

**West Northfield School District 31**  
**Northbrook, Illinois**  
**Annual Financial Report**  
**Year Ended June 30, 2019**

**West Northfield School District 31**  
**ANNUAL FINANCIAL REPORT**  
For the Year Ended June 30, 2019

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# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education  
West Northfield School District 31  
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 West Northfield School District 31, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise West Northfield School District 31'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 West Northfield School District 31, as of June 30, 2019, 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 5 through 14, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 75 through 78, the other postemployment benefits data on pages 79 through 80, budgetary comparison schedules and notes to the required supplementary information on pages 82 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, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Northfield School District 31's basic financial statements. The other schedules listed in the table of contents as supplementary financial information and other supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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***Other Information*** (Continued)

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, 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 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, 2019 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of West Northfield School District 31, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated January 21, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Northfield School District 31's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund with comparative actual amounts for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund and Debt Service Fund have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019, on our consideration of West Northfield School District 31's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Northfield School District 31's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



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Certified Public Accountants

Deerfield, Illinois  
November 15, 2019

**West Northfield School District 31**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

The management discussion and analysis of West Northfield School District 31's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2019. 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. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**Financial Highlights**

- General revenues increased \$425 or 2.4%. Overall general revenues accounted for \$18,148 or 69.8% of total revenues. This translates to approximately the same percentage as the prior year which was 69% of total revenues. Property and replacement taxes, which include amounts levied for debt service, account for 92% of general revenues for the year ended June 30, 2019. This is a 1% decrease, as a percentage of General Revenues, from fiscal year 2018. Program specific revenues accounted for \$7,850, or 30.2%, of fiscal year 2019 total revenues of \$25,998.
- Net position declined by \$1,297, from \$7,437 at June 30, 2018 to \$6,140 as of June 30, 2019.
- A comprehensive review of all governmental funds indicates a deficiency of revenues over expenditures of \$4,022. This was primarily the result of \$4,026 expended in 2019 on capital projects funded by the \$8,005 2018B tax- exempt bond issuance. The District will continue to utilize these dollars for capital projects throughout the 2019-2020 year, and any remaining in the 2020-2021 fiscal year, in order to use all tax-exempt bond funds within three years from the date of issue.
- The District has \$12,220 remaining due on the principal balance of its long-term general obligation bonds, as of June 30, 2019 with \$395 due within one year. The principal and interest paid on the bonds is funded through the District's Debt Service Extension Base.

**Overview of the Financial Statements**

This management discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

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

This report also contains required supplementary information, supplementary financial information, and other supplemental 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 – Governmental Activities presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.



**West Northfield School District 31**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

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

*Government-wide financial statements (Continued)*

The Statement of Activities for government activities presents information showing how the government's net position has changed during the fiscal year being reported. All changes in the 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, other instructional programs, state retirement contributions, and supporting services, including general and school administration, business, 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 fiduciary funds relate to the resources associated with Student Activities.

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 District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

**West Northfield School District 31**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

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

*Fund financial statements (Continued)*

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

*Notes to the basic financial statements*

The notes to the 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 supplementary financial information and other supplemental information.

**District-Wide Financial Analysis**

Cash and investments decreased from \$24,720 as of June 30, 2018 to \$21,907 as of June 30, 2019, while total assets remained relatively stable. This decrease was anticipated and the amount of the reduction coincides with the use of the funds for the intended capital projects identified with the bond issuance. Deferred outflows on the balance sheet increased by 34.6%. The increase in deferred outflows was related to changes in actuarial assumptions primarily related to pension liabilities. See Note G for further information.

In Governmental Activities, current liabilities increased significantly by \$1,185 mainly due to accounts payables related to capital projects. Long-term liabilities decreased slightly reflecting the reduction in principal due for bond payments. Deferred inflows of resources increased by 13.7% on the Condensed Statement of Net Position. Specifically, property taxes levied for a future year increased by \$392 or 5% from the prior year while the increase in deferred inflows related to pensions and other postemployment increased by almost 50% as a result of changes in actuarial assumptions.

The District's Condensed Statement of Net Position reflects a decrease of \$1,297 to \$6,140. The unrestricted portion of the net position increased from negative \$10,455 to negative \$10,158.

**West Northfield School District 31**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

**District-Wide Financial Analysis (Continued)**

<b>TABLE 1:</b>		
<i>Condensed Statements of Net Position</i>		
<i>(in thousands of dollars)</i>		
	<u>2019</u>	<u>2018</u>
<b>Assets:</b>		
Current and other assets	\$30,257	\$32,603
Capital Assets, net	<u>10,999</u>	<u>8,586</u>
<b>Total Assets</b>	<u>41,256</u>	<u>41,189</u>
<b>Deferred Outflow of Resources:</b>		
Pension liabilities	1,304	874
Other postemployment benefits		
	<u>276</u>	<u>300</u>
<b>Total Deferred Outflow of Resources</b>	<u>1,580</u>	<u>1,174</u>
<b>Liabilities:</b>		
Current Liabilities	1,728	543
Long-term Liabilities	<u>24,258</u>	<u>24,967</u>
<b>Total Liabilities</b>	<u>25,986</u>	<u>25,510</u>
<b>Deferred Inflow of Resources:</b>		
Pension liabilities	1,163	691
Other postemployment benefits liabilities	1,560	1,130
Property taxes levied for a future period	<u>7,987</u>	<u>7,595</u>
<b>Total Deferred Inflow of Resources</b>	<u>10,710</u>	<u>9,416</u>
<b>Net Position:</b>		
Net investment in capital assets	9,207	6,651
Restricted	7,091	11,241
Unrestricted	<u>(10,158)</u>	<u>(10,455)</u>
<b>Total Net Position</b>	<b><u>\$6,140</u></b>	<b><u>\$7,437</u></b>

**West Northfield School District 31**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

**District-Wide Financial Analysis (Continued)**

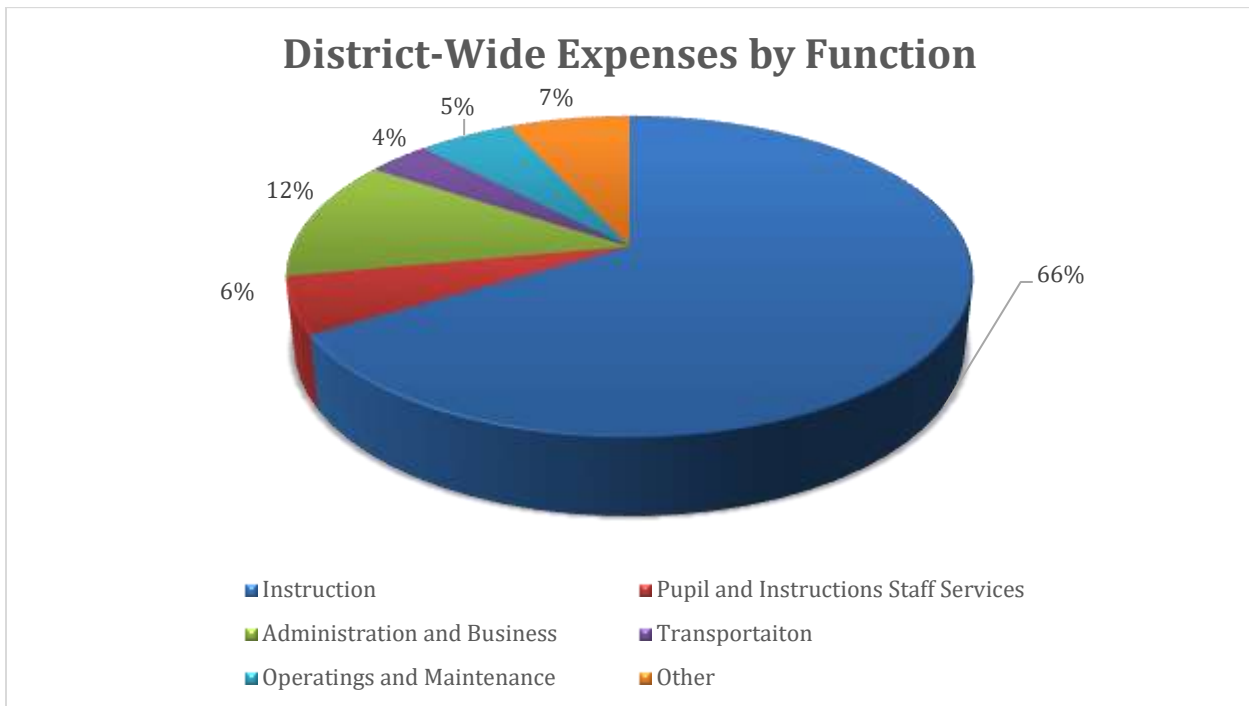
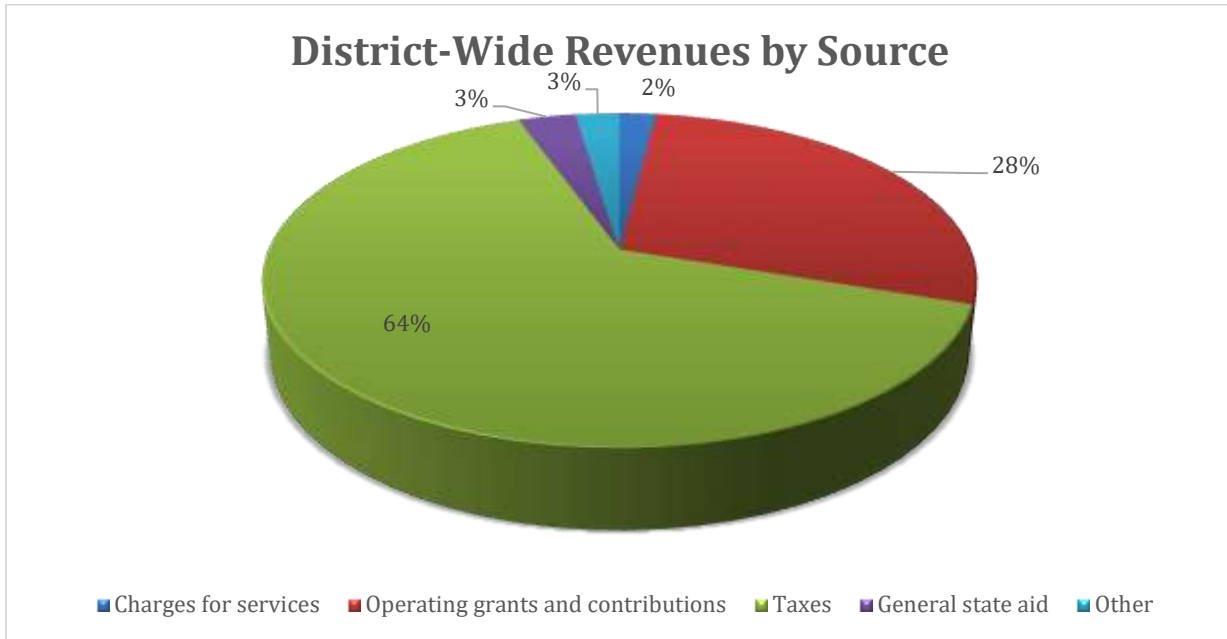
<i>TABLE 2: Changes in Net Position – Governmental Activities (in thousands of dollars)</i>		
	<u>2019</u>	<u>2018</u>
<b>Revenues:</b>		
<i>Program Revenues:</i>		
<b>Charges for services</b>	\$516	\$461
<b>Operating grants and contributions</b>	7,334	7,653
<i>General Revenues:</i>		
<b>Property &amp; replacement taxes</b>	16,722	16,471
<b>State-aid formula grants</b>	805	804
<b>Other</b>	<u>621</u>	<u>448</u>
<b>Total Revenues</b>	<u>25,998</u>	<u>25,837</u>
<b>Expenses:</b>		
<b>Instruction</b>	18,107	18,862
<b>Pupil and instructional staff services</b>	1,542	1,474
<b>Administration and business</b>	3,364	2,450
<b>Transportation</b>	962	609
<b>Operations and maintenance</b>	1,461	1,514
<b>Other</b>	<u>1,859</u>	<u>1,697</u>
<b>Total Expenses</b>	<u>27,295</u>	<u>26,605</u>
<b>Decrease in net position</b>	<b><u>\$(1,297)</u></b>	<b><u>\$(768)</u></b>

Property and replacement taxes accounted for the largest portion of the District's revenues, contributing 64.3% of total governmental activity revenues which is greater than the prior year's proportion of revenues of 63.7%. The remaining revenues came mainly from operating grants, and state aid formula grants. The total cost of programs was \$27,295, with approximately 66.3% of those costs being directly related to instruction and support services for students. This indicates a 4.0% decrease in instruction and support services costs while Other Expenses increased 9.5% to \$1,859 from the prior year.

Revenues in the governmental activities of the District of \$25,998 were \$1,297 lower than expenses. The \$1,297 decrease shown in the accompanying statement of activities for the year ended June 30, 2019 reflects a 0.6% increase in revenues while overall expenses increased by 2.6%.

**West Northfield School District 31  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2019**

**District-Wide Financial Analysis (Continued)**



**West Northfield School District 31**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

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

The sound financial performance of the District as a whole is reflected in its government funds. At year-end, the District's government funds reported total fund balance of \$20,551 compared to the prior year's total fund balance of \$24,488, reflecting a \$3,937, or 16.1% decrease. This is mainly due to the decrease in cash and investments in the Capital Projects Fund. This reflects a positive movement to remain in compliance with federal regulations and best practices regarding the issuance of tax-exempt bonds. Fund balance was also affected by a \$1,187 increase in liabilities, which again was mainly due to the activity within the Capital Projects fund for accounts payable.

**General Fund Budgetary Highlights**

The General Fund on the Governmental Funds report consists of activity related to the Education Account, Working Cash Account, and the Tort Immunity and Judgment Account. Total revenues in the General Fund, excluding on-behalf payments made by the state, of \$15,747 exceeded the prior year's amount of \$15,540 by \$207 or 1.3% which is similar to the prior year's increase. Much of this increase is due to the interest earned on investments from local sources and additional funds received from Title I. Expenditures, excluding on-behalf payments made by the state, of \$15,542 in fiscal year 2019 were \$445 higher than the prior year amount of \$15,097 for the General Fund, which was mainly due to an increase in support service costs. Numerous other areas experienced less spending for fiscal year 2019.

The more significant variances outside of the General Fund on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance reflect a 24% decrease in the fund balance for Transportation. This is mainly due to services contracted outside of the District, but needed for a segment of the population, that experienced increases of 80% in costs. The only other major variance was the change in fund balance for Capital Projects, cited throughout the summaries. Last year's fund balance of \$8,514 decreased in 2019 to \$4,674 due to the spending down of bond funds for capital improvements.

**Capital Assets and Debt Administration**

*Capital assets*

The District's Capital Assets increased by 28% from the prior year and the District had compiled total capital assets of approximately \$10,999, net of accumulated depreciation. This increase is mainly due to an addition at the elementary building which included eight classrooms, restrooms, a conference room and a staff workroom. The amount is comprised of a broad range of assets including current and updated footprint of the buildings, land, and equipment. Construction in Progress decreased in 2019 from \$187 to \$96 due to the completion of the building mentioned above. This, in turn, had an effect on the Buildings and Improvements as that component increased from \$7,928 to \$10,399, or 31%. Equipment and other, though a much lesser part of the picture, increased 8.5%.

**West Northfield School District 31**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

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

*Capital assets (Continued)*

<b>TABLE 3:</b> <i>Capital Assets (net of depreciation)</i> <i>(in thousands of dollars)</i>		
	<u>2019</u>	<u>2018</u>
<b>Land</b>	\$81	\$81
<b>Construction in progress</b>	96	187
<b>Buildings and improvements</b>	10,399	7,928
<b>Equipment and other</b>	<u>423</u>	<u>390</u>
<b>Total</b>	<b>\$10,999</b>	<b>\$8,586</b>

*Long-term liabilities*

The District's long-term bonded debt decreased 2.8% from the prior year to \$24,258. The main component of this change is from the general obligations bonds. From the 2018 increase, which resulted from the issuance of the 2018 A&B bonds, fiscal year 2019 reflects a \$485 or 3.8% reduction. The District's THIS OPEB liability has remained stable, while the liability for compensated absences has decreased 45%. TRS and IMRF net pension liabilities experienced inverse affects. While the IMRF net pension liability increased 218.9%, TRS' liability decreased 48.7%. Additional detailed information on long-term debt can be found in Note F of the basic financial statements. The net pension liabilities from both systems, IMRF and TRS, reflect a 3.4% decrease.

<b>TABLE 4:</b> <i>Outstanding Long-Term Liabilities</i> <i>(in thousands of dollars)</i>		
	<u>2019</u>	<u>2018</u>
<b>General obligation bonds</b>	\$12,220	\$12,705
<b>Unamortized premium</b>	286	307
<b>Capital leases</b>	141	220
<b>RHP OPEB</b>	36	33
<b>Compensated absences</b>	51	93
<b>THIS OPEB</b>	9,433	9,443
<b>IMRF net pension liability</b>	1,167	366
<b>TRS net pension liability</b>	<u>924</u>	<u>1,800</u>
<b>Total</b>	<b>\$24,258</b>	<b>\$24,967</b>

**West Northfield School District 31**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

**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 which could significantly affect the financial operations in the future:

- The District continues to monitor the impact the current economic climate has on its finances. The rate of return on investments continued to gain slight increases, earning an average interest rate in June of 2.35%. The Consumer Price Index – All Urban decreased slightly to a 1.9% change from the past two years of reflecting a 2.1% change. The 1.9% will be used for the CPI increase in the calculations for the 2019 levy request.
- In the 2013 tax year, the Astellas Corporation exercised the first year of its 7(b) tax incentive that was awarded through the Village of Glenview. Normally, commercial property is assessed at 25% of market value, plus the equalization factor. Property receiving a 7(b) tax incentive is assessed at 10% of the market value for the first ten years, which for this development began in 2013, 15% for year eleven, and 20% in year twelve, plus the equalization factor. The 2019 tax year will mark the halfway point to receiving the full amount of tax revenue from this development in 2016.
- The District continues to watch for any new development on Willow and Sanders as there continues to be potential for growth in the area adjacent to the Tapestry Project, a GlenStar Development.
- From the 2018 levy process, the District's new property equalized assessed valuation amounted to \$5,612.
- Another development, The Atria, was created as a Memory Care rental facility and was completed during the 2018-2019 fiscal year. It is located on Euclid and Milwaukee within District 31 boundaries.
- The District continues to receive impact fees from the RED SEAL development on the Mission Hills Golf Course, called Provenance Northbrook as certificates of occupancy are expected to be received. The development continues to show progress each month. By June 2019, the development was approaching the 50% sales mark. The District will continue to receive new property tax receipts from this development for the next few years, assuming current rate of sales continues.
- An additional residential development is being proposed within District boundaries, near Willow and Landwehr Roads. This is currently at the planning stage and is working through the process with the Village of Glenview.
- Efforts to minimize any financial impact of large property tax appeals remains a priority for the District and other stakeholders involved and affected in this process. With the final outstanding triennials now settled (2004-2006 and 2007-2009) the potential for a large liability has been eliminated for those tax years.



**West Northfield School District 31**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

- Additionally, the District remains involved in a process that has proven to be successful to date, to protect its assets from future large property tax appeals. This has been accomplished by meeting with stakeholders proactively on the value of the properties involved, prior to the distribution of tax bills. For the tax years 2010 – 2018, settlement agreements were reached with regard to the valuation of properties for a large taxpayer. New efforts are in progress for the 2019 – 2021 tax years. This process has greatly mitigated the possibility of negative outcomes from large tax appeals. The parties involved in these settlement agreements will continue to practice this proactive approach, or any similar approach, to protect the District's assets and provide a fair platform for all involved, as long as it is available as an option.
- This District continues to monitor the state policies and potential and/or realized changes with legislation, mainly those involving the cost shift for pensions and pension reform, State funding, and property taxes. State funding, now referred to as Evidence Based Funding which includes payments based on individual districts' needs in regards to low-income, English Learners, and special education students, will experience minor growth, in any, as the District is considered well-funded and identified as a Tier IV district.
- The District's participation with various cooperatives, including health insurance. This program provides many cost savings initiatives in an effort to continually manage costs and remain proactive in its health care offerings. This type of association provides protection from wide swings in the insurance marketplace. This structure of coverage has also served to protect the district's assets with its participation in Workers' Compensation and Property Liability Insurance pools.
- The District's financial management strategy includes efforts to maintain consistency within its Debt Service Extension Base (DSEB) while evaluating the needs of the students, staff, and community. This includes implementing improvements to the learning environment, as well as investing in its buildings and grounds. The comprehensive review that was completed on the facilities and grounds identified a number of areas to address within and outside of the facilities. In addition to the improvement of the learning environments, safety for the school community, and updates and repairs to many areas were addressed. The District issued \$8,005 in 2018 tax-exempt bonds to address these needs and to remain within its DSEB. Numerous projects have been completed and have resulted in added space, much improved areas for learning, improvements to the appearance and functionalities of the facilities, and updated outdoor play areas. These efforts for improving conditions will continue through the 2019-2020 fiscal year, with the continued use of the 2018 bonds.

**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 dollars it receives.

If you have questions about this report, or need additional financial information, contact the District's Assistant Superintendent for Finance and Operations/CSBO, at 847-313-4413.

## **BASIC FINANCIAL STATEMENTS**

**West Northfield School District 31**  
 STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
June 30, 2019

<b>ASSETS</b>	
Cash and investments	\$ 21,906,578
Receivables (net of allowance for uncollectibles):	
Interest	47,225
Property taxes	8,048,540
Replacement taxes	63,913
Intergovernmental	163,940
Prepaid items	26,381
Capital assets:	
Land	81,393
Construction in progress	96,360
Depreciable buildings, property, and equipment, net	<u>10,821,646</u>
Total assets	<u>41,255,976</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred outflows related to pensions	1,304,027
Deferred outflows related to other postemployment benefits	<u>275,953</u>
Total deferred outflows	<u>1,579,980</u>
<b>LIABILITIES</b>	
Accounts payable	1,159,843
Compensated absences	101,507
Other current liabilities	145,462
Interest payable	40,242
Unearned revenue	280,859
Long-term liabilities:	
Due within one year	558,265
Due after one year	<u>23,699,739</u>
Total liabilities	<u>25,985,917</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred inflows related to pensions	1,163,238
Deferred inflows related to other postemployment benefits	1,559,508
Property taxes levied for a future period	<u>7,986,890</u>
Total deferred inflows	<u>10,709,636</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,206,911
Restricted For:	
Operations and maintenance	823,030
Debt service	1,028,302
Student transportation	388,397
Retirement benefits	177,287
Capital projects	4,674,050
Tort immunity	34
Unrestricted	<u>(10,157,608)</u>
Total net position	<u>\$ 6,140,403</u>

The accompanying notes are an integral part of this statement.

**West Northfield School District 31**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2019

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 6,647,223	\$ 291,970	\$ 193,941	\$ (6,161,312)
Special programs	3,647,060	-	295,723	(3,351,337)
Other instructional programs	1,231,080	-	34,131	(1,196,949)
State retirement contributions	6,581,580	-	6,581,580	-
Support services:				
Pupils	840,782	-	2,006	(838,776)
Instructional staff	701,358	-	48,510	(652,848)
General administration	1,128,208	-	-	(1,128,208)
School administration	784,598	-	-	(784,598)
Business	1,451,322	11,159	-	(1,440,163)
Transportation	961,976	156,622	178,413	(626,941)
Operations and maintenance	1,461,308	56,730	-	(1,404,578)
Central	490,457	-	-	(490,457)
Community services	27,644	-	-	(27,644)
Interest and fees	427,147	-	-	(427,147)
Unallocated depreciation	913,333	-	-	(913,333)
<b>Total governmental activities</b>	<b>\$ 27,295,076</b>	<b>\$ 516,481</b>	<b>\$ 7,334,304</b>	<b>(19,444,291)</b>
General revenues:				
Taxes:				
				13,348,032
				2,143,654
				830,049
				399,470
				805,360
				537,302
				83,648
				<u>18,147,515</u>
				(1,296,776)
				<u>7,437,179</u>
				<u>\$ 6,140,403</u>

The accompanying notes are an integral part of this statement.

# West Northfield School District 31

Governmental Funds

BALANCE SHEET

June 30, 2019

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	General	Operations and Maintenance	Transportation
<b>ASSETS</b>			
Cash and investments	\$ 13,562,358	\$ 840,109	\$ 533,997
Receivables (net of allowance for uncollectibles):			
Interest	47,225	-	-
Property taxes	6,569,656	633,254	243,440
Replacement taxes	52,653	-	-
Intergovernmental	119,795	-	44,145
Prepaid items	<u>26,381</u>	<u>-</u>	<u>-</u>
Total assets	<u>20,378,068</u>	<u>1,473,363</u>	<u>821,582</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	92,781	21,900	95,107
Compensated absences	101,507	-	-
Other current liabilities	29,383	27	-
Unearned revenue	<u>184,355</u>	<u>-</u>	<u>96,504</u>
Total liabilities	<u>408,026</u>	<u>21,927</u>	<u>191,611</u>
<b>DEFERRED INFLOWS</b>			
Unavailable interest revenue	31,059	-	-
Property taxes levied for a future period	<u>6,519,334</u>	<u>628,406</u>	<u>241,574</u>
Total deferred inflows	<u>6,550,393</u>	<u>628,406</u>	<u>241,574</u>
<b>FUND BALANCES</b>			
Nonspendable	26,381	-	-
Restricted	34	823,030	388,397
Unassigned	<u>13,393,234</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>13,419,649</u>	<u>823,030</u>	<u>388,397</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 20,378,068</u>	<u>\$ 1,473,363</u>	<u>\$ 821,582</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Total
\$ 164,535	\$ 1,065,422	\$ 5,740,157	\$ 21,906,578
-	-	-	47,225
194,752	407,438	-	8,048,540
11,260	-	-	63,913
-	-	-	163,940
-	-	-	26,381
<u>370,547</u>	<u>1,472,860</u>	<u>5,740,157</u>	<u>30,256,577</u>
-	-	950,055	1,159,843
-	-	-	101,507
-	-	116,052	145,462
-	-	-	280,859
-	-	<u>1,066,107</u>	<u>1,687,671</u>
-	-	-	31,059
<u>193,260</u>	<u>404,316</u>	-	<u>7,986,890</u>
<u>193,260</u>	<u>404,316</u>	-	<u>8,017,949</u>
-	-	-	26,381
177,287	1,068,544	4,674,050	7,131,342
-	-	-	13,393,234
<u>177,287</u>	<u>1,068,544</u>	<u>4,674,050</u>	<u>20,550,957</u>
<u>\$ 370,547</u>	<u>\$ 1,472,860</u>	<u>\$ 5,740,157</u>	<u>\$ 30,256,577</u>

**West Northfield School District 31**  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
 FUNDS TO THE STATEMENT OF NET POSITION  
Year Ended June 30, 2019

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

Total fund balances - governmental funds	\$ 20,550,957
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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.	10,999,399
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:

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

IMRF pension	\$ 528,245	
TRS pension	(387,456)	
RHP OPEB	27,364	
THIS OPEB	<u>(1,310,919)</u>	(1,142,766)

Certain revenue receivables of the District recognized in the statement of net position do not provide current financial resources and are deferred in the governmental funds balance sheet.	31,059
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Interest payable included in the statement of net position is not related to a current period expenditure and, therefore, is not included in the governmental fund balance sheet.	(40,242)
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Long-term liabilities, including bonds payable, capital leases, pension liabilities, other postemployment benefits and compensated absences included in the statement of net position are not due and payable in the current period and, therefore, are not included in the governmental funds balance sheet.	<u>(24,258,004)</u>
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Net position - governmental activities	\$ <u><u>6,140,403</u></u>
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The accompanying notes are an integral part of this statement.

**West Northfield School District 31**

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	General	Operations and Maintenance	Transportation
<b>Revenues</b>			
Property taxes	\$ 13,368,528	\$ 1,284,539	\$ 461,553
Replacement taxes	273,210	25,000	40,000
State aid	4,600,533	-	178,413
Federal aid	557,577	-	-
Interest	389,196	-	-
Other	336,815	56,730	156,622
<b>Total revenues</b>	<u>19,525,859</u>	<u>1,366,269</u>	<u>836,588</u>
<b>Expenditures</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	6,330,420	-	-
Special programs	1,103,234	-	-
Other instructional programs	1,185,826	-	-
State retirement contributions	3,778,439	-	-
<b>Support services:</b>			
Pupils	795,677	-	-
Instructional staff	686,039	-	-
General administration	1,096,403	-	-
School administration	736,524	-	-
Business	515,098	-	-
Transportation	-	-	961,785
Operations and maintenance	-	1,388,076	-
Central	440,446	-	-
Community services	27,086	-	-
Nonprogrammed charges	2,426,969	-	-
<b>Debt service:</b>			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	198,247	28,891	-
<b>Total expenditures</b>	<u>19,320,408</u>	<u>1,416,967</u>	<u>961,785</u>
Excess (deficiency) of revenues over expenditures	<u>205,451</u>	<u>(50,698)</u>	<u>(125,197)</u>
<b>Other financing sources</b>			
Transfers in	-	-	-
Transfers (out)	(173,600)	-	-
Capital lease proceeds	85,260	-	-
<b>Total other financing sources</b>	<u>(88,340)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	117,111	(50,698)	(125,197)
Fund balance, beginning of year	<u>13,302,538</u>	<u>873,728</u>	<u>513,594</u>
Fund balance, end of year	<u>\$ 13,419,649</u>	<u>\$ 823,030</u>	<u>\$ 388,397</u>

The accompanying notes are an integral part of this statement.



	Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Total
\$	375,330	\$ 831,785	\$ -	\$ 16,321,735
	11,260	50,000	-	399,470
	-	-	-	4,778,946
	-	-	-	557,577
	-	-	135,527	524,723
	-	-	49,962	600,129
	<u>386,590</u>	<u>881,785</u>	<u>185,489</u>	<u>23,182,580</u>
	103,146	-	-	6,433,566
	37,744	-	-	1,140,978
	18,208	-	-	1,204,034
	-	-	-	3,778,439
	16,036	-	-	811,713
	8,495	-	-	694,534
	26,384	-	-	1,122,787
	34,635	-	-	771,159
	24,243	-	-	539,341
	-	-	-	961,785
	75,701	-	-	1,463,777
	35,677	-	-	476,123
	563	-	-	27,649
	-	-	-	2,426,969
	-	649,078	-	649,078
	-	450,166	-	450,166
	-	-	4,025,739	4,252,877
	<u>380,832</u>	<u>1,099,244</u>	<u>4,025,739</u>	<u>27,204,975</u>
	<u>5,758</u>	<u>(217,459)</u>	<u>(3,840,250)</u>	<u>(4,022,395)</u>
	-	173,600	-	173,600
	-	-	-	(173,600)
	-	-	-	85,260
	<u>-</u>	<u>173,600</u>	<u>-</u>	<u>85,260</u>
	5,758	(43,859)	(3,840,250)	(3,937,135)
	<u>171,529</u>	<u>1,112,403</u>	<u>8,514,300</u>	<u>24,488,092</u>
\$	<u>177,287</u>	<u>\$ 1,068,544</u>	<u>\$ 4,674,050</u>	<u>\$ 20,550,957</u>

## West Northfield School District 31

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

For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds \$ (3,937,135)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period. 2,413,300

Interest revenue and other revenue included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund financial statements. 12,579

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 1,401

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

Deferred outflow and inflows of resources related to IMRF pension	806,193
Deferred outflow and inflows of resources related to TRS pension	(848,289)
Deferred outflow and inflows of resources related to RHP OPEB	(2,279)
Deferred outflow and inflows of resources related to THIS OPEB	(451,458)

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. 708,912

Change in net position - governmental activities \$ (1,296,776)

The accompanying notes are an integral part of this statement.

**West Northfield School District 31**  
Agency Fund  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
June 30, 2019

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	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ <u>23,964</u>
LIABILITIES	
Due to student groups	\$ <u>23,964</u>

The accompanying notes are an integral part of this statement.

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of West Northfield School District 31 (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 of the District 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) and the servicing of general long-term debt (debt service fund) and the acquisition or construction of major capital facilities (capital projects fund). The General Fund is used to account for all activities of the District not accounted for in some other fund. The District considers all governmental funds to be major.

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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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, the Working Cash Account, and the Tort Immunity and Judgment Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources, held by the District, to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be abolished and become part of the Educational Account Fund or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least 0.05% of the District's current equalized assessed valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property levy and state reimbursement grants, and expenditures of these monies is for risk management activities.

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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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, Capital Projects, or Fiduciary Funds) that are legally restricted or committed 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 expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes, personal property replacement taxes and transfers from other funds.

*Transportation Fund* - accounts for all revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes, personal property replacement 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. Debt Service Fund

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

d. Capital Projects Fund

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

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

e. 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.

*Agency Fund* - includes Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do 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. 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 council, and scholarships.

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. The District considers most revenues available if they are collected within 60 days after year-end. Revenue that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property 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.

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 for unearned and 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, 2019, the District has deferred outflows of resources related to pensions and other postemployment benefits. 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, 2019, the District reported deferred inflows of resources related to pensions, other postemployment benefits, 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 remaining balance allocated at the discretion of the District.

8. 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.



**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Capital Assets

Capital assets, which include land, buildings, building improvements, 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 40
Building improvements	15 - 20
Equipment	5 - 20
Vehicles	8

Construction in progress is stated at cost and includes engineering, design, material, and labor incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

10. Long-Term Obligations

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

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

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. 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 the 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.

12. 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 these resources are needed.

13. Accumulated Unpaid Vacation Pay and Sick Pay

Administrators and support staff are entitled to be compensated for vacation time. The liability for unused compensated absences is reported on the government-wide financial statements.

Full or part-time educational support personnel who work at least 600 hours per year receive 10 paid sick leave days per year. Part-time employees will receive sick leave pay equivalent to their regular workday. Unused sick leave shall accumulate to the maximum number of days that the Illinois Municipal Retirement Fund (IMRF) will recognize for retirement credit purposes. Certified employees earn sick days as of the date of hire. Unused sick leave days accumulate with no limit. When a certified employee resigns from the District, unused sick days are reported to the Teachers' Retirement System (TRS).

Due to the nature of policies on sick leave and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teachers' Retirement System pension (see the budgetary reconciliation in the notes to the required supplementary information). 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.

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 are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service funds and capital project 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 funds at June 30, 2019.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Director of Business Services/CSBO. The District had no assigned funds at June 30, 2019.

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Fund Balance (Continued)

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

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

The nonspendable fund balance in the General Fund consists of \$26,381 for prepaid items. The restricted fund balance in the General Fund is comprised of \$34, representing the remaining unspent portion of the restricted tort immunity levy. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

16. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits 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.

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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

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

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

Bonds payable	\$ 12,220,000
Compensated absences	50,721
Capital leases	140,936
Unamortized bond premium	285,820
IMRF net pension liability	1,167,544
TRS net pension liability	923,611
RHP total other postemployment benefit liability	36,296
THIS net other postemployment benefit liability	<u>9,433,076</u>
Net adjustment to decrease fund balances - governmental funds to arrive at net position - governmental activities	<u>\$ 24,258,004</u>

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

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

Capital outlay	\$ 3,241,373
Depreciation expense	<u>(828,073)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ 2,413,300</u>

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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

(Continued)

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

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

Principal payments on general obligation bonds	\$	485,000
Capital lease proceeds		(85,260)
Principal payments on capital leases		164,078
Amortization of bond premium		21,618
IMRF net pension liability, net		(801,082)
TRS net pension liability, net		876,235
RHP other postemployment benefit liability, net		(3,810)
THIS other postemployment benefit liability, net		9,807
Compensated absences, net		42,326
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$	708,912

**NOTE C - DEPOSITS AND INVESTMENTS**

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

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE C - 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, 2019, the District's cash and investments consisted of the following:

	Governmental	Fiduciary	Total
Cash and investments	\$ 21,906,578	\$ 23,964	\$ 21,930,542

For disclosure purposes, this amount is classified into four components as follows:

	Total
Deposits with financial institutions*	\$ 6,926,580
Illinois Funds	21,882
Illinois Trust	5,200,000
Illinois School District Liquid Asset Fund Plus Term Series (ISDLAF+ TS)	2,000,000
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	7,782,080
	\$ 21,930,542

\*includes accounts held in demand and savings accounts, but primarily consists of money market savings accounts and non-negotiable certificates of deposit, which were valued at cost.

Cash and Investments Under the Custody of the Township Treasurer

District cash and investments (other than the student activity, flexible benefit, and imprest funds) are part of a common pool for all of the school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balances by district. Income from investments is distributed based upon the District's percentage participation in the pool. Cash for all funds, is not deemed available for purposes

**West Northfield School District 31**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

other than those for which these balances are intended.

**NOTE C - DEPOSITS AND INVESTMENTS** (Continued)

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

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 0.1615 years at June 30, 2019. 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 \$89,862,022, and the fair value of the District's proportionate share of the pool was \$12,681,600. Further information about investments held at the Treasurer's office is available from the Treasurer's financial statements.

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

At June 30, 2019, the carrying value of the District's student activity, imprest, e-pay, and flexible benefit funds was \$711,904, all of which was deposited with financial institutions.

**Deposit and Investment Risks**

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. Maturity information on other investments is shown in the table below.

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
ISDLAF+ TS	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -



**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

Deposit and Investment Risks (Continued)

*Interest Rate Risk* (Continued)

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

		<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
ISDLAF+	\$ 7,782,080	n/a	Daily	1 day
Illinois Funds	21,882	n/a	Daily	1 day
Illinois Trust	5,200,000	n/a	Daily	1 day

Redemption Notice Period - Investments in ISDLAF+'s Term Series may be redeemed upon seven days' advance notice. Redemption prior to maturity may result in the realization of a loss on the investment, including a penalty in an amount necessary to recoup the Term Series penalty charges, losses and other costs attributable to the early redemption.

*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 investments IN ISDLAF+ term series is unrated.

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.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price the investment can 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.

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE C - DEPOSITS AND INVESTMENTS (Continued)

Deposit and Investment Risks (Continued)

*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, 2019, the District had \$6,832,595, all of which was collateralized and/or insured.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be in high quality investment pools and/or secured by private insurance or collateral.

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 20, 2018. 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 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.

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE D - PROPERTY TAXES RECEIVABLE** (Continued)

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 2.9109 for 2018.

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 2018 tax levy was \$598,973,369.

Property taxes are collected by the Cook County Collector/Treasurer, who remits them to the District. Taxes levied in one year become due and payable in two installments on March 1 and 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 bill is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2018 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days are reflected as deferred inflows of resources - property taxes levied for a future period.

**NOTE E - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases/ Transfers	Decreases/ Transfers	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 81,393	\$ -	\$ -	\$ 81,393
Construction in process	187,239	15,667	106,546	96,360
Total capital assets, not being depreciated	268,632	15,667	106,546	177,753

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE E - CAPITAL ASSETS (Continued)**

	Balance July 1, 2018	Increases/ Transfers	Decreases/ Transfers	Balance June 30, 2019
Capital assets, being depreciated				
Buildings	19,361,469	2,901,826	-	22,263,295
Building improvements	1,628,303	273,079	-	1,901,382
Equipment	2,372,418	157,347	20,806	2,508,959
Vehicles	51,848	-	-	51,848
Total capital assets, being depreciated	<u>23,414,038</u>	<u>3,332,252</u>	<u>20,806</u>	<u>26,725,484</u>
Less accumulated depreciation for:				
Buildings	11,717,211	630,113	-	12,347,324
Building improvements	1,344,575	73,512	-	1,418,087
Equipment	2,004,278	120,179	20,806	2,103,651
Vehicles	30,507	4,269	-	34,776
Total accumulated depreciation	<u>15,096,571</u>	<u>828,073</u>	<u>20,806</u>	<u>15,903,838</u>
Total capital assets, being depreciated, net	<u>8,317,467</u>	<u>2,504,179</u>	<u>-</u>	<u>10,821,646</u>
Governmental activities capital assets, net	<u>\$ 8,586,099</u>	<u>\$ 2,519,846</u>	<u>\$ 106,546</u>	<u>\$ 10,999,399</u>

**NOTE F - LONG-TERM LIABILITIES**

During the year ended June 30, 2019, changes in long-term liabilities were as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
General obligation bonds	\$ 12,705,000	\$ -	\$ 485,000	\$ 12,220,000
Capital leases	219,754	85,260	164,078	140,936
Unamortized premium	307,438	-	21,618	285,820
Compensated absences	93,047	75,016	117,342	50,721
RHP total other postemployment benefit liability	32,486	5,275	1,465	36,296
THIS total other postemployment benefit liability	9,442,883	514,736	524,543	9,433,076
IMRF net pension liability	366,462	793,689	(7,393)	1,167,544
TRS net pension liability	1,799,846	47,727	923,962	923,611
	<u>\$ 24,966,916</u>	<u>\$ 1,521,703</u>	<u>\$ 2,230,615</u>	<u>\$ 24,258,004</u>

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE F - LONG-TERM LIABILITIES** (Continued)

		<u>Due Within</u>		<u>One Year</u>
General obligation bonds	\$		395,000	
Capital leases			112,544	
Compensated absences			50,721	
				<u>558,265</u>
	\$			<u>558,265</u>

1. General Obligation Bonds Payable

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding at June 30, 2019, are as follows:

	<u>Bonds Payable</u>		<u>Debt Issued</u>		<u>Debt Retired/ Defeased</u>		<u>Bonds Payable</u>
	<u>July 1, 2018</u>		<u>Debt Issued</u>		<u>Debt Retired/ Defeased</u>		<u>June 30, 2019</u>
\$2,985,000 GO Limited School Bonds Series 2015A, dated July 9, 2015, due December 1, 2024, interest at 3.00%.	\$ 1,660,000	\$	-	\$	-	\$	1,660,000
\$3,070,000 Taxable GO Limited School Bonds Series 2018A, dated February 27, 2018 due December 1, 2027, interest at 2.10% - 3.35%.	3,070,000		-		485,000		2,585,000
\$7,975,000 GO Limited School Bonds Series 2018B, dated February 27, 2018, due December 1, 2037, interest at 3.50% - 4.00%.	<u>7,975,000</u>		-		-		<u>7,975,000</u>
<b>Total</b>	<u>\$ 12,705,000</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>485,000</u>	<u>\$</u>	<u>12,220,000</u>

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE F - LONG-TERM LIABILITIES (Continued)**

1. General Obligation Bonds Payable (Continued)

At June 30, 2019, the District's annual debt service requirements to maturity for bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 395,000	\$ 421,048	\$ 816,048
2021	415,000	410,912	825,912
2022	440,000	398,918	838,918
2023	465,000	385,342	850,342
2024	495,000	370,943	865,943
2025-2038	<u>10,010,000</u>	<u>2,825,916</u>	<u>12,835,916</u>
Total	<u>\$ 12,220,000</u>	<u>\$ 4,813,079</u>	<u>\$ 17,033,079</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$1,068,544 in the Debt Service Fund to service the outstanding bonds payable and capital leases.

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, 2019, the statutory debt limit for the District was \$41,329,162 of which \$28,968,226 is fully available.

2. Capital Leases

The District currently has several lease agreements for financing the acquisition of computers and copiers. The computer leases require annual payments, while the copier leases require monthly installment payments for sixty consecutive months. The obligations for these loans will be paid from the Debt Service Fund.

At June 30, 2019, the District's future cash flow requirements for retirement of leases payable principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 112,544	\$ 6,272	\$ 118,816
2021	<u>28,392</u>	<u>1,558</u>	<u>29,950</u>
	<u>\$ 140,936</u>	<u>\$ 7,830</u>	<u>\$ 148,766</u>

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - 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/fy2018](http://www.trsil.org/financial/cafrs/fy2018); 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. Disability and death benefits are also provided.

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

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

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - PENSION LIABILITIES (Continued)

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

**General Information About the Pension Plan** (Continued)

*Benefits Provided* (Continued)

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, 2018, 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.

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, 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 \$5,942,211 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$3,672,724 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, 2019, were \$49,447, and are deferred because they were paid after the June 30, 2018 measurement date.



**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - PENSION LIABILITIES (Continued)

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

**General Information About the Pension Plan** (Continued)

*Contributions* (Continued)

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under 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, 2019.

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, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$10,570 were paid from federal and special trust funds that required employer contributions of \$1,041.

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. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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, 2019, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE G - PENSION LIABILITIES** (Continued)

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

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

At June 30, 2019, 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	\$	923,611
State's proportionate share of the net pension liability associated with the District		63,271,230
<b>Total</b>	<b>\$</b>	<b>64,194,841</b>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.001184955 percent, which was in a decrease of 0.001170922 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - revenue and expense/expenditure	\$ 5,942,211	\$ 3,672,724
District TRS pension expense	20,485	49,447
<b>Total TRS expense/expenditure</b>	<b>\$ 5,962,696</b>	<b>\$ 3,722,171</b>

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE G - 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, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,563	\$ 201
Change in assumptions	40,509	26,177
Net difference between projected and actual earnings on pension plan investments	-	2,828
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>249,602</u>	<u>716,371</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>308,674</u>	<u>745,577</u>
District contributions subsequent to the measurement date	<u>49,447</u>	<u>-</u>
	<u>\$ 358,121</u>	<u>\$ 745,577</u>

The District reported \$49,447 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$ 51,817
2021	75,986
2022	91,381
2023	146,579
2024	<u>71,140</u>
Total	<u>\$ 436,903</u>

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - 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

The total pension liability in the June 30, 2018 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, including inflation

In the June 30, 2018 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, 2017 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.

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:

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - 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)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	15.0 %	6.7 %
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real return	4.0	1.8
Absolute return	14.0	0.9
Private equity	15.0	10.2
Total	100.0 %	

Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2017 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, 2018 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.

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - 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)

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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ <u>1,132,222</u>	\$ <u>923,611</u>	\$ <u>755,214</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2018 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](http://www.imrf.org).

**West Northfield School District 31**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

**Benefits Provided**

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

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

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

**Employees Covered by Benefit Terms**

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	58
Inactive plan members entitled to but not yet receiving benefits	167
Active plan members	43
Total	268

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - 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 2018 was 10.62%. For the fiscal year ended June 30, 2019 the District contributed \$146,179 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, 2018. 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, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
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.



**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - 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:

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE G - PENSION LIABILITIES** (Continued)

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

**Actuarial Assumptions** (Continued)

Long-term Expected Rate of Return (Continued)	Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
	Equities	37%	(6.08)%
	International equities	18%	(14.16)%
	Fixed income	28%	(0.28)%
	Real estate	9%	8.36%
	Alternative investments	7%	4.75%-12.40%
	Cash equivalents	1%	2.50%
	Total	100%	

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 3.71% (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%.

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE G - 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, 2018:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances at December 31, 2017	\$ 6,988,126	\$ 6,621,664	\$ 366,462
Changes for the year:			
Service cost	148,694	-	148,694
Interest on the total pension liability	515,362	-	515,362
Difference between expected and actual experience of the total pension liability	(50,609)	-	(50,609)
Changes of assumptions	180,242	-	180,242
Contributions - employer	-	159,493	(159,493)
Contributions - employees	-	67,582	(67,582)
Net investment income	-	(379,416)	379,416
Benefit payments, including refunds of employee contributions	(381,968)	(381,968)	-
Other (net transfer)	-	144,948	(144,948)
Net changes	<u>411,721</u>	<u>(389,361)</u>	<u>801,082</u>
Balances at December 31, 2018	<u>\$ 7,399,847</u>	<u>\$ 6,232,303</u>	<u>\$ 1,167,544</u>

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

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net pension liability (asset)	\$ 1,991,695	\$ 1,167,544	\$ 491,308
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE G - PENSION LIABILITIES** (Continued)

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

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

For the year ended June 30, 2019, the District recognized pension expense of \$141,143. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 22,276
Change of assumptions	79,334	-
Net difference between projected and actual earnings on pension plan investments	<u>795,955</u>	<u>395,385</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>875,289</u>	<u>417,661</u>
Pension contributions made subsequent to the measurement date	<u>70,617</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 945,906</u>	<u>\$ 417,661</u>

The District reported \$70,617 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020.

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

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** (Continued)

Year Ending June 30,	Net Deferred Inflows of Resources
2020	\$ 188,391
2021	50,766
2022	43,339
2023	175,132
2024	-
Thereafter	-
Total	\$ 457,628

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 49,447	\$ 70,617	\$ 120,064
Experience	18,563	-	18,563
Assumptions	40,509	79,334	119,843
Proportionate share	249,602	-	249,602
Investments	-	795,955	795,955
	\$ 358,121	\$ 945,906	\$ 1,304,027
Net pension liability	\$ 923,611	\$ 1,167,544	\$ 2,091,155
Pension expense	\$ 5,962,696	\$ 141,143	\$ 6,103,839

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE G - PENSION LIABILITIES** (Continued)

3. **Summary of Pension Items** (Continued)

	TRS	IMRF	Total
Deferred inflows of resources:			
Experience	\$ 201	\$ 22,276	\$ 22,477
Assumptions	26,177	-	26,177
Investments	2,828	395,385	398,213
Proportionate share	716,371	-	716,371
	\$ 745,577	\$ 417,661	\$ 1,163,238

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.

**NOTE H - OTHER POSTEMPLOYMENT BENEFITS**

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

**General Information about the Other Postemployment Plan**

*Plan Description*

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

The 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>).

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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

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

**General Information about the Other Postemployment Plan** (Continued)

*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.

*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, 2019. 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, 2019, the District recognized revenue and expenses of \$639,369 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$105,715 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

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

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, 2019. For the year ended June 30, 2019, the District paid \$78,434 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 measurement date.

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.

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE H - 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 contributions to the THIS Fund (Continued)

At June 30, 2019, 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:

District's proportionate share of the net OPEB liability	\$	9,433,076
State's estimated proportionate share of the net OPEB liability associated with the District*		<u>12,666,587</u>
	\$	<u><u>22,099,663</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 THIS 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, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.035805 percent, which was a decrease of 0.000584 percent from its proportion measured as of June 30, 2017.



**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE H - 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**

For the year ended June 30, 2019, 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 and expense/expenditure	\$ 639,369	\$ 105,715
District OPEB pension expense	<u>514,736</u>	<u>78,434</u>
Total OPEB expense/expenditure	<u>\$ 1,154,105</u>	<u>\$ 184,149</u>

At June 30, 2019, 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	\$ -	\$ 33,846
Changes of assumptions	-	1,373,614
Net difference between projected and actual earnings on OPEB plan investments	-	290
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>170,155</u>	<u>151,758</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>170,155</u>	<u>1,559,508</u>
District contributions subsequent to the measurement date	<u>78,434</u>	<u>-</u>
	<u>\$ 248,589</u>	<u>\$ 1,559,508</u>

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE H - 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 \$78,434 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, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Inflows of Resources
2020	\$ 235,793
2021	235,793
2022	235,793
2023	235,768
2024	235,715
Thereafter	210,491
Total	\$ 1,389,353

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 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 the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2018, contribution rates are 1.18% of pay for active members, 0.88% of pay for school districts, and 1.18% 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.

**West Northfield School District 31**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE H - 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)

Asset Valuation Method	Market value
Investment Rate of Return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75 percent
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% 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, 2016, 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-2014.
Healthcare Trend Rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, 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 0.36% 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"

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE H - 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)

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.
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Discount Rate

The State, the District and active members contribute 1.18 percent, 0.88 percent, 1.18 percent of pay, respectively for fiscal year 2018. 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 3.56 percent at June 30, 2017, and 3.62 percent at June 30, 2018, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.56 percent to 3.62 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$285 million as of June 30, 2018.

Investment Return

During plan year end June 30, 2018, the trust earned \$743,000 in interest, and due to benefit payables, the market value of assets at June 30, 2018, is a negative \$9.23 million. Given the benefit payable, negative 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 1.301% for plan year end June 30, 2018, and 0.678% for plan year end June 30, 2017.

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE H - 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 Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.62 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 (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current rate:

	<u>1% Decrease (2.62%)</u>	<u>Current Discount Rate (3.62%)</u>	<u>1% Increase (4.62%)</u>
District's proportionate share of the net OPEB liability \$	<u>11,342,195</u>	<u>9,433,076</u>	<u>7,925,989</u>

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, 2018, 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 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 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 \$	<u>7,648,697</u>	<u>9,433,076</u>	<u>11,837,063</u>

\* One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.86% in 2026, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

\*\* One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

**West Northfield School District 31**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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

2. Retiree Health Plan (RHP)

**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.

**Benefits Provided**

The plan provides the ability for IMRF retirees and their spouses, given certain eligibility provisions, to access the District's group health insurance plan during retirement on a pay-all basis, provided they had at least 8 years of credited service if enrolled in IMRF prior to January 1, 2011 or at least 10 years of credited service if enrolled in IMRF after January 1, 2011. Coverage is also available for eligible dependents on a pay-all basis. Coverage can continue upon the participant reaching Medicare eligibility. Coverage for dependents can continue upon the death of the retiree given that contributions continue.

**Employees Covered by Benefit Terms**

As of June 30, 2019 the following employees were covered by the benefit terms:

Active employees	44
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	-
	<hr/>
Total	<u><u>44</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 contributes 0 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2018, the District contributed \$0 toward the cost of the postemployment benefits for retirees, which was 0% of covered payroll.

**West Northfield School District 31**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

**Total OPEB Liability**

The District's total OPEB liability was measured as of June 29, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

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, 2017 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2017
Measurement date	June 29, 2018
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	3.00%
Discount rate	2.79%
Salary rate increase	4.00%
Healthcare inflation rate	HMO initial - 4.50%
	HMO ultimate - N/A - trend rates
	are constant for all years
	PPO initial - 6.50%
	PPO ultimate - 5.00%
Mortality rates	IMRF employees and retirees rates are from the December 31, 2017 IMRF Actuarial Valuation Report. TRS employees and retirees rates are from the June 30, 2017 Teachers' Retirement System Actuarial Valuation Report.
Election at retirement	10% of IMRF employees will elect coverage continuation at retirement. 100% of Certified employees will subsidize coverage at retirement.
Marital status	50% of employees electing District coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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

2. Retiree Health Plan (RHP) (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 2.79% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2019.

The following table shows the components of the change in the District's net OPEB liability for the fiscal year ended June 30, 2019 based upon a rollforward actuarial valuation from the actuarial valuation performed July 1, 2017 to the end of the fiscal year.

**Changes in the Total OPEB Liability**

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2018	\$ 32,486	\$ -	\$ 32,486
Changes for the year:			
Service cost	3,710	-	3,710
Interest on the total OPEB liability	946	-	946
Assumptions and other inputs	437	-	437
Benefit payments, including the implicit rate subsidy	(1,465)	-	(1,465)
Other changes	182	-	182
	\$ 36,296	\$ -	\$ 36,296
Balances at June 30, 2019	\$ 36,296	\$ -	\$ 36,296

**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 2.79%, 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:

	1% Lower	Current Discount Rate	1% Higher
Total OPEB liability	\$ 38,671	\$ 36,296	\$ 34,047



**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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

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

**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% - 6.50%, 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	\$ <u>32,825</u>	\$ <u>36,296</u>	\$ <u>40,230</u>

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

For the year ended June 30, 2019 the District recognized OPEB expense of \$7,555. At June 30, 2019, the District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Change of assumptions	\$ <u>27,364</u>	\$ <u>-</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ <u>27,364</u>	\$ <u>-</u>

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

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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

2. Retiree Health Plan (Continued)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**  
(Continued)

Year Ending June 30,	Net Deferred Outflows of Resources
2020	\$ 2,898
2021	2,898
2022	2,898
2023	2,898
2024	2,898
Thereafter	12,874
Total	\$ 27,364

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2019:

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	\$ 78,434	\$ -	\$ 78,434
Assumptions	-	27,364	27,364
Proportionate share	170,155	-	170,155
	\$ 248,589	\$ 27,364	\$ 275,953
OPEB liability	\$ 9,433,076	\$ 36,296	\$ 9,469,372

**West Northfield School District 31**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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

3. **Summary of OPEB Items** (Continued)

	THIS	RHP	Total
Deferred inflows of resources:			
Experience	\$ 33,846	\$ -	\$ 33,846
Assumptions	1,373,614	-	1,373,614
Proportionate share	151,758	-	151,758
Investments	290	-	290
	\$ 1,559,508	\$ -	\$ 1,559,508

**NOTE I - JOINT AGREEMENTS**

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. It is also a member of the risk management pools described in Note J. The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operation, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

The District entered an agreement with the Board of Commissions of the Glenview Park District that allows for School District 31 to lease space and grounds around Winkelman School for lawful Park District purposes. The original agreement was for 20 years ending May 16, 2010 and was extended for an additional term of 10 years ending May 16, 2020.

**NOTE J - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases coverage against such risks and participates in the following public entity risk pools: Education Benefit Cooperative (EBC) for health benefit claims; School Employee Loss Fund (SELF) for worker's compensation claims; and 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. Settled claims have not exceeded coverage for the past three fiscal years.

Complete financial statements for the School Employee Loss Fund (SELF) can be obtained from its business office at 1111 South Dee Road, Park Ridge, Illinois 60068.

**West Northfield School District 31**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE J - 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 four fiscal years.

NOTE K - CONTINGENCIES

1. Litigation

With regard to other pending matters, the eventual outcome and related liability, if any, is not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs, other than as noted above.

2. Grants

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

NOTE L - CONSTRUCTION COMMITMENTS

As of June 30, 2019, the District is committed to approximately \$1,300,000 in expenditures in the upcoming year for a renovation project. These expenditures will be paid during fiscal year 2020.

NOTE M - SUBSEQUENT EVENT

Management has evaluated subsequent events through November 15, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than that described below, have occurred subsequent to the statement of position date that require additional disclosure in the financial statements.

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

**West Northfield School District 31**  
MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
MOST RECENT CALENDAR YEARS  
Illinois Municipal Retirement Fund  
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 148,694	\$ 132,864	\$ 139,842	\$ 142,986	\$ 149,654
Interest on the total pension liability	515,362	501,675	487,022	456,641	422,843
Difference between expected and actual experience of the total pension liability	(50,609)	124,087	(60,720)	163,544	(38,191)
Assumption changes	180,242	(210,353)	(14,661)	7,264	245,421
Benefit payments and refunds	(381,968)	(365,429)	(374,548)	(334,543)	(300,715)
Net change in total pension liability	<u>411,721</u>	<u>182,844</u>	<u>176,935</u>	<u>435,892</u>	<u>479,012</u>
Total pension liability, beginning	6,988,126	6,805,282	6,628,347	6,192,455	5,713,433
Total pension liability, ending	<u>\$ 7,399,847</u>	<u>\$ 6,988,126</u>	<u>\$ 6,805,282</u>	<u>\$ 6,628,347</u>	<u>\$ 6,192,445</u>
Plan fiduciary net position					
Contributions, employer	\$ 159,493	\$ 156,120	\$ 138,297	\$ 146,889	\$ 134,273
Contributions, employee	67,582	64,159	56,525	56,686	55,896
Net investment income (loss)	(379,416)	1,091,285	390,262	28,358	340,352
Benefit payments, including refunds of employee contributions	(381,968)	(365,429)	(374,548)	(334,543)	(300,715)
Other (net transfer)	144,948	(322,359)	(2,281)	155,147	(127,516)
Net change in plan fiduciary net position	<u>(389,361)</u>	<u>623,776</u>	<u>208,255</u>	<u>52,537</u>	<u>102,290</u>
Plan fiduciary net position, beginning	6,621,664	5,997,888	5,789,633	5,737,096	5,634,806
Plan fiduciary net position, ending	<u>\$ 6,232,303</u>	<u>\$ 6,621,664</u>	<u>\$ 5,997,888</u>	<u>\$ 5,789,633</u>	<u>\$ 5,737,096</u>
Net pension liability (asset)	<u>\$ 1,167,544</u>	<u>\$ 366,462</u>	<u>\$ 807,394</u>	<u>\$ 838,714</u>	<u>\$ 455,349</u>
Plan fiduciary net position as a percentage of the total pension liability	84.22 %	94.76 %	88.14 %	87.35 %	92.65 %
Covered Valuation Payroll	\$ 1,501,823	\$ 1,425,759	\$ 1,256,103	\$ 1,259,691	\$ 1,242,127
Net pension liability as a percentage of covered valuation payroll	77.74 %	25.70 %	64.28 %	66.58 %	36.66 %

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.

**West Northfield School District 31**  
**MULTIYEAR SCHEDULE OF CONTRIBUTIONS**  
 Illinois Municipal Retirement Fund  
Five Most Recent Fiscal Years

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 159,494 *	\$ 159,493	\$ 1	\$ 1,501,823	10.62 %
2018	156,121	156,120	1	1,425,759	10.95
2017	138,297	138,297	-	1,256,103	11.01
2016	133,653	146,889	(13,236)	1,259,691	11.66
2015	135,994	134,273	1,721	1,258,038	10.67

\* Estimated based on contribution rate of 10.62% and covered valuation payroll of \$1,501,823.

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

**West Northfield School District 31**  
**MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**Teachers' Retirement System of the State of Illinois**  
Five Most Recent Fiscal Years

Fiscal year ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	
District's proportion of the net pension liability	0.0011849548 %	0.0023558772 %	0.0018095105 %	
District's proportionate share of the net pension liability	\$ 923,611	\$ 1,799,846	\$ 1,428,356	\$
State's proportionate share of the net pension liability associated with the District	<u>63,271,230</u>	<u>61,977,099</u>	<u>65,734,967</u>	
Total	<u>\$ 64,194,841</u>	<u>\$ 63,776,945</u>	<u>\$ 67,163,323</u>	\$
District's covered-employee payroll	\$ 8,489,592	\$ 8,370,668	\$ 8,277,863	\$
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.88 %	21.50 %	17.26 %	
Plan fiduciary net position as a percentage of the total pension liability	40.00 %	39.30 %	36.40 %	

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pensions 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>2016</u>		<u>2015</u>	
0.0018867923	%	0.0017499646	%
1,236,039	\$	1,064,998	
<u>50,002,609</u>		<u>43,134,039</u>	
<u>51,238,648</u>	\$	<u>44,199,037</u>	
7,719,938	\$	6,993,465	
16.01	%	15.23	%
41.50	%	43.00	%

**West Northfield School District 31**  
**MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**Teachers' Retirement System of the State of Illinois**  
Five Most Recent Fiscal Years

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	2019	2018	2017	2016	2015
Contractually required contribution	\$ 49,234	\$ 97,061	\$ 70,055	\$ 66,100	\$ 61,458
Contributions in relation to the contractually required contribution	(49,234)	(97,061)	(70,077)	(66,113)	(62,438)
Contribution excess	\$ -	\$ -	\$ (22)	\$ (13)	\$ (980)
District's covered-employee payroll	\$ 8,525,428	\$ 8,489,592	\$ 8,277,863	\$ 7,719,938	\$ 6,993,465
Contributions as a percentage of covered-employee payroll	0.58 %	1.14 %	0.85 %	0.86 %	0.89 %

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

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

## West Northfield School District 31

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

Retiree Health Plan

Two Most Recent Fiscal Years

	2019	2018
Total OPEB liability		
Service cost	\$ 3,710	\$ 3,486
Interest on the total OPEB liability	946	946
Difference between expected and actual experience of the total OPEB liability	-	-
Changes of assumptions and other inputs	-	-
Benefit payments, including the implicit rate subsidy	(1,465)	(1,496)
Other changes	619	29,550
Net change in total OPEB liability	3,810	32,486
Total OPEB liability, beginning	32,486	-
Total OPEB liability, ending	\$ 36,296	\$ 32,486
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	-	-
Plan fiduciary net position, beginning	-	-
Plan fiduciary net position, ending	\$ -	\$ -
Net OPEB liability	\$ 36,296	\$ 32,486
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %
Covered valuation payroll	\$ 1,403,687	\$ 1,403,687
Net OPEB liability as a percentage of covered valuation payroll	2.59 %	2.31 %

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

**West Northfield School District 31**  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY  
 Teachers' Health Insurance Security Fund  
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.0358050000	0.0363890000 %
District's proportionate share of the net OPEB liability	\$ 9,433,076	\$ 9,442,883
State's proportionate share of the net OPEB liability associated with the District	<u>12,666,587</u>	<u>12,400,852</u>
Total	<u>\$ 22,099,663</u>	<u>\$ 21,843,735</u>
District's covered-employee payroll	\$ 8,489,592	\$ 8,370,668
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	111.11%	112.81%
Plan fiduciary net position as a percentage of the total OPEB liability	-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.

**West Northfield School District 31**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**Teachers' Health Insurance Security Fund**  
Two Most Recent Fiscal Years

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Fiscal year ended June 30,	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 74,708	\$ 70,314
Contributions in relation to the contractually required contribution	<u>74,693</u>	<u>70,318</u>
Contribution excess	<u>\$ (15)</u>	<u>\$ 4</u>
District's covered-employee payroll	\$ 8,525,428	\$ 8,489,592
Contributions as a percentage of covered-employee payroll	-0.88%	-0.83%

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

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$13,720,425	\$13,368,528	\$ (351,897)	\$13,365,153
Corporate personal property replacement taxes	251,000	273,210	22,210	229,931
Summer school tuition from pupils or parents	2,000	-	(2,000)	200
Interest on investments	186,000	389,196	203,196	255,027
Sales to pupils - a la carte	7,200	11,159	3,959	7,529
Fees	70,800	125,125	54,325	142,496
Other district/school activity revenue	54,000	58,603	4,603	43,720
Rentals - regular textbook	147,000	108,242	(38,758)	91,951
Contributions and donations from private sources	25,000	-	(25,000)	1,464
Other	<u>50,000</u>	<u>33,686</u>	<u>(16,314)</u>	<u>71,970</u>
Total local sources	<u>14,513,425</u>	<u>14,367,749</u>	<u>(145,676)</u>	<u>14,209,441</u>
State sources				
Evidenced Based Funding	805,400	805,360	(40)	804,266
Special Education - Orphanage - Individual	\$ 7,143	\$ 10,560	\$ 3,417	\$ 39,617
Special Education - Orphanage - Summer Individual	-	5,424	5,424	6,281
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	-	-	-	22,722
Other state sources	<u>750</u>	<u>750</u>	<u>-</u>	<u>1,500</u>
Total state sources	<u>813,293</u>	<u>822,094</u>	<u>8,801</u>	<u>874,386</u>

(Continued)

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Federal sources				
Special Milk Program	-	-	-	11,474
Title I - Low Income	218,087	193,941	(24,146)	166,538
Safe and Drug Free Schools - Formula (Title IV)	-	2,006	2,006	-
Federal - Special Education - Pre-School Flow Through	5,957	6,224	267	5,903
Federal - Special Education - I.D.E.A. - Flow Through	156,717	161,997	5,280	161,400
Federal - Special Education - I.D.E.A. - Room and Board	-	42,267	42,267	11,040
Title III - Immigrant Education Program (IEP)	750	805	55	958
Title III - Language Inst. Program - Limited Eng (LIPLEP)	32,500	33,326	826	23,351
Title II - Teacher Quality	\$ 58,070	\$ 47,760	\$ (10,310)	\$ 36,040
Medicaid Matching Funds - Fee-For-Service-Program	<u>60,000</u>	<u>69,251</u>	<u>9,251</u>	<u>39,200</u>
Total federal sources	<u>532,081</u>	<u>557,577</u>	<u>25,496</u>	<u>455,904</u>
Total revenues	<u>15,858,799</u>	<u>15,747,420</u>	<u>(111,379)</u>	<u>15,539,731</u>
Expenditures				
Instruction				
Regular programs				
Salaries	5,272,529	5,275,450	(2,921)	5,090,218
Employee benefits	829,237	774,332	54,905	850,359
Purchased services	24,500	30,120	(5,620)	16,596
Supplies and materials	278,357	229,991	48,366	202,152
Capital outlay	11,880	93,111	(81,231)	95,943
Other objects	3,900	1,660	2,240	2,398
Non-capitalized equipment	4,100	-	4,100	-
Termination benefits	<u>18,867</u>	<u>18,867</u>	<u>-</u>	<u>17,799</u>
Total	<u>6,443,370</u>	<u>6,423,531</u>	<u>19,839</u>	<u>6,275,465</u>

(Continued)

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Special education programs				
Salaries	\$ 970,500	\$ 830,621	\$ 139,879	\$ 1,092,186
Employee benefits	211,425	158,633	52,792	244,021
Purchased services	28,000	21,092	6,908	77,659
Supplies and materials	43,300	6,362	36,938	22,413
Non-capitalized equipment	2,000	250	1,750	-
Termination benefits	7,181	7,211	(30)	6,744
Total	<u>1,262,406</u>	<u>1,024,169</u>	<u>238,237</u>	<u>1,443,023</u>
CTE programs				
Purchased services	1,650	-	1,650	-
Supplies and materials	10,800	9,939	861	7,640
Capital outlay	1,000	-	1,000	2,671
Non-capitalized equipment	1,000	-	1,000	-
Total	<u>14,450</u>	<u>9,939</u>	<u>4,511</u>	<u>10,311</u>
Interscholastic programs				
Salaries	174,500	166,822	7,678	168,787
Employee benefits	2,335	2,424	(89)	2,074
Purchased services	8,400	6,955	1,445	6,602
Supplies and materials	26,900	20,911	5,989	23,871
Total	<u>212,135</u>	<u>197,112</u>	<u>15,023</u>	<u>201,334</u>
Summer school programs				
Salaries	2,500	-	2,500	2,270
Employee benefits	20	-	20	13
Supplies and materials	100	-	100	-
Total	<u>2,620</u>	<u>-</u>	<u>2,620</u>	<u>2,283</u>

(Continued)



**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Gifted programs				
Salaries	\$ 193,050	\$ 177,861	\$ 15,189	\$ 190,628
Employee benefits	21,486	13,717	7,769	20,493
Purchased services	150	109	41	129
Supplies and materials	1,800	1,003	797	681
Termination benefits	<u>7,221</u>	<u>7,220</u>	<u>1</u>	<u>6,811</u>
Total	<u>223,707</u>	<u>199,910</u>	<u>23,797</u>	<u>218,742</u>
Bilingual programs				
Salaries	649,910	642,583	7,327	690,943
Employee benefits	126,096	111,394	14,702	143,528
Purchased services	1,250	500	750	205
Supplies and materials	<u>14,700</u>	<u>17,717</u>	<u>(3,017)</u>	<u>9,085</u>
Termination benefits	<u>5,214</u>	<u>5,214</u>	<u>-</u>	<u>4,918</u>
Total	<u>797,170</u>	<u>777,408</u>	<u>19,762</u>	<u>848,679</u>
Special education programs K-12 - private tuition	40,000	126,482	(86,482)	60,122
Total instruction	<u>8,995,858</u>	<u>8,758,551</u>	<u>237,307</u>	<u>9,059,959</u>

(Continued)

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 186,250	\$ 174,158	\$ 12,092	\$ 162,908
Employee benefits	27,784	38,973	(11,189)	44,558
Purchased services	5,000	1,055	3,945	-
Supplies and materials	4,200	1,419	2,781	(225)
Total	<u>223,234</u>	<u>215,605</u>	<u>7,629</u>	<u>207,241</u>
Health services				
Salaries	41,000	36,095	4,905	44,353
Employee benefits	7,216	6,956	260	39
Purchased services	70,800	84,154	(13,354)	236
Supplies and materials	3,900	3,685	215	3,608
Other objects	500	-	500	-
Non-capitalized equipment	3,500	-	3,500	-
Termination benefits	-	-	-	-
Total	<u>126,916</u>	<u>130,890</u>	<u>(3,974)</u>	<u>48,236</u>
Psychological services				
Salaries	72,750	69,233	3,517	61,231
Employee benefits	12,277	12,199	78	12,287
Purchased services	128,000	40,966	87,034	64,383
Supplies and materials	3,700	1,213	2,487	1,427
Total	<u>216,727</u>	<u>123,611</u>	<u>93,116</u>	<u>139,328</u>

(Continued)

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Speech pathology and audiology services				
Salaries	\$ 137,000	\$ 136,994	\$ 6	\$ 131,807
Employee benefits	24,420	24,382	38	24,706
Purchased services	69,000	106,861	(37,861)	83,038
Supplies and materials	4,000	2,233	1,767	3,133
Total	<u>234,420</u>	<u>270,470</u>	<u>(36,050)</u>	<u>242,684</u>
Other support services - pupils				
Salaries	47,000	54,400	(7,400)	34,491
Employee benefits	450	701	(251)	344
Total	<u>47,450</u>	<u>55,101</u>	<u>(7,651)</u>	<u>34,835</u>
Total pupils	<u>848,747</u>	<u>795,677</u>	<u>53,070</u>	<u>672,324</u>
Instructional staff				
Improvement of instruction services				
Salaries	286,357	251,180	35,177	263,468
Employee benefits	50,865	48,161	2,704	49,814
Purchased services	193,271	160,571	32,700	136,494
Supplies and materials	16,900	26,162	(9,262)	7,590
Other objects	2,000	1,500	500	1,910
Total	<u>549,393</u>	<u>487,574</u>	<u>61,819</u>	<u>459,276</u>

(Continued)

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Educational media services				
Salaries	\$ 165,430	\$ 145,300	\$ 20,130	\$ 146,222
Employee benefits	35,852	23,388	12,464	32,335
Purchased services	1,350	982	368	892
Supplies and materials	25,600	15,053	10,547	16,076
Capital outlay	3,000	-	3,000	-
Non-capitalized equipment	750	-	750	-
Total	<u>231,982</u>	<u>184,723</u>	<u>47,259</u>	<u>195,525</u>
Assessment and testing				
Salaries	-	197	(197)	258
Employee benefits	-	3	(3)	4
Purchased services	14,000	10,738	3,262	10,738
Supplies and materials	7,000	2,804	4,196	6,044
Termination benefits	-	-	-	-
Total	<u>21,000</u>	<u>13,742</u>	<u>7,258</u>	<u>17,044</u>
Total instructional staff	<u>802,375</u>	<u>686,039</u>	<u>116,336</u>	<u>671,845</u>
General administration				
Board of education services				
Salaries	10,591	10,591	-	12,636
Employee benefits	-	717	(717)	1,010
Purchased services	196,800	161,707	35,093	178,150
Supplies and materials	5,100	2,435	2,665	2,870
Capital outlay	-	-	-	-
Other objects	5,000	-	5,000	-
Total	<u>217,491</u>	<u>175,450</u>	<u>42,041</u>	<u>194,666</u>

(Continued)

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Executive administration services				
Salaries	\$ 382,840	\$ 382,238	\$ 602	\$ 373,320
Employee benefits	102,691	103,289	(598)	86,318
Purchased services	6,600	7,079	(479)	5,525
Supplies and materials	4,500	7,213	(2,713)	3,780
Other objects	9,000	12,266	(3,266)	8,735
Termination benefits	-	101,507	(101,507)	-
Total	<u>505,631</u>	<u>613,592</u>	<u>(107,961)</u>	<u>477,678</u>
Special area administrative services				
Salaries	173,475	160,216	13,259	155,193
Employee benefits	53,800	42,524	11,276	51,632
Purchased services	2,000	475	1,525	2,061
Supplies and materials	400	157	243	249
Other objects	500	410	90	-
Total	<u>230,175</u>	<u>203,782</u>	<u>26,393</u>	<u>209,135</u>
Tort immunity services				
Purchased services	-	103,579	(103,579)	149,226
Total	<u>-</u>	<u>103,579</u>	<u>(103,579)</u>	<u>149,226</u>
Total general administration	<u>953,297</u>	<u>1,096,403</u>	<u>(143,106)</u>	<u>1,030,705</u>

(Continued)

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
<b>School administration</b>				
Office of the principal services				
Salaries	\$ 569,227	\$ 557,613	\$ 11,614	\$ 495,688
Employee benefits	158,150	154,565	3,585	156,445
Purchased services	11,000	14,931	(3,931)	4,081
Supplies and materials	11,000	8,176	2,824	9,794
Other objects	2,050	1,239	811	913
<b>Total</b>	<u>751,427</u>	<u>736,524</u>	<u>14,903</u>	<u>666,921</u>
<b>Total school administration</b>	<u>751,427</u>	<u>736,524</u>	<u>14,903</u>	<u>666,921</u>
<b>Business</b>				
Direction of business support services				
Salaries	172,142	172,141	1	164,173
Employee benefits	54,167	54,787	(620)	53,088
Purchased services	3,000	3,730	(730)	1,206
Supplies and materials	350	163	187	169
Other objects	500	490	10	370
<b>Total</b>	<u>230,159</u>	<u>231,311</u>	<u>(1,152)</u>	<u>219,006</u>
Fiscal services				
Salaries	133,000	129,884	3,116	111,343
Employee benefits	12,102	12,098	4	10,155
Purchased services	13,700	12,652	1,048	12,096
Supplies and materials	750	507	243	519
Other objects	250	120	130	-
<b>Total</b>	<u>159,802</u>	<u>155,261</u>	<u>4,541</u>	<u>134,113</u>

(Continued)

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Pupil transportation services				
Purchased services	\$ -	\$ 324	\$ (324)	\$ -
Total	<u>-</u>	<u>324</u>	<u>(324)</u>	<u>-</u>
Food services				
Supplies and materials	6,500	12,525	(6,025)	14,339
Capital outlay	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>3,701</u>
Total	<u>7,500</u>	<u>12,525</u>	<u>(5,025)</u>	<u>18,040</u>
Internal services				
Purchased services	90,350	113,564	(23,214)	86,944
Supplies and materials	<u>12,000</u>	<u>15,937</u>	<u>(3,937)</u>	<u>10,265</u>
Total	<u>102,350</u>	<u>129,501</u>	<u>(27,151)</u>	<u>97,209</u>
Total business	<u>499,811</u>	<u>528,922</u>	<u>(29,111)</u>	<u>468,368</u>
Information services				
Salaries	\$ 8,000	\$ 10,259	\$ (2,259)	\$ 7,640
Purchased services	7,750	3,924	3,826	1,132
Supplies and materials	<u>300</u>	<u>53</u>	<u>247</u>	<u>155</u>
Total	<u>16,050</u>	<u>14,236</u>	<u>1,814</u>	<u>8,927</u>
Staff services				
Salaries	14,390	12,334	2,056	3,302
Employee benefits	2,873	2,872	1	733
Purchased services	<u>4,000</u>	<u>1,000</u>	<u>3,000</u>	<u>2,968</u>
Total	<u>21,263</u>	<u>16,206</u>	<u>5,057</u>	<u>7,003</u>

(Continued)

**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Data processing services				
Salaries	184,123	191,307	(7,184)	179,415
Employee benefits	30,310	30,295	15	31,245
Purchased services	162,980	147,663	15,317	160,132
Supplies and materials	<u>63,000</u>	<u>41,872</u>	<u>21,128</u>	<u>35,463</u>
Capital outlay	74,000	77,669	(3,669)	48,236
Non-capitalized equipment	<u>9,500</u>	<u>13,967</u>	<u>(4,467)</u>	<u>-</u>
Total	<u>523,913</u>	<u>502,773</u>	<u>21,140</u>	<u>454,491</u>
Total central	<u>561,226</u>	<u>533,215</u>	<u>28,011</u>	<u>470,421</u>
Other supporting services				
Supplies and materials	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>105</u>
Total	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>105</u>
Total support services	<u>4,417,883</u>	<u>4,376,780</u>	<u>41,103</u>	<u>3,980,689</u>
Community services				
Salaries	\$ 6,000	\$ 5,041	\$ 959	\$ -
Purchased services	23,554	21,720	1,834	17,398
Supplies and materials	<u>1,500</u>	<u>325</u>	<u>1,175</u>	<u>-</u>
Total	<u>31,054</u>	<u>27,086</u>	<u>3,968</u>	<u>17,398</u>
Payments for special education programs				
Purchased services	24,500	35,000	(10,500)	7,350
Other objects	<u>\$ 2,237,324</u>	<u>\$ 2,391,969</u>	<u>\$ (154,645)</u>	<u>\$ 2,031,366</u>
Total	<u>2,261,824</u>	<u>2,426,969</u>	<u>(165,145)</u>	<u>2,038,716</u>
Total payments to other districts and other government units	<u>2,261,824</u>	<u>2,426,969</u>	<u>(165,145)</u>	<u>2,038,716</u>

(Continued)



**West Northfield School District 31**  
 General Fund Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Provision for contingencies	20,000	-	20,000	-
Total expenditures	<u>15,726,619</u>	<u>15,589,386</u>	<u>184,650</u>	<u>15,096,762</u>
Excess (deficiency) of revenues over expenditures	<u>132,180</u>	<u>158,034</u>	<u>73,271</u>	<u>442,969</u>
Other financing uses				
Permanent transfer from Working				
Cash Fund - abatement	\$ -	\$ -	\$ -	\$ (8,005,346)
Principal on bonds sold	-	-	-	11,045,000
Premium on bonds sold	-	-	-	254,664
Capital lease proceeds	-	85,260	85,260	90,654
Premium on bonds sold	-	-	-	(269,995)
Transfer to Debt Service Fund for principal on capital leases	-	(164,078)	(164,078)	(132,225)
Transfer to Debt Service Fund for interest on capital leases	-	(9,522)	(9,522)	(11,424)
Deposit with escrow agent	-	-	-	(1,026,948)
Total other financing uses	<u>-</u>	<u>(88,340)</u>	<u>(88,340)</u>	<u>1,944,380</u>
Net change to fund balance	<u>\$ 132,180</u>	69,694	<u>\$ (62,486)</u>	2,387,349
Fund balance, beginning of year		<u>13,302,538</u>		<u>10,915,189</u>
Fund balance, end of year		<u>\$13,372,232</u>		<u>\$13,302,538</u>

(Concluded)

**West Northfield School District 31**  
Operations and Maintenance Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 1,316,446	\$ 1,284,539	\$ (31,907)	\$ 1,192,202
Corporate personal property replacement taxes	-	25,000	25,000	-
Rentals	60,000	56,730	(3,270)	57,026
Other	2,000	-	(2,000)	1,250
Total local sources	<u>1,378,446</u>	<u>1,366,269</u>	<u>(12,177)</u>	<u>1,250,478</u>
Total revenues	<u>1,378,446</u>	<u>1,366,269</u>	<u>(12,177)</u>	<u>1,250,478</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Facilities acquisition and construction services</b>				
Purchased services	20,000	46,600	(26,600)	-
Capital outlay	20,000	6,608	13,392	-
Total	<u>40,000</u>	<u>53,208</u>	<u>(13,208)</u>	<u>-</u>
<b>Operation and maintenance of plant services</b>				
Salaries	459,590	465,288	(5,698)	418,850
Employee benefits	124,164	121,239	2,925	122,239
Purchased services	496,250	360,909	135,341	468,675
Supplies and materials	366,150	374,590	(8,440)	338,489
Capital outlay	115,000	22,283	92,717	127,387
Other objects	250	-	250	-
Non-capitalized equipment	14,000	19,450	(5,450)	9,556
Total	<u>1,575,404</u>	<u>1,363,759</u>	<u>211,645</u>	<u>1,485,196</u>
Total business	<u>1,615,404</u>	<u>1,416,967</u>	<u>198,437</u>	<u>1,485,196</u>
Total support services	<u>1,615,404</u>	<u>1,416,967</u>	<u>198,437</u>	<u>1,485,196</u>

(Continued)

**West Northfield School District 31**  
Operations and Maintenance Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Provision for contingencies	\$ 20,000	\$ -	\$ 20,000	\$ -
Total expenditures	<u>1,635,404</u>	<u>1,416,967</u>	<u>218,437</u>	<u>1,485,196</u>
Excess of revenues over expenditures	<u>(256,958)</u>	<u>(50,698)</u>	<u>206,260</u>	<u>(234,718)</u>
Other financing uses				
Permanent transfer from Working Cash Fund - abatement	-	-	-	8,005,346
Other uses not classified elsewhere	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,005,346)</u>
Net change in fund balance	<u>\$ (256,958)</u>	<u>(50,698)</u>	<u>\$ 206,260</u>	<u>(234,718)</u>
Fund balance, beginning of year		<u>873,728</u>		<u>1,108,446</u>
Fund balance, end of year		<u>\$ 823,030</u>		<u>\$ 873,728</u>

(Concluded)

**West Northfield School District 31**  
Transportation Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 455,687	\$ 461,553	\$ 5,866	\$ 375,834
Corporate personal property replacement taxes	40,000	40,000	-	60,000
Regular transportation fees from pupils or parents	<u>127,000</u>	<u>156,622</u>	<u>29,622</u>	<u>117,923</u>
Total local sources	<u>622,687</u>	<u>658,175</u>	<u>35,488</u>	<u>553,757</u>
<b>State sources</b>				
Transportation - Special Education	<u>134,000</u>	<u>178,413</u>	<u>44,413</u>	<u>158,754</u>
Total state sources	<u>134,000</u>	<u>178,413</u>	<u>44,413</u>	<u>158,754</u>
Total revenues	<u>756,687</u>	<u>836,588</u>	<u>79,901</u>	<u>712,511</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
Pupil transportation services				
Purchased services	<u>582,500</u>	<u>961,785</u>	<u>(379,285)</u>	<u>609,283</u>
Total	<u>582,500</u>	<u>961,785</u>	<u>(379,285)</u>	<u>609,283</u>
Total expenditures	<u>582,500</u>	<u>961,785</u>	<u>(379,285)</u>	<u>609,283</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 174,187</u>	<u>(125,197)</u>	<u>\$ (299,384)</u>	<u>103,228</u>
Net change in fund balance	<u>\$ 174,187</u>	<u>(125,197)</u>	<u>\$ (299,384)</u>	<u>103,228</u>
Fund balance, beginning of year		<u>513,594</u>		<u>410,366</u>
Fund balance, end of year		<u>\$ 388,397</u>		<u>\$ 513,594</u>

**West Northfield School District 31**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 131,644	\$ 160,830	\$ 29,186	\$ 114,598
Social security/Medicare only levy	243,036	214,500	(28,536)	236,970
Corporate personal property replacement taxes	<u>9,000</u>	<u>11,260</u>	<u>2,260</u>	<u>9,000</u>
Total local sources	<u>383,680</u>	<u>386,590</u>	<u>2,910</u>	<u>360,568</u>
Total revenues	<u>383,680</u>	<u>386,590</u>	<u>2,910</u>	<u>360,568</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular programs	107,035	103,146	3,889	106,773
Special education programs	53,533	37,744	15,789	57,271
Interscholastic programs	7,335	3,670	3,665	6,392
Summer school programs	300	-	300	265
Gifted programs	1,050	724	326	1,107
Bilingual programs	<u>12,825</u>	<u>13,609</u>	<u>(784)</u>	<u>12,514</u>
Total instruction	<u>182,078</u>	<u>158,893</u>	<u>23,185</u>	<u>184,322</u>
<b>Support services</b>				
<b>Pupils</b>				
Attendance and social work services	5,500	5,334	166	3,936
Health services	6,690	6,019	671	7,603
Psychological services	1,100	991	109	867
Speech pathology and audiology services	2,000	1,919	81	1,890
Other support services -pupils	<u>3,800</u>	<u>1,773</u>	<u>2,027</u>	<u>1,370</u>
Total pupils	<u>19,090</u>	<u>16,036</u>	<u>3,054</u>	<u>15,666</u>

(Continued)

**West Northfield School District 31**  
Municipal Retirement / Social Security Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
<b>Instructional staff</b>				
Improvement of instruction services	\$ 6,935	\$ 5,460	\$ 1,475	\$ 7,494
Educational media services	5,225	3,032	2,193	3,040
Assessment and testing	<u>-</u>	<u>3</u>	<u>(3)</u>	<u>4</u>
Total instructional staff	<u>12,160</u>	<u>8,495</u>	<u>3,665</u>	<u>10,538</u>
<b>General administration</b>				
Board of education services	595	575	20	581
Executive administration services	17,945	17,515	430	17,959
Special area administrative services	<u>8,420</u>	<u>8,294</u>	<u>126</u>	<u>6,485</u>
Total general administration	<u>26,960</u>	<u>26,384</u>	<u>576</u>	<u>25,025</u>
<b>School administration</b>				
Office of the principal services	<u>35,605</u>	<u>34,635</u>	<u>970</u>	<u>33,661</u>
Total school administration	<u>35,605</u>	<u>34,635</u>	<u>970</u>	<u>33,661</u>
<b>Business</b>				
Direction of business support services	4,495	3,897	598	4,111
Fiscal services	23,185	20,346	2,839	19,302
Operation and maintenance of plant services	<u>80,800</u>	<u>75,701</u>	<u>5,099</u>	<u>75,844</u>
Total business	<u>108,480</u>	<u>99,944</u>	<u>8,536</u>	<u>99,257</u>

(Continued)

**West Northfield School District 31**  
Municipal Retirement / Social Security Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Central				
Information services	655	785	(130)	585
Staff services	2,440	2,136	304	523
Data processing services	<u>32,390</u>	<u>32,961</u>	<u>(571)</u>	<u>32,629</u>
Total central	<u>35,485</u>	<u>35,882</u>	<u>(397)</u>	<u>33,737</u>
Total support services	<u>237,780</u>	<u>221,376</u>	<u>16,404</u>	<u>217,884</u>
Community services	<u>-</u>	<u>563</u>	<u>(563)</u>	<u>465</u>
Total expenditures	<u>419,858</u>	<u>380,832</u>	<u>39,026</u>	<u>402,671</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (36,178)</u>	<u>5,758</u>	<u>\$ 41,936</u>	<u>(42,103)</u>
Other financing sources (uses)				
Net change in fund balance	<u>\$ (36,178)</u>	5,758	<u>\$ 41,936</u>	(42,103)
Fund balance, beginning of year		<u>171,529</u>		<u>213,632</u>
Fund balance, end of year		<u>\$ 177,287</u>		<u>\$ 171,529</u>

(Concluded)

# West Northfield School District 31

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

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### 1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) 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) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) Management is authorized to transfer budget amounts, provided that funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 28, 2018.
- g) All budget appropriations lapse at the end of the fiscal year.

### 2. EXPENDITURES IN EXCESS OF BUDGETS

The following fund had expenditures in excess of budget at June 30, 2019:

<u>Fund</u>	<u>Variance</u>
Transportation	\$ 379,285
Debt Service	534
Capital Projects	570,739



**West Northfield School District 31**  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

**3. BUDGET RECONCILIATION**

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

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 15,722,141	15,494,552
To adjust for on-behalf payments received	3,778,439	-
To adjust for on-behalf payments made	-	<u>3,778,439</u>
	<u>\$ 19,500,580</u>	<u>\$ 19,272,991</u>

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

For the 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.

For the 2014 measurement year, the assumed investment rate of return was also 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

**5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 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.

**West Northfield School District 31**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

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

**Methods and Assumptions Used to Determine the 2018 Contribution Rate:**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular members): 25-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.

**Mortality** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes    There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

**West Northfield School District 31**  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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

**Change in Assumptions:**

For the 2018 measurement year, 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%.

**6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 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, 2017
Measurement Date	June 30, 2018
Fiscal Year End	June 30, 2019

**Methods and Assumptions Used to Determine the 2018 Contribution Rate:**

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.62%
Price Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% 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, 2016, actuarial valuation.

## West Northfield School District 31

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

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#### 6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE (Continued)

##### **Methods and Assumptions Used to Determine the 2018 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-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, 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 0.36% 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 3.56% used in the Fiscal Year 2018 valuation to 3.62%, 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".

#### 7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE

##### **Valuation Date:**

Valuation Date	July 1, 2017
Measurement Date	June 29, 2018
Fiscal Year End	June 30, 2019

**West Northfield School District 31**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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**7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE (Continued)**

**Methods and Assumptions Used to Determine the 2019 Contribution Rate:**

Actuarial Cost Method	Entry age normal
Amortization Method	Straight-line
Remaining Amortization Period	11.06 years
Municipal Bond Index	2.79%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%
Election at Retirement	10% of IMRF employees will elect coverage continuation at retirement. 100% of Certified employees will subsidize coverage at retirement.
Mortality	IMRF employees and retirees rates are from the December 31, 2017 IMRF Actuarial Valuation Report. TRS employees and retirees rates are from the June 30, 2017 Teachers' Retirement System Actuarial Valuation Report.
Healthcare Cost Trend Rates	HMO initial - 4.50% HMO ultimate - N/A - trend rates are constant for all years PPO initial - 6.50% PPO ultimate - 5.00%

**Change in Assumptions:**

The Discount Rate was changed from 2.98% used in the Fiscal Year 2018 valuation to 2.79%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2019.

**SUPPLEMENTARY FINANCIAL INFORMATION**

**West Northfield School District 31**

General Fund  
COMBINING BALANCE SHEET  
June 30, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
<b>ASSETS</b>				
Cash and investments	\$ 6,660,891	\$ 34	\$ 6,901,433	\$ 13,562,358
Receivables (net of allowance for uncollectibles):				
Interest	47,225	-	-	47,225
Property taxes	6,569,502	-	154	6,569,656
Replacement taxes	52,653	-	-	52,653
Intergovernmental	119,795	-	-	119,795
Prepaid items	26,381	-	-	26,381
	<u>13,476,447</u>	<u>34</u>	<u>6,901,587</u>	<u>20,378,068</u>
Total assets	\$ 13,476,447	\$ 34	\$ 6,901,587	\$ 20,378,068
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 92,781	\$ -	\$ -	\$ 92,781
Salaries and wages payable	-	-	-	-
Compensated absences	101,507	-	-	101,507
Payroll deductions payable	-	-	-	-
Other current liabilities	29,383	-	-	29,383
Unearned revenue	184,355	-	-	184,355
	<u>408,026</u>	<u>-</u>	<u>-</u>	<u>408,026</u>
Total liabilities	408,026	-	-	408,026
<b>DEFERRED INFLOWS</b>				
Unavailable interest revenue	31,059	-	-	31,059
Property taxes levied for a future period	6,519,182	-	152	6,519,334
	<u>6,550,241</u>	<u>-</u>	<u>152</u>	<u>6,550,393</u>
Total deferred inflows	6,550,241	-	152	6,550,393
<b>FUND BALANCES</b>				
Nonspendable	26,381	-	-	26,381
Restricted	-	34	-	34
Unassigned	6,491,799	-	6,901,435	13,393,234
	<u>6,518,180</u>	<u>34</u>	<u>6,901,435</u>	<u>13,419,649</u>
Total fund balance	6,518,180	34	6,901,435	13,419,649
Total liabilities, deferred inflows, and fund balance	\$ 13,476,447	\$ 34	\$ 6,901,587	\$ 20,378,068

**West Northfield School District 31**  
 General Fund  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 For the Year Ended June 30, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
<b>Revenues</b>				
Property taxes	\$ 13,367,933	\$ -	\$ 595	\$ 13,368,528
Replacement taxes	273,210	-	-	273,210
State aid	4,600,533	-	-	4,600,533
Federal aid	557,577	-	-	557,577
Interest	345,699	-	43,497	389,196
Other	336,815	-	-	336,815
<b>Total revenues</b>	<u>19,481,767</u>	<u>-</u>	<u>44,092</u>	<u>19,525,859</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular programs	6,330,420	-	-	6,330,420
Special programs	1,103,234	-	-	1,103,234
Other instructional programs	1,185,826	-	-	1,185,826
State retirement contributions	3,778,439	-	-	3,778,439
<b>Support services:</b>				
Pupils	795,677	-	-	795,677
Instructional staff	686,039	-	-	686,039
General administration	1,096,403	-	-	1,096,403
School administration	736,524	-	-	736,524
Business	515,098	-	-	515,098
Central	440,446	-	-	440,446
Community services	27,086	-	-	27,086
Nonprogrammed charges	2,426,969	-	-	2,426,969
Capital outlay	198,247	-	-	198,247
<b>Total expenditures</b>	<u>19,320,408</u>	<u>-</u>	<u>-</u>	<u>19,320,408</u>
<b>Excess of revenues over expenditures</b>	<u>161,359</u>	<u>-</u>	<u>44,092</u>	<u>205,451</u>

(Continued)



**West Northfield School District 31**  
 General Fund  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Other financing sources				
Transfer (out)	(173,600)	-	-	(173,600)
Capital lease proceeds	\$ 85,260	\$ -	\$ -	\$ 85,260
Total other financing sources	<u>(88,340)</u>	<u>-</u>	<u>-</u>	<u>(88,340)</u>
Net change in fund balance	73,019	-	44,092	117,111
Fund balance, beginning of year	<u>6,445,161</u>	<u>34</u>	<u>6,857,343</u>	<u>13,302,538</u>
Fund balance, end of year	<u>\$ 6,518,180</u>	<u>\$ 34</u>	<u>\$ 6,901,435</u>	<u>\$ 13,419,649</u>

(Concluded)

**West Northfield School District 31**  
Debt Service Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 832,686	\$ 831,785	\$ (901)	\$ 827,083
Corporate personal property replacement taxes	<u>30,000</u>	<u>50,000</u>	<u>20,000</u>	<u>60,047</u>
Total local sources	<u>862,686</u>	<u>881,785</u>	<u>19,099</u>	<u>887,130</u>
Total revenues	<u>862,686</u>	<u>881,785</u>	<u>19,099</u>	<u>887,130</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds and certificates - interest	442,458	448,642	(6,184)	71,925
Other interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,585</u>
Total debt service - interest	<u>442,458</u>	<u>448,642</u>	<u>(6,184)</u>	<u>159,510</u>
Principal payments on long-term debt	<u>657,320</u>	<u>649,078</u>	<u>8,242</u>	<u>832,225</u>
Other debt service				
Other objects	<u>-</u>	<u>1,524</u>	<u>(1,524)</u>	<u>1,003</u>
Total	<u>-</u>	<u>1,524</u>	<u>(1,524)</u>	<u>1,003</u>
Total debt service	<u>1,099,778</u>	<u>1,099,244</u>	<u>534</u>	<u>992,738</u>
Total expenditures	<u>1,099,778</u>	<u>1,099,244</u>	<u>534</u>	<u>992,738</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (237,092)</u>	<u>\$ (217,459)</u>	<u>\$ 19,633</u>	<u>\$ (105,608)</u>

(Continued)

**West Northfield School District 31**  
Debt Service Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Other financing sources				
Transfer to pay for principal on capital leases	-	164,078	164,078	132,225
Transfer to pay for interest on capital leases	<u>-</u>	<u>9,522</u>	<u>9,522</u>	<u>11,424</u>
Total other financing sources	<u>-</u>	<u>173,600</u>	<u>173,600</u>	<u>143,649</u>
Net change in fund balance	<u>\$ (237,092)</u>	<u>(43,859)</u>	<u>\$ 193,233</u>	38,041
Fund balance, beginning of year		<u>1,112,403</u>		<u>1,074,362</u>
Fund balance, end of year		<u>\$ 1,068,544</u>		<u>\$ 1,112,403</u>

(Concluded)

**West Northfield School District 31**  
 Capital Projects Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
Interest on investments	\$ 45,000	\$ 135,527	\$ 90,527	\$ 34,389
Impact fees from municipal or county governments	<u>75,000</u>	<u>49,962</u>	<u>(25,038)</u>	<u>76,889</u>
Total revenues	<u>120,000</u>	<u>185,489</u>	<u>65,489</u>	<u>111,278</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	3,380,000	4,025,739	(645,739)	389,728
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support services	<u>3,380,000</u>	<u>4,025,739</u>	<u>(645,739)</u>	<u>389,728</u>
Provision for contingencies	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Total expenditures	<u>3,455,000</u>	<u>4,025,739</u>	<u>(570,739)</u>	<u>389,728</u>
Deficiency of revenues over expenditures	<u>(3,335,000)</u>	<u>(3,840,250)</u>	<u>(505,250)</u>	<u>(278,450)</u>
Other financing sources				
Transfer from Operations and Maintenance Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,005,346</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,005,346</u>
Net change in fund balance	<u>\$ (3,335,000)</u>	<u>(3,840,250)</u>	<u>\$ (505,250)</u>	7,726,896
Fund balance, beginning of year		<u>8,514,300</u>		<u>787,404</u>
Fund balance, end of year		<u>\$ 4,674,050</u>		<u>\$ 8,514,300</u>

**West Northfield School District 31**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - STUDENT ACTIVITY FUNDS**  
Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>Assets</b>				
Cash and cash equivalents	\$ 24,279	\$ 33,291	\$ 33,606	\$ 23,964
<b>Liabilities</b>				
Due to student groups				
District				
PTC Fundraising	\$ 50	\$ 1,468	\$ 1,468	\$ 50
Winter Benefit	-	15,814	15,814	-
Total District	50	17,282	17,282	50
Winkleman				
Misc.	1,519	2,934	2,934	1,519
Student Council	3,173	-	-	3,173
Green Team	-	194	-	194
Schoola.com	153	-	-	153
Pictures	3,845	1,650	-	5,495
Interest	11	-	-	11
Total Winkleman	8,701	4,778	2,934	10,545
Field School				
Miscellaneous	716	168	-	884
Pictures	986	1,350	975	1,361
WCWIO	87	-	-	87
6th Grade	493	-	-	493
7th Grade	76	-	-	76
8th Grade	872	1,197	1,197	872
Student Council	2,367	2,215	2,861	1,721
Computer Fair	1	-	-	1
Play	3,292	1,255	1,276	3,271
Cheer Fund	215	280	216	279
5K Run	1	3,603	3,586	18
Interest	208	8	-	216
Senior Grant	4,834	1,080	2,219	3,695
Eagle Scout	1,380	75	1,060	395
Total Field School	15,528	11,231	13,390	13,369
Total due to student groups	\$ 24,279	\$ 33,291	\$ 33,606	\$ 23,964

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

**West Northfield School District 31**  
**PROPERTY TAX RATES - LEVIES AND COLLECTIONS**  
**LAST FIVE TAX LEVY YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed Valuation	\$ 598,973,369	\$ 611,806,992	\$ 596,179,292	\$ 513,583,834	\$ 516,403,282
Rates Extended					
Educational	2.3196	2.2145	2.2676	2.5630	2.4639
Operations and Maintenance	0.2235	0.2125	0.1845	0.2531	0.2517
Debt Service	0.1439	0.1380	0.1392	0.1601	0.0723
Transportation	0.0860	0.0736	0.0503	0.0643	0.0503
Municipal Retirement	0.0344	0.0212	0.0168	0.0175	0.0194
Social Security	0.0344	0.0392	0.0403	0.0487	0.0533
Working Cash	0.0001	0.0001	0.0001	0.0001	0.0001
Total rates extended	<u>2.8419</u>	<u>2.6991</u>	<u>2.6988</u>	<u>3.1068</u>	<u>2.9110</u>
Levies Extended					
Educational	\$ 13,894,080	\$ 13,548,522	\$ 13,518,976	\$ 13,163,388	\$ 12,723,510
Operations and Maintenance	1,339,000	1,300,000	1,100,000	1,300,000	1,300,000
Debt Service	861,827	844,250	829,885	822,347	373,359
Transportation	515,000	450,000	300,000	330,000	260,000
Municipal Retirement	206,000	130,000	100,000	90,000	100,000
Social Security	206,000	240,000	240,000	250,000	275,000
Working Cash	515	500	500	500	500
Total levies extended	<u>\$ 17,022,422</u>	<u>\$ 16,513,272</u>	<u>\$ 16,089,361</u>	<u>\$ 15,956,235</u>	<u>\$ 15,032,369</u>
Total collections	<u>\$ 8,803,613</u>	<u>\$ 16,212,001</u>	<u>\$ 15,810,460</u>	<u>\$ 15,757,511</u>	<u>\$ 14,771,476</u>
Percentage of extensions collected	<u>51.72%</u>	<u>98.18%</u>	<u>98.27%</u>	<u>98.75%</u>	<u>98.26%</u>

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

**West Northfield School District 31**  
**OPERATING COSTS AND TUITION CHARGE**  
JUNE 30, 2019 and 2018

	2019	2018
<b>Operating costs per pupil</b>		
Average Daily Attendance (ADA):	807.70	812.81
Operating costs:		
Educational	\$ 15,494,552	\$ 15,096,762
Operations and Maintenance	1,416,967	1,485,196
Debt Service	1,099,244	992,738
Transportation	961,785	609,283
Municipal Retirement/Social Security	380,832	402,671
Subtotal	19,353,380	18,586,650
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	79,065	60,122
Debt service - payments of principal on long-term debt	649,078	832,225
Summer school	-	2,548
Community Services	27,649	17,863
Capital outlay	199,671	277,938
Non-capitalized equipment	33,667	9,556
Payments to other Districts and Gov't Units	2,379,552	2,038,716
Subtotal	3,368,682	3,238,968
Operating costs	\$ 15,984,698	\$ 15,347,682
Operating costs per pupil - based on ADA	\$ 19,790	\$ 18,882
<b>Tuition Charge</b>		
Operating costs	\$ 15,984,698	\$ 15,347,682
Less - revenues from specific programs, such as special education or lunch programs	1,657,212	1,526,459
Net operating costs	14,327,486	13,821,223
Depreciation allowance	831,440	706,639
Allowance tuition costs	\$ 15,158,926	\$ 14,527,862
Tuition charge per pupil - based on ADA	\$ 18,768	\$ 17,874