ 929,937	\$ (729,465)	\$ 1,802,055
Corporate personal property replacement taxes	267,000	317,656	50,656	292,648
Interest on investments	35,000	34,378	(622)	55,632
Rentals	4,000	-	(4,000)	4,110
Refund of prior years' expenditures	2,000	13,962	11,962	2,326
Other	<u>500</u>	<u>-</u>	<u>(500)</u>	<u>-</u>
Total local sources	<u>1,967,902</u>	<u>1,295,933</u>	<u>(671,969)</u>	<u>2,156,771</u>
State sources				
Evidence Based Funding Formula	785,000	788,784	3,784	787,401
School Infrastructure - Maintenance Projects	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total state sources	<u>785,000</u>	<u>838,784</u>	<u>53,784</u>	<u>787,401</u>
Total revenues	<u>2,752,902</u>	<u>2,134,717</u>	<u>(618,185)</u>	<u>2,944,172</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	<u>40,000</u>	<u>20,507</u>	<u>19,493</u>	<u>139,706</u>
Total	<u>40,000</u>	<u>20,507</u>	<u>19,493</u>	<u>139,706</u>
Operation and maintenance of plant services				
Salaries	\$ 776,912	\$ 763,827	\$ 13,085	\$ 756,558
Employee benefits	133,310	118,985	14,325	99,759
Purchased services	1,233,680	1,455,696	(222,016)	1,102,979
Supplies and materials	509,000	480,836	28,164	611,601

(Continued)

Northbrook School District 27
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Operation and maintenance of plant services (continued)				
Capital outlay	60,000	797,518	(737,518)	491,492
Total	<u>2,712,902</u>	<u>3,616,862</u>	<u>(903,960)</u>	<u>3,062,389</u>
Total business	<u>2,752,902</u>	<u>3,637,369</u>	<u>(884,467)</u>	<u>3,202,095</u>
Total support services	<u>2,752,902</u>	<u>3,637,369</u>	<u>(884,467)</u>	<u>3,202,095</u>
Total expenditures	<u>2,752,902</u>	<u>3,637,369</u>	<u>(884,467)</u>	<u>3,202,095</u>
Excess of expenditures over revenues	<u>-</u>	<u>(1,502,652)</u>	<u>(1,502,652)</u>	<u>(257,923)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,502,652)</u>	<u>\$(1,502,652)</u>	<u>(257,923)</u>
Fund balance, beginning of year		<u>4,282,224</u>		<u>4,540,147</u>
Fund balance, end of year		<u>\$ 2,779,572</u>		<u>\$ 4,282,224</u>

(Concluded)

Northbrook School District 27

Transportation Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 647,040	\$ 721,487	\$ 74,447	\$ 505,186
Regular transportation fees from co-curricular activities - in state	15,000	15,334	334	12,047
Interest on investments	7,000	5,314	(1,686)	8,696
Total local sources	<u>669,040</u>	<u>742,135</u>	<u>73,095</u>	<u>525,929</u>
State sources				
Transportation - Special Education	<u>160,000</u>	<u>241,519</u>	<u>81,519</u>	<u>133,296</u>
Total state sources	<u>160,000</u>	<u>241,519</u>	<u>81,519</u>	<u>133,296</u>
Total revenues	<u>829,040</u>	<u>983,654</u>	<u>154,614</u>	<u>659,225</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	<u>829,040</u>	<u>859,959</u>	<u>(30,919)</u>	<u>999,930</u>
Total	<u>829,040</u>	<u>859,959</u>	<u>(30,919)</u>	<u>999,930</u>
Total support services	<u>829,040</u>	<u>859,959</u>	<u>(30,919)</u>	<u>999,930</u>
Total expenditures	<u>829,040</u>	<u>859,959</u>	<u>(30,919)</u>	<u>999,930</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>123,695</u>	<u>\$ 123,695</u>	<u>(340,705)</u>

(Continued)

Northbrook School District 27

Transportation Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Other financing uses				
Permanent transfer among funds	\$ -	\$ 200,000	\$ 200,000	\$ -
Total other financing uses	-	200,000	(200,000)	-
Net change in fund balance	<u>\$ -</u>	323,695	<u>\$ (76,305)</u>	(340,705)
Fund balance (deficit), beginning of year		<u>(249,842)</u>		<u>90,863</u>
Fund balance (deficit), end of year		<u>\$ 73,853</u>		<u>\$ (249,842)</u>

(Concluded)

Northbrook School District 27
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 166,253	\$ 168,794	\$ 2,541	\$ 164,299
Social security/Medicare only levy	576,499	633,149	56,650	593,788
Corporate personal property replacement taxes	15,000	15,000	-	15,000
Interest on investments	<u>5,000</u>	<u>6,077</u>	<u>1,077</u>	<u>7,001</u>
Total local sources	<u>762,752</u>	<u>823,020</u>	<u>60,268</u>	<u>780,088</u>
Total revenues	<u>762,752</u>	<u>823,020</u>	<u>60,268</u>	<u>780,088</u>
Expenditures				
Instruction				
Regular programs	340,457	327,248	13,209	306,466
Special education programs	31,624	30,100	1,524	30,276
Summer school programs	145	491	(346)	199
Gifted programs	<u>1,120</u>	<u>850</u>	<u>270</u>	<u>868</u>
Total instruction	<u>373,346</u>	<u>358,689</u>	<u>14,657</u>	<u>337,809</u>
Support services				
Pupils				
Attendance and social work services	5,618	5,089	529	4,918
Guidance services	1,485	1,465	20	1,406
Health services	26,780	23,313	3,467	25,730
Psychological services	4,969	4,671	298	4,487
Speech pathology and audiology services	6,960	6,654	306	7,647
Other support services -pupils	<u>8,223</u>	<u>23,694</u>	<u>(15,471)</u>	<u>20,508</u>
Total pupils	<u>54,035</u>	<u>64,886</u>	<u>(10,851)</u>	<u>64,696</u>

(Continued)

Northbrook School District 27
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Instructional staff				
Improvement of instruction services	\$ 93,188	\$ 89,978	\$ 3,210	\$ 97,374
Educational media services	<u>3,686</u>	<u>3,642</u>	<u>44</u>	<u>3,572</u>
Total instructional staff	<u>96,874</u>	<u>93,620</u>	<u>3,254</u>	<u>100,946</u>
General administration				
Executive administration services	<u>49,284</u>	<u>49,569</u>	<u>(285)</u>	<u>48,706</u>
Total general administration	<u>49,284</u>	<u>49,569</u>	<u>(285)</u>	<u>48,706</u>
School administration				
Employee benefits	<u>45,434</u>	<u>39,570</u>	<u>5,864</u>	<u>41,005</u>
Total school administration	<u>45,434</u>	<u>39,570</u>	<u>5,864</u>	<u>41,005</u>
Business				
Operation and maintenance of plant services	136,777	132,726	4,051	129,880
Total business	<u>136,777</u>	<u>132,726</u>	<u>4,051</u>	<u>129,880</u>
Total support services	<u>382,404</u>	<u>380,371</u>	<u>2,033</u>	<u>385,233</u>
Community services	<u>7,002</u>	<u>6,959</u>	<u>43</u>	<u>9,529</u>
Total expenditures	<u>762,752</u>	<u>746,019</u>	<u>16,733</u>	<u>732,571</u>

(Continued)

Northbrook School District 27
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>77,001</u>	<u>\$ 77,001</u>	<u>47,517</u>
Net change in fund balance	<u>\$ -</u>	<u>77,001</u>	<u>\$ 77,001</u>	<u>47,517</u>
Fund balance, beginning of year		<u>709,259</u>		<u>661,742</u>
Fund balance, end of year		<u>\$ 786,260</u>		<u>\$ 709,259</u>

(Concluded)

Northbrook School District 27
Notes to the Required Supplementary Information
June 30, 2020

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. 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) Public hearings are 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 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 any 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 19, 2019.
- g) All annual budgets lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budget at June 30, 2020:

<u>Fund</u>	<u>Amount</u>
Operations and Maintenance	\$ (884,467)
Transportation	(30,919)

Northbrook School District 27
Notes to the Required Supplementary Information
June 30, 2020

3. CHANGES OF ASSUMPTIONS - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

For the 2019, 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

Northbrook School District 27
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 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 2019 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, SLEP, and ECO groups): 24-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Notes	There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

Northbrook School District 27
Notes to the Required Supplementary Information
June 30, 2020

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE* (Continued)

Change in Assumptions:

For the 2019 and 2018 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00%.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 THIS CONTRIBUTION RATE

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Fiscal Year End	June 30, 2020

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan
Single equivalent discount rate	3.13%
Price Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.

Northbrook School District 27
Notes to the Required Supplementary Information
June 30, 2020

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2019 Contribution Rate: (Continued)

Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

The Discount Rate was changed from 3.62% used in the Fiscal Year 2019 valuation to 3.13%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Fiscal Year End	June 30, 2020

Northbrook School District 27
Notes to the Required Supplementary Information
June 30, 2020

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 RHP CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	9.17 years
Municipal Bond Index	2.66%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%
Retirement Rates	IMRF Employees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report. No Early Retirement Rates assumed.
Election at Retirement	15% of future IMRF employees retirees are assumed to elect District insurance retirement.
Mortality	IMRF Employees and Retirees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report.
Healthcare Cost Trend Rates	5.00, Initial 4.50, Ultimate

Change in Assumptions:

The Discount Rate was changed from 2.97% used in the Fiscal Year 2019 valuation to 2.66%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2020.

SUPPLEMENTARY FINANCIAL INFORMATION

Northbrook School District 27

General Fund

COMBINING BALANCE SHEETJune 30, 2020

	Educational Account	Working Cash Account	Total
<hr/>			
ASSETS			
Cash and investments	\$ 12,536,313	\$ 3,750,103	\$ 16,286,416
Receivables (net of allowance for uncollectibles):			
Property taxes	11,639,563	108	11,639,671
Intergovernmental	172,419	-	172,419
Due from other fund	-	-	-
Other current assets	<u>20,814</u>	<u>-</u>	<u>20,814</u>
Total assets	<u>\$ 24,369,109</u>	<u>\$ 3,750,211</u>	<u>\$ 28,119,320</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	<u>\$ 26,554</u>	<u>\$ -</u>	<u>\$ 26,554</u>
Total liabilities	<u>26,554</u>	<u>-</u>	<u>26,554</u>
DEFERRED INFLOWS			
Property taxes levied for a future period	<u>11,410,089</u>	<u>108</u>	<u>11,410,197</u>
Total deferred inflows	<u>11,410,089</u>	<u>108</u>	<u>11,410,197</u>
FUND BALANCES			
Assigned	-	3,750,103	3,750,103
Unassigned	<u>12,932,466</u>	<u>-</u>	<u>12,932,466</u>
Total fund balance	<u>12,932,466</u>	<u>3,750,103</u>	<u>16,682,569</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 24,369,109</u>	<u>\$ 3,750,211</u>	<u>\$ 28,119,320</u>

Northbrook School District 27

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2020

	Educational Account	Working Cash Account	Total
Revenues			
Property taxes	\$ 24,552,751	\$ 1	\$ 24,552,752
State aid	6,875,975	-	6,875,975
Federal aid	458,183	-	458,183
Interest	268,925	57,995	326,920
Other	<u>185,652</u>	<u>-</u>	<u>185,652</u>
Total revenues	<u>32,341,486</u>	<u>57,996</u>	<u>32,399,482</u>
Expenditures			
Current:			
Instruction:			
Regular programs	14,131,760	-	14,131,760
Special programs	1,369,726	-	1,369,726
Other instructional programs	102,712	-	102,712
State retirement contributions	6,834,407	-	6,834,407
Support services:			
Pupils	2,154,395	-	2,154,395
Instructional staff	1,354,081	-	1,354,081
General administration	1,066,412	-	1,066,412
School administration	879,214	-	879,214
Business	87,992	-	87,992
Operations and maintenance	15,537	-	15,537
Central	225,353	-	225,353
Community services	48,645	-	48,645
Nonprogrammed charges	2,229,737	-	2,229,737
Capital outlay	<u>581,089</u>	<u>-</u>	<u>581,089</u>
Total expenditures	<u>31,081,060</u>	<u>-</u>	<u>31,081,060</u>
Excess (deficiency) of revenues over expenditures	<u>1,260,426</u>	<u>57,996</u>	<u>1,318,422</u>

(Continued)

Northbrook School District 27

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2020

	Educational Account	Working Cash Account	Total
Other financing sources (uses)			
Transfers (out)	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
Net change in fund balance	\$ 1,060,426	\$ 57,996	\$ 1,118,422
Fund balance, beginning of year	<u>11,872,040</u>	<u>3,692,107</u>	<u>15,564,147</u>
Fund balance, end of year	<u>\$ 12,932,466</u>	<u>\$ 3,750,103</u>	<u>\$ 16,682,569</u>

(Concluded)

Northbrook School District 27
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Assets				
Cash and cash equivalents	\$ 44,341	\$ 208,006	\$ 172,151	\$ 80,196
Liabilities				
Student Activity Fund				
Wood Oaks Junior High				
P.E.	\$ 4,769	\$ 7,250	\$ 6,952	\$ 5,067
Student council	5,240	1,806	1,591	5,455
Yearbook	(1,486)	9,850	11,735	(3,371)
Sundry	19,367	9,727	13,415	15,679
Flexible Spending Account				
Fund				
Due to employees	16,451	179,373	138,458	57,366
	\$ 44,341	\$ 208,006	\$ 172,151	\$ 80,196

STATISTICAL SECTION
(Unaudited)

Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

111 - 122

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

123 - 128

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

129 - 133

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

134 - 140

Operating Information

These schedules contain information about the District's services and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

141 - 146

SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial statements for the relevant year.

Northbrook School District 27
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017 **</u>
Governmental Activities							
Investment in capital assets	\$ 23,758,106	\$	23,907,447	\$	24,157,729	\$	24,892,617
Restricted	3,639,685		4,991,483		5,292,752		7,062,998
Unrestricted	<u>(6,749,343)</u>		<u>(8,474,851)</u>		<u>(7,501,341)</u>		<u>8,107,226</u>
 Total net position	 \$ <u>20,648,448</u>	 \$	 <u>20,424,079</u>	 \$	 <u>21,949,140</u>	 \$	 <u>40,062,841</u>

* Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 68.

** Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 75.

2016	2015 *	2014	2013	2012	2011
\$ 25,689,733	\$ 26,706,873	\$ 27,824,441	\$ 28,831,168	\$ 26,843,531	\$ 27,488,787
6,147,766	5,331,887	4,707,082	4,307,123	3,737,451	913,789
8,714,545	8,592,237	10,904,135	10,793,411	9,818,453	10,349,692
\$ <u>40,552,044</u>	\$ <u>40,630,997</u>	\$ <u>43,435,658</u>	\$ <u>43,931,702</u>	\$ <u>40,399,435</u>	\$ <u>38,752,268</u>

Northbrook School District 27**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses				
Instruction	\$ 31,354,863	\$ 29,774,399	\$ 30,995,782	\$ 29,008,748
Support services	11,156,514	10,897,221	9,584,713	9,073,696
Community services	<u>64,349</u>	<u>79,023</u>	<u>65,553</u>	<u>49,319</u>
Total expenses	<u>42,575,726</u>	<u>40,750,643</u>	<u>40,646,048</u>	<u>38,131,763</u>
Program revenues				
Charges for services				
Instruction	175,056	111,865	193,939	153,053
Support services	18,427	18,983	28,255	28,020
Operating grants and contributions				
Instruction	13,784,930	11,142,515	11,908,984	11,576,106
Support services	<u>299,969</u>	<u>143,810</u>	<u>132,776</u>	<u>141,399</u>
Total program revenues	<u>14,278,382</u>	<u>11,417,173</u>	<u>12,263,954</u>	<u>11,898,578</u>
Net expense	<u>(28,297,344)</u>	<u>(29,333,470)</u>	<u>(28,382,094)</u>	<u>(26,233,185)</u>
General revenues				
Taxes:				
Real estate taxes	27,006,119	26,147,623	25,295,028	24,873,736
Personal property replacement taxes	332,656	307,648	276,464	374,524
Other local sources	21,465	15,692	62,301	70,369
General state aid	788,784	787,401	786,016	294,702
Investment earnings	<u>372,689</u>	<u>550,045</u>	<u>336,198</u>	<u>130,651</u>
Total general revenues	<u>28,521,713</u>	<u>27,808,409</u>	<u>26,756,007</u>	<u>25,743,982</u>
Change in net position	<u>\$ 224,369</u>	<u>\$ (1,525,061)</u>	<u>\$ (1,626,087)</u>	<u>\$ (489,203)</u>

	2016	2015	2014	2013	2012	2011
\$	24,724,548	\$ 23,487,007	\$ 21,644,567	\$ 18,622,186	\$ 17,796,862	\$ 17,950,014
	8,817,983	8,683,472	8,502,482	8,288,770	7,997,333	8,213,290
	161,146	99,675	125,421	-	-	-
	<u>33,703,677</u>	<u>32,270,154</u>	<u>30,272,470</u>	<u>26,910,956</u>	<u>25,794,195</u>	<u>26,163,304</u>
	143,958	110,249	88,643	86,515	70,150	62,893
	23,993	25,996	26,856	25,907	24,712	46,717
	8,017,042	7,313,766	5,317,753	4,179,746	3,867,667	3,881,217
	144,271	147,644	130,658	162,977	111,682	125,151
	<u>8,329,264</u>	<u>7,597,655</u>	<u>5,563,910</u>	<u>4,455,145</u>	<u>4,074,211</u>	<u>4,115,978</u>
	<u>(25,374,413)</u>	<u>(24,672,499)</u>	<u>(24,708,560)</u>	<u>(22,455,811)</u>	<u>(21,719,984)</u>	<u>(22,047,326)</u>
	24,618,618	23,943,335	23,608,309	22,834,871	22,771,948	21,987,432
	265,404	332,156	308,976	305,433	298,930	324,949
	84,677	42,315	26,905	55,773	21,401	(32,971)
	258,936	239,137	240,826	241,222	252,895	276,727
	67,825	40,623	27,500	28,136	21,977	(17,203)
	<u>25,295,460</u>	<u>24,597,566</u>	<u>24,212,516</u>	<u>23,465,435</u>	<u>23,367,151</u>	<u>22,538,934</u>
\$	<u>(78,953)</u>	<u>(74,933)</u>	<u>(496,044)</u>	<u>1,009,624</u>	<u>1,647,167</u>	<u>491,608</u>

Northbrook School District 27
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>2020**</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund				
Nonspendable	\$ -	\$ 75,555	\$ 2,257	\$ 3,201
Restricted	-	4,241,917	4,537,890	6,108,292
Assigned	3,750,103	3,692,107	3,583,520	3,583,520
Unassigned	<u>12,932,466</u>	<u>11,586,950</u>	<u>11,876,089</u>	<u>9,671,106</u>
 Total General Fund	 <u>16,682,569</u>	 <u>19,596,529</u>	 <u>19,999,756</u>	 <u>19,366,119</u>
 All other governmental funds				
Restricted, reported in:				
Special revenue funds	3,639,685	709,259	752,605	952,132
Unassigned, reported in:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total all other governmental funds	 <u>3,639,685</u>	 <u>709,259</u>	 <u>752,605</u>	 <u>952,132</u>
 Total all governmental funds	 <u>\$ 20,322,254</u>	 <u>\$ 20,305,788</u>	 <u>\$ 20,752,361</u>	 <u>\$ 20,318,251</u>

** In 2019 and prior, the General Fund and Operations and Maintenance Fund were reported together on this schedule. Prior years have not been restated to reflect this change.

	2016	2015	2014	2013	2012	2011
\$	3,800	\$ 13,450	\$ 6,544	\$ 18,454	\$ 16,714	\$ 16,324
	5,189,137	4,460,399	3,811,887	3,404,159	2,838,815	1,863,265
	3,565,450	3,555,747	3,549,561	3,545,279	-	-
	9,747,037	8,912,436	8,234,877	7,903,486	10,428,763	9,024,938
	18,505,424	16,942,032	15,602,869	14,871,378	13,284,292	10,904,527
	956,146	869,126	892,962	901,721	891,136	913,789
	-	-	-	-	-	-
	956,146	869,126	892,962	901,721	891,136	913,789
\$	19,461,570	\$ 17,811,158	\$ 16,495,831	\$ 15,773,099	\$ 14,175,428	\$ 11,818,316

Northbrook School District 27
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Local sources				
Taxes	\$ 27,338,775	\$ 26,455,271	\$ 25,571,492	\$ 25,248,260
Earnings on investments	372,689	550,045	336,198	130,651
Other local sources	<u>214,948</u>	<u>146,540</u>	<u>284,495</u>	<u>251,442</u>
Total local sources	27,926,412	27,151,856	26,192,185	25,630,353
State and federal sources	<u>1,580,054</u>	<u>1,272,417</u>	<u>1,204,750</u>	<u>1,223,270</u>
Total direct revenues	29,506,466	28,424,273	27,396,935	26,853,623
TRS on-behalf receipts	6,834,407	6,520,449	11,623,026	10,788,937
Other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 36,340,873</u>	<u>\$ 34,944,722</u>	<u>\$ 39,019,961</u>	<u>\$ 37,642,560</u>

	2016		2015		2014		2013		2012		2011
	<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>		<u>2011</u>
\$	24,884,022	\$	24,275,491	\$	23,917,285	\$	23,140,304	\$	23,070,878	\$	22,312,381
	67,825		40,623		27,500		28,136		21,977		(17,203)
	<u>252,628</u>		<u>178,560</u>		<u>142,404</u>		<u>168,195</u>		<u>116,263</u>		<u>51,370</u>
	25,204,475		24,494,674		24,087,189		23,336,635		23,209,118		22,346,548
	<u>1,286,018</u>		<u>1,233,752</u>		<u>1,090,770</u>		<u>1,130,519</u>		<u>1,198,470</u>		<u>1,311,115</u>
	26,490,493		25,728,426		25,177,959		24,467,154		24,407,588		23,657,663
	7,134,231		6,466,795		4,598,467		3,453,426		3,033,774		2,997,249
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>2,416,063</u>
\$	<u><u>33,624,724</u></u>	\$	<u><u>32,195,221</u></u>	\$	<u><u>29,776,426</u></u>	\$	<u><u>27,920,580</u></u>	\$	<u><u>27,441,362</u></u>	\$	<u><u>29,070,975</u></u>

Northbrook School District 27
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Current				
Instruction				
Regular programs	\$ 14,456,398	\$ 14,333,467	\$ 13,777,923	\$ 13,545,937
Special programs	1,399,826	1,403,689	1,422,773	1,350,608
Other instructional programs	104,053	91,150	85,325	84,900
Total instruction	<u>15,960,277</u>	<u>15,828,306</u>	<u>15,286,021</u>	<u>14,981,445</u>
Supporting services				
Pupils	2,219,281	2,211,511	2,113,906	2,105,220
Instructional staff	1,447,701	1,550,123	1,533,418	1,441,374
General administration	1,115,981	1,111,518	1,124,063	994,216
School administration	918,784	916,569	904,936	867,443
Business	108,499	229,917	91,389	94,473
Transportation	859,959	999,930	775,768	606,797
Operations and maintenance	2,970,217	2,711,008	2,540,039	2,544,266
Central	225,353	208,811	140,483	179,139
Total supporting services	<u>9,865,775</u>	<u>9,939,387</u>	<u>9,224,002</u>	<u>8,832,928</u>
Total current	<u>25,826,052</u>	<u>25,767,693</u>	<u>24,510,023</u>	<u>23,814,373</u>
Other				
Community services	55,604	72,859	67,754	47,560
Nonprogrammed charges	2,229,737	1,999,304	1,927,331	1,692,294
Capital outlay	1,378,607	1,030,990	457,717	442,715
Total other	<u>3,663,948</u>	<u>3,103,153</u>	<u>2,452,802</u>	<u>2,182,569</u>
Total direct expenditures	29,490,000	28,870,846	26,962,825	25,996,942
TRS on-behalf payment	6,834,407	6,520,449	11,623,026	10,788,937
Other financing uses	-	-	-	-
Total	<u>\$ 36,324,407</u>	<u>\$ 35,391,295</u>	<u>\$ 38,585,851</u>	<u>\$ 36,785,879</u>
		-		
Net change in fund balance	<u>\$ 16,466</u>	<u>\$ (446,573)</u>	<u>\$ 434,110</u>	<u>\$ 856,681</u>
Debt service as a percentage of noncapital direct expenditures	0.00%	0.00%	0.00%	0.00%

2016	2015	2014	2013	2012	2011
\$ 13,088,493	\$ 12,421,179	\$ 12,438,667	\$ 11,519,409	\$ 11,115,367	\$ 11,469,802
1,421,534	1,360,830	1,288,386	1,251,953	1,251,039	1,395,949
81,773	159,042	155,749	260,333	224,099	227,149
14,591,800	13,941,051	13,882,802	13,031,695	12,590,505	13,092,900
2,008,119	1,980,854	1,930,776	1,965,417	1,901,608	2,009,931
1,404,952	1,337,789	1,307,626	1,150,555	1,109,434	1,119,017
883,621	860,452	918,419	909,169	828,446	820,697
766,701	744,361	715,090	691,462	748,592	740,638
102,102	142,067	158,353	173,092	232,459	231,563
539,812	636,548	604,563	599,203	565,016	512,594
2,441,822	2,478,980	2,618,837	2,607,379	2,399,059	2,608,173
199,552	209,355	213,989	171,853	173,614	152,672
8,346,681	8,390,406	8,467,653	8,268,130	7,958,228	8,195,285
22,938,481	22,331,457	22,350,455	21,299,825	20,548,733	21,288,185
149,592	88,756	125,421	-	-	-
1,525,583	1,762,774	1,693,635	1,337,899	1,208,753	1,086,200
226,425	230,112	285,716	231,759	292,990	2,041,048
1,901,600	2,081,642	2,104,772	1,569,658	1,501,743	3,127,248
24,840,081	24,413,099	24,455,227	22,869,483	22,050,476	24,415,433
7,134,231	6,466,795	4,598,467	3,453,426	3,033,774	2,997,249
-	-	-	-	-	2,416,063
\$ 31,974,312	\$ 30,879,894	\$ 29,053,694	\$ 26,322,909	\$ 25,084,250	\$ 29,828,745
\$ 1,650,412	\$ 7,782,122	\$ 722,732	\$ 1,597,671	\$ 2,357,112	\$ (757,770)
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Northbrook School District 27
GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Program revenue				
Charges for services	\$ 193,483	\$ 222,194	\$ 222,194	\$ 181,073
Operating grants	14,084,899	12,041,760	12,041,760	11,717,505
General revenues				
Taxes	27,338,775	25,571,492	25,571,492	25,248,260
Investment income	372,689	336,198	336,198	130,651
Miscellaneous	<u>810,249</u>	<u>848,317</u>	<u>848,317</u>	<u>365,071</u>
Total revenues	<u>\$ 42,800,095</u>	<u>\$ 39,019,961</u>	<u>\$ 39,019,961</u>	<u>\$ 37,642,560</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 167,951	\$ 136,245	\$ 115,499	\$ 112,422	\$ 94,862	\$ 109,610
8,161,313	7,461,410	5,448,411	4,342,723	3,979,349	4,006,368
24,884,022	24,275,491	23,917,285	23,140,304	23,070,878	22,312,381
67,825	40,623	27,500	28,136	21,977	(17,203)
<u>343,613</u>	<u>281,452</u>	<u>267,731</u>	<u>296,995</u>	<u>274,296</u>	<u>243,756</u>
<u>\$ 33,624,724</u>	<u>\$ 32,195,221</u>	<u>\$ 29,776,426</u>	<u>\$ 27,920,580</u>	<u>\$ 27,441,362</u>	<u>\$ 26,654,912</u>

Northbrook School District 27
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST TEN TAX LEVY YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual Levy Amount	\$ <u>29,084,827</u>	\$ <u>28,308,246</u>	\$ <u>27,259,322</u>	\$ <u>27,163,147</u>
Rates Extended				
Educational	2.5886	2.9238	2.5656	2.5725
Operations and Maintenance	0.0957	0.1193	0.3253	0.3200
Transportation	0.0901	0.0670	0.0527	0.0532
Municipal Retirement/Social Security	<u>0.0859</u>	<u>0.0939</u>	<u>0.0867</u>	<u>0.0845</u>
Total rates extended	<u>2.8603</u>	<u>3.2040</u>	<u>3.0303</u>	<u>3.0302</u>
Levies Extended				
Educational	\$ 25,228,636	\$ 24,788,351	\$ 22,378,490	\$ 21,685,433
Operations and Maintenance	932,827	1,011,306	2,837,156	2,697,837
Transportation	878,412	567,627	459,406	448,703
Municipal Retirement/Social Security	836,323	796,295	755,530	712,550
Working Cash	<u>110</u>	<u>108</u>	<u>106</u>	<u>104</u>
Total levies extended	<u>\$ 27,876,308</u>	<u>\$ 27,163,687</u>	<u>\$ 26,430,688</u>	<u>\$ 25,544,627</u>
Collections on levies extended				
Current year	\$ 14,457,852	\$ 14,199,991	\$ 13,691,510	\$ 13,283,571
Subsequent years	<u>-</u>	<u>12,426,551</u>	<u>12,072,861</u>	<u>11,543,207</u>
Total collections	<u>\$ 14,457,852</u>	<u>\$ 26,626,542</u>	<u>\$ 25,764,371</u>	<u>\$ 24,826,778</u>
Percentage of extensions collected				
Current year	51.86%	52.28%	51.80%	52.00%
Subsequent years	<u>0.00%</u>	<u>45.75%</u>	<u>45.68%</u>	<u>45.19%</u>
Percentage of extensions collected	<u>51.86%</u>	<u>98.02%</u>	<u>97.48%</u>	<u>97.19%</u>

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

Source of information: Cook County - Agency Tax Rate Reports and Annual Financial Reports

2015	2014	2013	2012	2011	2010
\$ 26,464,395	\$ 25,686,287	\$ 25,216,282	\$ 24,725,326	\$ 24,015,953	\$ 23,602,983
3.0405	2.9354	2.9118	2.5252	2.2193	1.9466
0.3645	0.3492	0.3422	0.2948	0.3151	0.2814
0.0633	0.0612	0.0608	0.0527	0.0602	0.0428
0.1004	0.0972	0.0965	0.0837	0.0718	0.0630
3.5687	3.4430	3.4113	2.9564	2.6664	2.3338
\$ 21,419,179	\$ 21,216,240	\$ 20,869,266	\$ 20,501,062	\$ 19,349,545	\$ 19,066,299
2,567,544	2,523,645	2,452,915	2,393,440	2,747,651	2,756,306
445,584	442,048	435,515	428,235	525,119	418,836
707,596	701,979	691,605	680,044	626,395	617,138
103	102	100	-	-	-
\$ 25,140,006	\$ 24,884,014	\$ 24,449,401	\$ 24,002,781	\$ 23,248,710	\$ 22,858,579
\$ 12,954,537	\$ 12,620,666	\$ 12,385,402	\$ 12,075,519	\$ 11,836,686	\$ 11,488,658
11,703,923	11,635,660	11,321,649	11,135,452	10,791,797	10,939,371
\$ 24,658,460	\$ 24,256,326	\$ 23,707,051	\$ 23,210,971	\$ 22,628,483	\$ 22,428,029
51.53%	50.72%	50.66%	50.31%	50.91%	50.26%
46.55%	46.76%	46.31%	46.39%	46.42%	47.86%
98.08%	97.48%	96.96%	96.70%	97.33%	98.12%

Northbrook School District 27
EQUALIZED ASSESSED VALUATION AND ESTIMATED
ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN LEVY YEARS

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase (Decrease) Over Previous Year	Percentage Increase (Decrease) Over Previous Year	Actual Estimated Value	Total Direct Rate
2019	\$ 947,611,953	\$ 126,790,219	14.95%	\$ 2,923,835,859	2.861
2018	847,821,734	(24,425,070)	-2.80%	2,543,465,202	3.204
2017	872,246,804	29,267,836	3.47%	2,616,740,412	3.031
2016	842,978,968	138,516,596	19.66%	2,528,936,904	3.031
2015	704,462,372	(18,306,477)	-2.53%	2,113,387,116	3.569
2014	722,768,849	6,057,994	0.85%	2,168,306,547	3.443
2013	716,710,855	(95,137,323)	-11.72%	2,150,132,565	3.412
2012	811,848,178	(60,019,100)	-6.88%	2,435,544,534	2.956
2011	871,867,278	(107,612,299)	-10.99%	2,615,601,834	2.666
2010	979,479,577	(130,128,664)	-11.73%	2,938,438,731	2.334

Note: See the Major Categories of Equalized Assessed Valuation table for additional information.

Source of information: Cook County Levy, Rate, and Extension Reports for 2010 to 2019

Northbrook School District 27
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS*
LAST TEN TAX LEVY YEARS

Taxing District	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Overlapping</u>										
County of Cook	0.454	0.489	0.496	0.533	0.552	0.568	0.560	0.531	0.462	0.423
Cook County Forest Preserve District	0.059	0.060	0.062	0.063	0.069	0.069	0.069	0.063	0.058	0.051
Consolidated Elections	0.030	-	0.031	-	0.034	-	0.031	-	0.025	-
Northfield Township	0.021	0.024	0.023	0.024	0.028	0.032	0.031	0.024	0.020	0.013
Northfield Township Road and Bridge	0.047	0.052	0.049	0.049	0.057	0.054	0.053	0.046	0.041	0.036
Northfield Township General Assistance	0.007	0.007	0.006	0.006	0.007	0.007	0.008	0.009	0.008	0.011
Metropolitan Water Reclamation District	0.389	0.396	0.402	0.406	0.426	0.430	0.417	0.370	0.320	0.274
North Shore Mosquito Abatement	0.010	0.011	0.010	0.010	0.012	0.013	0.013	0.011	0.010	0.009
Community College District No. 535	0.221	0.246	0.232	0.231	0.271	0.258	0.256	0.219	0.196	0.160
Northbrook Park District	0.416	0.456	0.419	0.423	0.569	0.537	0.536	0.471	0.424	0.375
Village of Northbrook	0.764	0.772	0.715	0.626	0.676	0.605	0.609	0.524	0.458	0.341
Village of Northbrook Library Fund	0.314	0.347	0.329	0.329	0.385	0.357	0.359	0.300	0.269	0.231
High School District #225	2.006	2.216	2.102	2.106	2.493	2.367	2.341	2.028	1.819	1.609
<u>Direct</u>										
Northbrook School District 27	2.861	3.204	3.031	3.031	3.569	3.443	3.412	2.956	2.666	2.334
Total Tax Rates	7.599	8.280	7.907	7.837	9.148	8.740	8.695	7.552	6.776	5.867

*Tax Rates are expressed in dollars per \$100 of assessed valuations.

Note: The totals above reflect the typical tax rates for individual taxpayers within the District.

Source of information: Cook County Clerk's Office

Northbrook School District 27
MAJOR CATEGORIES OF EQUALIZED ASSESSED VALUATION
LAST TEN TAX LEVY YEARS

Category	2018 Valuation	2017 Valuation	2016 Valuation	2015 Valuation
Industrial	\$ 132,147,063	\$ 130,778,643	\$ 125,050,273	\$ 112,630,420
Residential	568,185,479	583,186,852	573,381,001	458,879,540
Commercial	<u>147,489,192</u>	<u>158,281,309</u>	<u>144,547,694</u>	<u>132,952,412</u>
	<u>\$ 847,821,734</u>	<u>\$ 872,246,804</u>	<u>\$ 842,978,968</u>	<u>\$ 704,462,372</u>

Source of information: Cook County Clerk's Office

Note: Most recent information presented.

2014 Valuation	2013 Valuation	2012 Valuation	2011 Valuation	2010 Valuation	2009 Valuation
\$ 114,713,227	\$ 127,724,924	\$ 141,216,385	\$ 151,941,096	\$ 177,191,825	\$ 180,806,384
472,728,361	466,217,426	530,314,974	571,138,484	633,076,712	730,917,026
135,327,261	122,768,505	140,316,819	148,787,698	169,211,040	197,884,831
<u>\$ 722,768,849</u>	<u>\$ 716,710,855</u>	<u>\$ 811,848,178</u>	<u>\$ 871,867,278</u>	<u>\$ 979,479,577</u>	<u>\$ 1,109,608,241</u>

Northbrook School District 27

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

June 30, 2020

Taxing Authority	Outstanding Bonds	Applicable to District	
		Percent	Amount
<u>Direct Debt</u>			
Northbrook School District 27	\$ -	100.000%	\$ -
<u>Overlapping Debt</u>			
Cook County	2,803,851,750	0.585%	16,402,533
Cook County Forest Preserve	140,990,000	0.585%	824,792
Metropolitan Water Reclamation District	2,274,859,669 (1)	0.596%	13,558,164
Village of Deerfield	54,580,000	6.324%	3,451,639
Village of Northbrook	12,651,000	29.735%	37,617,749
Deerfield Park District	850,000	5.927%	50,380
Northbrook Park District	13,410,000	29.518%	3,958,364
High School District 225	68,151,706 (2)	15.984%	10,893,369
Community College District 535	30,000,000 (3)	3.821%	1,146,300
Total Overlapping General Obligation Bonded Debt		\$	87,903,290

(1) - Includes IEPA Revolving Loan Fund Bonds.

(2) - Includes original principal amounts of outstanding Capital Appreciation Bonds.

(3) - Excludes outstanding Debt Certificates.

Sources: Offices of the Cook County Clerk, Cook County Department of Revenue and the Treasurer of the Metropolitan Water Reclamation District

Northbrook School District 27
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 67,248,225	\$ 58,499,700	\$ 60,185,029	\$ 58,165,549
Total Net Debt Applicable to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	\$ <u>67,248,225</u>	\$ <u>58,499,700</u>	\$ <u>60,185,029</u>	\$ <u>58,165,549</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0%	0%	0%	0%
Equalized Assessed Valuation	\$ <u>947,611,953</u>	\$ <u>847,821,734</u>	\$ <u>872,246,804</u>	\$ <u>842,978,968</u>
Voted and Unvoted Debt Limit - 6.9% of Equalized Assessed Valuation	67,248,225	58,499,700	60,185,029	58,165,549
Total Debt Outstanding	-	-	-	-
Less: Exempted Debt	-	-	-	-
Net Subject to 6.9% Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Legal Voted and Unvoted Debt Margin	\$ <u>67,248,225</u>	\$ <u>58,499,700</u>	\$ <u>60,185,029</u>	\$ <u>58,165,549</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 48,607,904	\$ 49,871,051	\$ 49,453,049	\$ 56,017,524	\$ 60,158,842	\$ 67,584,091
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 48,607,904</u>	<u>\$ 49,871,051</u>	<u>\$ 49,453,049</u>	<u>\$ 56,017,524</u>	<u>\$ 60,158,842</u>	<u>\$ 67,584,091</u>
0%	0%	0%	0%	0%	0%
<u>\$ 704,462,372</u>	<u>\$ 722,768,849</u>	<u>\$ 716,710,855</u>	<u>\$ 811,848,178</u>	<u>\$ 871,867,278</u>	<u>\$ 979,479,577</u>
48,607,904	49,871,051	49,453,049	56,017,524	60,158,842	67,584,091
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 48,607,904</u>	<u>\$ 49,871,051</u>	<u>\$ 49,453,049</u>	<u>\$ 56,017,524</u>	<u>\$ 60,158,842</u>	<u>\$ 67,584,091</u>

Northbrook School District 27
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Levy Year	General Bonded Debt	Equalized Assessed Valuation	Ratio of Bonded Debt to Equalized Assessed Valuation	Estimated Population	General Bonded Debt Per Capita
2020	2019	\$ -	\$ 947,611,953	-	11,998	\$ -
2019	2018	-	847,821,734	-	11,998	-
2018	2017	-	872,246,804	-	11,657	-
2017	2016	-	842,978,968	-	11,452	-
2016	2015	-	704,462,372	-	11,218	-
2015	2014	-	722,768,849	-	11,061	-
2014	2013	-	716,710,855	-	10,954	-
2013	2012	-	811,848,178	-	10,942	-
2012	2011	-	871,867,278	-	10,935	-
2011	2010	-	979,479,577	-	10,928	-
2010	2009	-	1,109,608,241	-	10,997	-

Northbrook School District 27

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Levy Year	Total General Expenditures (A)	Debt Service Fund Expenditures (B)	Percentage of Annual Debt Service Fund Expenditures to Total General Expenditures
2020	2019	\$ 36,324,407	\$ -	- %
2019	2018	35,391,295	-	-
2018	2017	38,585,851	-	-
2017	2016	36,785,879	-	-
2016	2015	31,974,312	-	-
2015	2014	30,879,894	-	-
2014	2013	29,053,694	-	-
2013	2012	26,322,909	-	-
2012	2011	25,084,250	-	-
2011	2010	27,412,682	-	-

(A) Includes expenditures of all Governmental Fund Types.

(B) Debt Service Fund expenditures represent payment of principal, interest and other charges on General Bonded Debt.

Northbrook School District 27
PRINCIPAL TAXPAYERS IN THE DISTRICT
CURRENT TAX YEAR AND TEN YEARS AGO

		2019	Percentage of
		Equalized	Total 2019
		Assessed	Equalized
		Valuation	Assessed
			Valuation
Type of Business, Property			
# 1	Walgreen, Co, two-or-three-story building containing part or all retail and/or commercial space	\$ 49,767,523	5.11%
# 2	Korman Lederer, Industrial, commercial and office buildings	19,555,376	2.01%
# 3	SRC Arbor LK, Commercial building over three stories	16,809,460	1.72%
# 4	LO Deerfield Operating, Hotel	16,466,562	1.69%
# 5	AMLI Residential, Apartment building over three stories	11,650,519	1.20%
# 6	Wiss Janney Elstner AS, Industrial building	10,503,283	1.08%
# 7	Northbrook Real Estate, Special commercial structures	10,258,613	1.05%
# 8	WFC Lincoln Sanders LL, Shopping center	10,140,169	1.04%
# 9	Bell Flavors Inc, Commercial and Industrial buildings	6,998,111	0.72%
# 10	Co Prologis Re Tax, Industrial buildings	6,769,844	0.69%
Total		\$ 158,919,460	16.31%

		2009	Percentage of
		Equalized	Total 2009
		Assessed	Equalized
		Valuation	Assessed
			Valuation
Type of Business, Property			
# 1	Walgreen Co. & Waltrust Properties, office buildings	\$ 48,449,117	4.37%
# 2	Felcor Lodging TR 1300, hotel	25,359,032	2.29%
# 3	Korman Lederer, industrial, commercial and office buildings, one-story store	22,530,052	2.03%
# 4	James Campbell Co., commercial building over three stories	17,419,191	1.57%
# 5	Sandee LLC, shopping center	11,934,973	1.08%
# 6	Northbrook Commercial	10,038,837	0.90%
# 7	Manulife Financial, industrial properties	8,511,932	0.77%
# 8	White Plains Shopping, shopping center	8,470,814	0.76%
# 9	Maurice Gross, two-three story buildings--retail/commercial	8,357,450	0.75%
# 10	Margen Mgmt E. Shapiro, industrial properties	6,182,772	0.56%
Total		\$ 167,254,170	15.08%

Note: The information presented includes taxpayers within Northfield Township.

Information presented is the most recent available.

Source of information: Cook County Clerk's and Assessor's Office

Northbrook School District 27
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

Employer*	Type of Business or Property	<u>2020</u>		
		Approximate Number Employed	Data Source	Percentage of Estimated Total Employment
Allstate Insurance Company (HQ)	Life, Auto and Insurance	8,750	(1)	167.1%
Walgreen Co. and Walgreens Boots Alliance Inc.	Corporate HQ and Holding Company HQ	6,500	(1)	124.1%
Baxter International Inc. (HQ) and Baxter Healthcare (Corp HQ)	Medical Supplies & Related Products	2,500	(1)	47.7%
Underwriters Laboratories (HQ)	Independent Non-Profit Product Testing & Certification	2,000	(1)	38.2%
Astellas US Pharma, Inc. (Corp. HQ)	Pharmaceutical Products; Research & Development	1,000	(2)	19.1%
Glenbrook High Schools District #225	Public High Schools	858	(1)	16.4%
Northbrook Park District (Full, Part-Time and Seasonal)	Parks & Recreation	773	(2)	14.8%
Essendent	Fullfillment Network for Businesses	700	(2)	13.4%
Highland Baking Company	Commercial Bakery	635	(3)	12.1%
Euromarket Designs, Inc. (Crate & Barrel) (HQ)	Home Furnishings & Housewares Retail Store	600	(3)	11.5%
CVS/Caremark	Administrative Office for Health Care Services	500	(2)	9.5%
Deerfield Park District (Full, Part-Time and Seasonal)	Parks & Recreation	500	(3)	9.5%
Trinity International University	Christian Liberal Arts	500	(2)	9.5%
Mondelez International, Inc. (moved to Chicago in April 2020)	Snacks & Confections Manufacturer	330	(2)	6.3%
		Total	26,146	

Employer	Type of Business or Property	<u>2010</u>	
		Employees	% of Total Employment
Allstate Insurance Co. & Allstate Life	Company headquarters & insurance	5,750	15.10%
Takeda Pharmaceuticals North	Corporate headquarters - pharmaceuticals	3,000	7.88%
Walgreen Co	Drug stores corporate office	2,500	6.56%
Underwriters Laboratories, Inc.	Independent non-profit testing and certification	1,600	4.20%
Baxter Healthcare Corp. (3 divisions)	Corporate headquarters and international	1,400	3.68%
ABT Electronics	Retail appliances and electronics	1,100	2.89%
Caremark, Inc	Integrated health care services	1,000	2.63%
United Stationers, Inc.	Corporate headquarters - office furniture and sanitation products	800	2.10%
Glenbrook High School District #225	Education	800	2.10%
Anixter International, Inc.	Corporate headquarters - voice, video, data and power wiring systems products distribution	700	1.84%
		Total	18,650

Note:

* Also includes company headquarters, office buildings, and employees outside the District's boundaries.

Data Sources:

- (1) Village Records / School District Records
- (2) Employer Website
- (3) Data Axle / Merchant Intellect

Northbrook School District 27
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

	(a)	(b)	(a) x (b)	
Year	District Population	Per Capita Income	Personal Income	Unemployment Rate
2018	11,998	\$ 61,560	\$ 738,596,880	3.1%
2017	11,657	59,412	692,565,684	3.9%
2016	11,452	58,893	674,442,636	4.2%
2015	11,218	57,694	647,211,292	4.1%
2014	11,061	56,951	629,935,011	4.8%
2013	10,954	62,847	688,426,038	5.1%
2012	10,942	59,899	655,414,858	7.7%
2011	10,935	57,529	629,079,615	6.6%
2010	10,928	56,077	612,809,456	7.9%
2009	10,997	55,620	611,653,140	7.6%

Source of information: U.S. Census Bureau, IES National Center for Educational Statistics
Bureau of Economic Analysis: Regional Economic Accounts
Illinois Dept. of Commerce and Economic Opportunity

Note: Most recent information presented.

Northbrook School District 27
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Hickory Point School				
Square Feet	54,597	54,597	54,597	54,597
Student Enrollment	378	378	385	398
Shabonee School				
Square Feet	88,576	88,576	88,576	88,576
Student Enrollment	430	430	429	409
Wood Oaks Junior High School				
Square Feet	130,040	130,040	130,040	130,040
Student Enrollment	452	452	444	437
Total Square Footage	273,213	273,213	273,213	273,213
Total Student Enrollment	1,260	1,260	1,258	1,244

Source of Information: Architect's Data and Sixth Day Enrollment Forms

2016	2015	2014	2013	2012	2011
54,597 381	54,597 363	54,597 376	54,597 363	54,597 355	54,597 298
88,576 417	88,576 409	88,576 388	88,576 394	88,576 391	88,576 446
130,040 445	130,040 427	130,040 420	130,040 416	130,040 432	130,040 434
273,213	273,213	273,213	273,213	273,213	273,213
1,243	1,199	1,184	1,173	1,178	1,178

Northbrook School District 27
NUMBER OF EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Administration:				
Superintendent	1.0	1.0	1.0	1.0
District Administrators	6.6	6.6	6.6	7.7
Principals and assistants	5.0	5.0	5.0	5.0
Total administration	12.6	12.6	12.6	13.7
Teachers:				
Regular classroom teachers	92.3	89.2	89.7	82.0
Special education teachers	13.0	13.0	13.0	13.0
Guidance/Counselors	1.0	1.0	1.0	1.0
Psychologists	4.0	4.0	4.0	4.0
Librarians/Media Specialists	4.0	4.0	4.0	4.0
Social workers	4.0	4.0	4.0	4.0
ELL/Bilingual Teachers	3.0	3.0	2.5	2.5
Speech/Language Therapists	5.0	5.0	5.0	5.0
Reading Specialists	2.0	2.0	2.5	2.5
Certified Nurses	1.0	1.0	1.0	1.0
Total teachers	129.3	126.2	126.7	119.0
Coordinators/Supervisors	-	-	-	5.0
Other supporting staff:				
Secretarial/Clerical/Paraprofessionals	53.0	52.3	51.5	50.1
Custodial/Maintenance/Security/Technology	12.0	12.5	12.5	12.5
Total support staff	65.0	64.8	64.0	62.6
Total staff	206.9	203.6	203.3	200.3
Function	2020			
Instruction				
Regular and Special	104.3			
Support Services				
Pupils	25.0			
Instructional Staff	38.0			
General administration	13.6			
School Administration	14.0			
Maintenance and Security	12.0			
Total	206.9			

Source of information: District Personnel Records, Teacher Service Records

2016	2015	2014	2013	2012	2011
1.0	1.0	1.0	1.0	1.0	1.0
7.7	7.7	7.7	6.8	6.8	6.8
4.0	4.0	4.0	3.9	3.9	3.9
12.7	12.7	12.7	11.7	11.7	11.7
85.1	80.4	78.6	76.8	78.2	86.2
13.0	13.0	12.6	12.6	12.6	11.0
1.0	1.0	1.0	1.0	1.0	1.0
4.0	4.0	4.0	4.0	4.0	4.5
4.0	4.0	4.0	4.0	4.0	4.0
4.0	4.0	4.0	4.0	4.0	4.0
1.5	2.0	2.0	2.0	2.0	2.0
5.0	5.8	6.0	6.0	6.0	6.5
2.5	2.5	3.0	3.0	3.0	2.0
1.0	1.0	1.0	1.0	1.0	1.0
121.1	117.7	116.2	114.4	115.8	122.2
5.0	5.0	5.0	5.0	5.0	5.0
49.7	52.3	50.9	51.0	51.0	51.0
12.5	12.5	12.5	12.5	12.5	12.5
62.2	64.8	63.4	63.5	63.5	63.5
201.0	200.2	197.3	194.6	196.0	202.4

Northbrook School District 27
OPERATING INDICATORS BY FUNCTION - LAST EIGHT FISCAL YEARS
June 30, 2020

Function	2020	2019	2018	2017	2016	2015	2014	2013
Instruction								
Regular and Special student enrollment	1,300	1,260	1,258	1,244	1,243	1,199	1,184	1,173
Support Services								
Pupil								
English Language Learners Program - number of languages served	18	18	20	20	18	14	12	12
Instructional Staff								
ISAT - overall student performance* (meeting or exceeding Illinois Learning Standards)	***	89.0%	86.0%	81.1%	79.7%	87.4%	87.4%	86.3%
School Administration								
Average daily attendance	1,261	1,197	1,190	1,174	1,167	1,083	1,049	1,056
Fiscal								
Purchase Orders Processed	2,135	2,339	2,868	2,497	2,554	2,560	2,782	3,062
Maintenance								
District Square Footage Maintained by Custodians and Maintenance Staff	273,213	273,213	273,213	273,213	273,213	273,213	273,213	273,213
Acreage Maintained by Grounds Staff	45	45	45	45	45	45	45	45
Transportation								
Avg. number of regular pupils transported per year	623	623	660	660	670	679	703	702
Avg. number of regular bus runs to/from school	24	24	24	24	24	24	27	27
Extra Curricular Activities								
Number of competitive sports	6	6	6	6	6	6	6	6
Number of student clubs	11	11	11	11	11	11	12	12

Source for information: District financial system, Architect Data and the General State Aid Report

NOTE: Information presented is the most current available at the time of publication.

*New cut scores established by the Illinois State Board of Education for students meeting or exceeding State standards. Cut scores were raised in order for students to be aligned with Partnership for Assessment of Readiness for College and Careers (PARCC) assessments for college and career readiness.

***Due to the COVID pandemic, the Illinois State Board of Education halted testing in the spring of 2020. Student performance data will be updated for the 2021 school year.

Northbrook School District 27
DISTRICT HISTORY
HIGHLIGHTS

FACILITY RELATED:

- | | |
|------|---|
| 1951 | Original Construction of Grove School |
| 1964 | Original Construction of Indian Ridge School |
| 1968 | Original Construction of Shabonee School |
| 1969 | Original Construction of Hickory Point School |
| 1972 | Original Construction of Wood Oaks Junior High School |
| 1985 | Indian Ridge School sold to Northbrook Park District |
| 1991 | Construction Project - Addition of classrooms and Admin Office at Wood Oaks |
| 1992 | Construction Project - Addition of new gymnasium at Wood Oaks |
| 1998 | Construction Project - Renovation and Additions to Shabonee School |
| 2000 | Construction Project - Renovation and Additions to Hickory Point School |
| 2006 | Construction Project - Renovation and Additions to Wood Oaks Junior High |
| 2010 | Construction Project - Addition of classroom and office space to Hickory Point School |
| 2010 | Construction Project - Razing of Grove School |
| 2010 | Construction Project - Addition of classroom and office space to Shabonee School |

OTHER AREAS:

- | | |
|------|---|
| 2006 | Northbrook District 27 schools ranked in the top 20 of Cook County Schools Chicago Magazine Publication |
| 2006 | District 27 receives the Award of Excellence from the National School Public Relations Association for the District's 2005 Annual Report |
| 2006 | District 27 receives the Shirley Havens Support & Classified Staff Development Award from the National Staff Development Council |
| 2007 | District 27 receives the Facilities Masters Award for the 2006-07 school year from the Association of School Business Officials International |

(Continued)

Northbrook School District 27

DISTRICT HISTORY

HIGHLIGHTS

OTHER AREAS: (Continued)

- | | |
|------|---|
| 2008 | District 27 receives the Facilities Masters Award for the 2007-08 school year from the Association of School Business Officials International |
| 2009 | District 27 receives the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association |
| 2009 | District 27 receives the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International |
| 2010 | District 27 receives the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association |
| 2010 | District 27 receives the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International |
| 2010 | District 27 received the SchoolSearch Bright Red Apple Award |
| 2010 | District 27 received the Award of Excellence from the Illinois Chapter of the National School Public Relations Association for the District's Annual Report |
| 2011 | District 27 received the SchoolSearch Bright A+ Award |
| 2011 | Wood Oaks Junior High received the Academic Award of Excellence from the Illinois State Board of Education |
| 2011 | Wood Oaks Junior High was awarded the National Blue Ribbon School Award from the U.S. Department of Education |
| 2011 | District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association |
| 2011 | District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International |
| 2012 | District 27 received the SchoolSearch Bright Red Apple Award |
| 2012 | District 27 received the SchoolSearch Bright A+ Award |
| 2012 | District 27 received the Award of Excellence from the Illinois Chapter of the National School Public Relations Association for the District's website |

(Continued)

Northbrook School District 27

DISTRICT HISTORY

HIGHLIGHTS

OTHER AREAS: (Continued)

- | | |
|------|--|
| 2012 | District 27 received the Award of Merit from the Illinois Chapter of the National School Public Relations Association for the District's Financial Publication on Property Tax Bills |
| 2013 | Wood Oaks Junior High named a Gallup High Hope School |
| 2013 | Wood Oaks Junior High received the Academic Award of Excellence from the Illinois State Board of Education |
| 2013 | District 27 received the School Search Bright Red Apple Award |
| 2013 | District 27 received the School Search Bright A+ Award |
| 2013 | District 27 received the Award of Merit from the Illinois Chapter of the National School Public Relations Association for the District's Educational Video Publication on Teacher Partnerships |
| 2014 | District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association |
| 2014 | District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International |
| 2015 | District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International |
| 2015 | District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association |
| 2016 | District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International |
| 2016 | District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association |
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| 2017 | District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer's Association. |
| 2018 | District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International |
| 2018 | District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International |
| 2019 | District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International |

(Concluded)

Northbrook School District 27
OPERATING COSTS AND TUITION CHARGE
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>1,261.30</u>	<u>1,196.80</u>
Operating costs:		
Educational	\$ 24,246,653	\$ 23,936,250
Operations and Maintenance	3,637,369	3,202,095
Transportation	859,959	999,930
Municipal Retirement/Social Security	<u>746,019</u>	<u>732,571</u>
Subtotal	<u>29,490,000</u>	<u>28,870,846</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	2,229,737	1,999,304
Summer School	17,131	9,087
Community Service	55,604	72,859
Capital outlay	1,378,607	1,030,990
Non-capitalized equipment	<u>42,177</u>	<u>24,648</u>
Subtotal	<u>3,723,256</u>	<u>3,136,888</u>
Operating costs	<u>\$ 25,766,744</u>	<u>\$ 25,733,958</u>
Operating costs per pupil - based on ADA	<u>\$ 20,429</u>	<u>\$ 21,502</u>
Tuition Charge		
Operating costs	\$ 25,766,744	\$ 25,733,958
Less - revenues from specific programs, such as special education or lunch programs	<u>1,449,588</u>	<u>1,098,334</u>
Net operating costs	24,317,156	24,635,624
Depreciation allowance	<u>1,205,643</u>	<u>1,109,334</u>
Allowance tuition costs	<u>\$ 25,522,799</u>	<u>\$ 25,744,958</u>
Tuition charge per pupil - based on ADA	<u>\$ 20,235</u>	<u>\$ 21,511</u>

Source: Annual Financial Reports