

**West Northfield School District 31
Northbrook, Illinois**

Annual Financial Report

Year Ended June 30, 2021

West Northfield School District 31
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

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(Concluded)

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 and each major fund of West Northfield School District 31 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of West Northfield School District 31, as of June 30, 2021, 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.

Emphasis of a Matter

As discussed in Note A-2 to the financial statements, assets and fund balance/net position as of July 1, 2020 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 76 through 84, the other postemployment benefits data on pages 85 through 86, budgetary comparison schedules and notes to the required supplementary information on pages 89 through 112 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, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents 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.

(Continued)

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, 2021 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 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, 2021 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

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, 2020 (not presented herein), and have issued our report thereon dated November 13, 2020, 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, 2020 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 2020 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 2020 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, 2020.

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

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [REPORT DATE], 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
November 17, 2021

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

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, 2021. 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. Amounts in this section, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- In the Schedule of Revenues, Expenditures, and Changes in Fund Balances the General Fund Revenues, which includes the Education, Working Cash, and Tort accounts, increased \$381 or 2.4% over the prior year. The general revenues related to local sources decreased by \$623 and accounted for \$14,083 or 85% of total General Fund Revenues (excluding the effect of on behalf payments). This decrease was mainly due to property tax refunds and lower investment income not only due to low rates of return but more so from the use of invested funds for capital projects over the last few years. State revenues increased less than 1% while Federal revenues increased dramatically from most grant funding awards. Participation in the Summer Food Service Program, available to our District due to COVID, elevated federal funding by an increase of 172%. Please note, there was a similar increase in expenses related to this meals program.
- In the General Fund, expenses over revenues produced a deficiency of \$713 compared to a deficiency the prior year of \$171. This difference is mainly due to the increase in regular programs for instruction, which increased \$724, or 10.9% over the prior year. The cost related to salaries and benefits alone increased by 12% for FY21. Increases were also seen for purchased services and supplies as the District invested in providing the safest environment for in person learning as well as equipment to teach remote learners. A main focus for the District was to add and reallocate positions and adjust programs in order to get students back in school by providing a safe instructional setting during the pandemic. In person attendance was at levels between 60-70% throughout the year for the students. Interscholastic program saw costs decline 72.2% due to the inability to maintain most sports and after school programs. Most every program was affected in some manner by the situation at hand. Overall, expenses within the General Funds increased by 5.6%.
- This same schedule for Operations and Maintenance reports a decline in revenues of 15.5% with the decrease in property taxes at 22.6% to \$1,047 offset somewhat by an increase in rentals. Overall, the fund balance declined by 9.4%. However, the fund balance for the Transportation Fund increased 58.0% as the anticipated costs for transportation did not occur. This was due to less buses needed for regular services with 60 to 70 % learning in person, and less transportation provided for special education students as many of those outsourced programs were provided remotely.
- The General Fund's Combining Balance Sheet at June 30th, 2021 reports \$13,689 in assets for the Education Account and \$5,931 for the Working Cash Account for a total of \$19,620. Cash and Investments equate to 59.2% of total assets. Land, building, and construction are not included in these numbers. Liabilities and Deferred Inflows amount to \$7,831 with the remaining \$11,789 as the fund balance. Of this \$11,789, over 99.5% of these dollars, are considered unassigned.
- The District's General Obligation Bonds Payable decreased by \$415 by year end June 30, 2021 and has \$11,410 remaining due on the principal balance and \$3,981 due on the interest balance, totaling \$15,391. The short-term balance due for principal and interest is \$839. The principal and interest paid on the bonds is funded through the District's Debt Service Extension Base.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Financial Highlights (Continued)

- The District's 2020 tax rate increased to 2.6715 from 2.5763. The Assessed Valuation of the property within its boundaries declined by \$6,406, which is just under 1% from the prior year.
- Operating costs per pupil increased by 14.1% from the prior year, while the tuition charge per pupil increased 6.5% over the prior year. This was due to the decline in the Average Daily Attendance.

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.

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 are governmental funds.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Overview of the Financial Statements (Continued)

Fund financial statements (Continued)

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.

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

In the Statement of Net Position for Governmental Activities, cash and investments increased from \$15,054 as of June 30, 2020 to \$15,273 as of June 30, 2021, which is less than a 1.5% change. Total assets remained within 0.03%.

Current liabilities as of June 30, 2021 were \$577, or 16.2% higher than the prior year at this time. This is mainly due to the status of the accounts payables to vendors as well as unearned revenue (collection of fees). Of the \$23,043 total liabilities, 95% is due after one year which are composed primarily of the District's outstanding Working Cash bond balances for projects funded with the 2018 issuance, pension liabilities for TRS and IMRF, and THIS (other postemployment health insurance).

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

District-Wide Financial Analysis (Continued)

Deferred outflows of resources (actuarial losses) including pensions and other postemployment benefits are reported at \$1,020 at June 30, 2021 and are similar to the prior year of \$1,122. Deferred inflows related to pensions, other postemployment benefits, and taxes levied for a future period increased from last year by 12.1% to \$12,606. The outflows are offset by the deferred inflows (actuarial gains) which over time net to zero. The changes in these two line items depend, in part, on the outcome of the rate of return on investments for the pension systems.

In regard to the District's net position, the net capital assets decreased by \$664, or 4.0% for Governmental Activities, while total assets remained relatively unchanged. During FY21, there was no construction in progress as all capital projects had been completed within the timeframe recommended as best practice when utilizing tax exempt bond funds. These factors combined results in a change of 7.6% for the District's Total Net Position, from a balance of \$6,920 at June 30, 2020 to \$6,393 at June 30, 2021.

TABLE 1: <i>Condensed Statements of Net Position</i> <i>(in thousands of dollars)</i>		
	<u>2021</u>	<u>2020 *</u>
Assets:		
Current and other assets	\$25,032	\$24,379
Capital Assets, net	<u>15,990</u>	<u>16,654</u>
Total Assets	<u>41,022</u>	<u>41,033</u>
Deferred Outflow of Resources:		
Pension liabilities	641	859
Other postemployment benefits	<u>379</u>	<u>263</u>
Total Deferred Outflow of Resources	<u>1,020</u>	<u>1,122</u>
Liabilities:		
Current Liabilities	577	497
Long-term Liabilities	<u>22,466</u>	<u>23,497</u>
Total Liabilities	<u>23,043</u>	<u>23,994</u>
Deferred Inflow of Resources:		
Pension liabilities	1,491	1,500
Other postemployment benefits liabilities	2,181	1,707
Property taxes levied for a future period	<u>8,934</u>	<u>8,034</u>
Total Deferred Inflow of Resources	<u>12,606</u>	<u>11,241</u>
Net Position:		
Net investment in capital assets	5,983	6,569
Restricted	3,516	3,270
Unrestricted	<u>(3,106)</u>	<u>(2,919)</u>
Total Net Position	\$ 6,393	\$ 6,920

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

District-Wide Financial Analysis (Continued)

* Prior year has not been restated for the implementation of GASB 84 in FY 2021.

<i>TABLE 2: Statement of Activities – Governmental Activities (in thousands of dollars)</i>		
	<u>2021</u>	<u>2020 *</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 535	\$ 509
Operating grants and contributions	9,741	8,284
Capital Grants and Contributions	-	120
General Revenues:		
Property & replacement taxes	16,321	17,415
State-aid formula grants	806	807
Other	<u>621</u>	<u>388</u>
Total Revenues	<u>28,024</u>	<u>27,523</u>
Expenses:		
Instruction	19,895	19,529
Pupil and instructional staff services	1,526	1,456
Administration and business	2,933	2,255
Transportation	809	937
Operations and maintenance	1,322	1,316
Other	<u>2,086</u>	<u>2,109</u>
Total Expenses	<u>28,571</u>	<u>27,602</u>
Decrease in net position	\$ (547)	\$ (79)

* Prior year has not been restated for the implementation of GASB 84 in FY 2021.

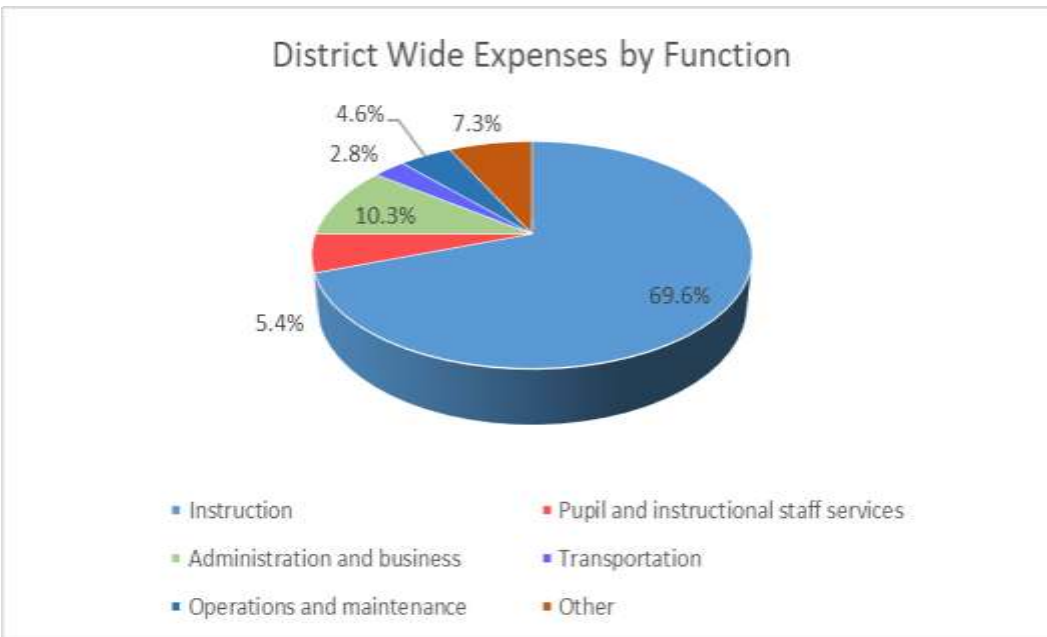
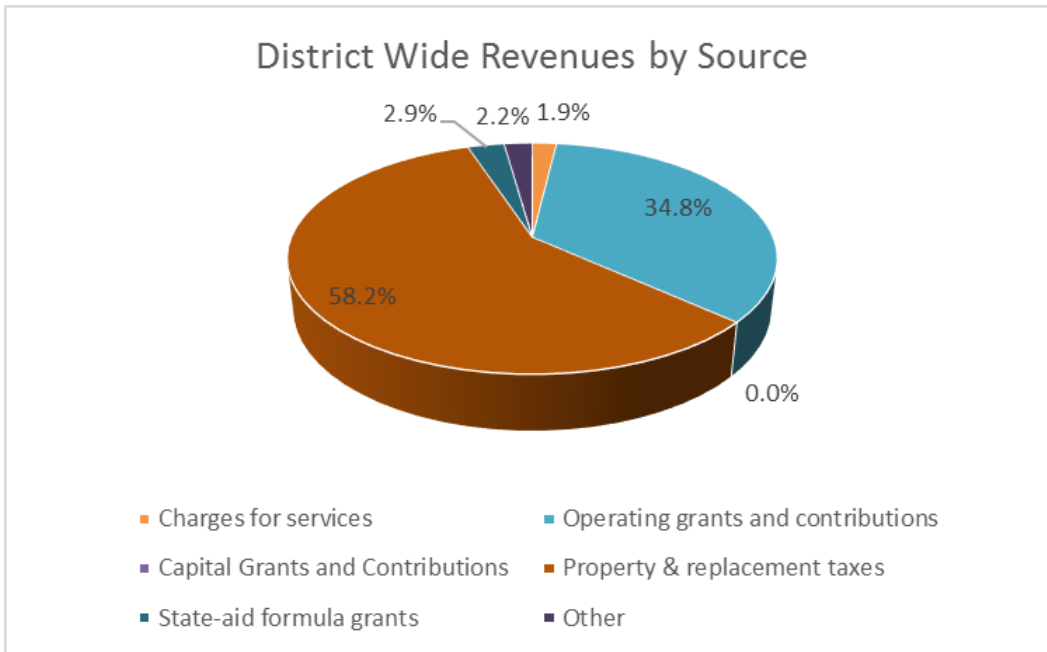
Property and replacement taxes accounted for 92.0%, the largest portion of the District's general revenues, compared to 93.6% in the prior year. When compared to total governmental activity revenues, this component brings in 58.2% for fiscal year 2021 compared to 63.33% the prior year. Of the remaining revenues, the second largest components were comprised of operating grants and contributions which were 17.6% higher than the prior year.

The total cost of programs was \$28,571, with just under 69.6%, or \$19,895, of those costs being directly related to instruction expenses. These expenditures were \$366 higher than last year's instructional costs though with a similar percentage at 70.8% of the total. Expenses other than instructional increased by 7.5% mainly due to administration and business expenses.

Revenues in the governmental activities of the District of \$28,024 were \$547 lower than expenses of \$28,571, reflecting a more significant change in the net position than the prior year. Total revenues increased 1.8% while expenses increased 3.5% for governmental activities.

**West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

District-Wide Financial Analysis (Continued)



West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its government funds. At year-end, the District's government funds Balance Sheet reported total fund balance of \$15,348. Though a difficult year to navigate, the adjustments made with programs proved helpful in managing some of the costs the District incurred as the reduction to the fund balance was 3.6%.

The Governmental Funds Balance Sheet, listing the General Fund (Education, Working Cash, and Tort) and remaining funds, also illustrates the difference in fund balance resulting from the minimal spend associated with capital projects completed or those nearing completion when compared to last year

General Fund Budgetary Highlights

The General Fund consists of activity related to the Education, Working Cash, and Tort Immunity and Judgment Accounts. Beginning with Fiscal Year 2021, the General Fund also includes the Student Activity Funds. See Note L.

The District will use the remaining fund balance in the Tort Immunity account as reported in the 2021-2022 Budget to eliminate the minimal amount of fund balance currently posted. The General Fund's main focus is in regard to the Education and Working Cash funds. Though the Working Cash fund accumulates very minimal amounts of revenues through the levy process, and incurs no expenses unless through transfers or abatements, this fund, along with the Education account, represent the vast majority of fund balance and activity from the operating funds. See Notes in the Financial Highlights section for information on the Combined Balance Sheet.

In this year's General Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance, the need for a transfer of funds, or abatement, from the working cash account was not needed. Last year's transfer was approved to provide additional funding to enhance a component of the capital projects in place at that time.

Also important to note, the reduction of property tax receipts, the District's main component of revenues, was due to a significant tax refund. Through an agreement, the District was reimbursed for those refunded tax receipts, which was then recorded as Other Revenue. Other Revenue in the General Fund, at \$716, reflects a 62.3% increase from the prior year due to this manner of recording those receipts. Other Revenue also includes reimbursements from ERATE for internet and Category Two improvements as well as funds received when recycling devices.

A significant increase in Federal Aid needs to be highlighted, as well. Additional federal funding was available to the District with the emergency relief funds. These grants are referred to as the CARES Act, as well as ESSER I funding (Emergency Relief #2 – E2). This increased the amount of federal funds previously received by 172.3% over the prior year. ESSER II (Emergency Relief #3 – E3) was applied for and is available for expenses approved for the 2021-2022 and part of the 2022-2023 fiscal years.

Capital Assets and Debt Administration

Capital assets

After a few years of numerous building improvements, 2021 capital assets reflect no construction in progress, a 4% decline in capital assets, and an increase in depreciation. Total capital assets being depreciated at June 30, 2021 is \$33,336 less \$17,457 of accumulated depreciation which brings the total from \$16,654 in FY20 to \$15,990 in FY21.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Capital Assets and Debt Administration (Continued)

Capital assets (Continued)

TABLE 3: <i>Capital Assets (net of depreciation)</i> <i>(in thousands of dollars)</i>		
	<u>2021</u>	<u>2020</u>
Land	\$ 81	\$ 81
Construction in progress	-	123
Buildings and improvements	15,040	15,496
Equipment and other	<u>869</u>	<u>954</u>
Total	\$15,990	\$16,654

Long-term liabilities

The District's long-term liabilities decreased by 4.4%, to \$22,467. This is primarily due to the bonded debt decrease of 3.5% from the prior year as general obligations bonds were reduced by \$415. Capital lease liability decreased 17.3% which reflects a reduction of \$78. The compensated absence liability increased by 60%, which is an increase of \$31. This is due to the increased number of vacation days employees were unable to use by June 30th, due to the extenuating circumstances from the effect of COVID. The District's THIS OPEB liability has remained stable showing a 1.9% decrease. TRS and IMRF net pension liabilities experienced quite different changes over the year due to the effects of investment income, discount rates, and other variables. The IMRF net pension liability at June 30, 2020 turned to an asset at June 30, 2021 due to a very successful year from investment income while the TRS liability increased slightly by \$11.

Long-term liabilities

Additional detailed information on long-term liabilities can be found in Note E.

TABLE 4: <i>Outstanding Long-Term Liabilities</i> <i>(in thousands of dollars)</i>		
	<u>2021</u>	<u>2020</u>
General obligation bonds	\$11,410	\$11,825
Unamortized premium	242	264
Capital leases	372	450
RHP OPEB	71	61
Compensated absences	83	52
THIS OPEB	9,392	9,575
IMRF net pension liability	-	385
TRS net pension liability	<u>896</u>	<u>885</u>
Total	\$22,466	\$23,497

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

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 COVID-19 pandemic continues to create unprecedented challenges. Fiscal Year 2021 brought many changes to how funds were allocated within the budget. Afterschool activities and other programs, such as the gifted program, were not in place. One of the main focus points to ensure safety for the 60-70% of students learning in person was to appropriately social distance. This required the hiring of additional staff members and numerous supply purchases in an effort to provide the safest environment for our school community. The cost of supplies was partially funded by federal grants but was also covered with local funds. Transportation and food service programs were again modified to provide the safest environment for those in person learners and staff members. A federal meals program was in place to provide meals to all students, regardless of financial status. The need for remote teachers was also present which resulted in a number of new strategies and plans for our instructional programs. Meals for those remote learners were also made available for either pickup or delivery by the District's transportation company. A continued need for additional staff beyond the 2021-2022 school year, would negatively impact the District.
- The District continues to monitor the impact the current economic climate has on its finances. Following an unprecedented year with a school shutdown in March of 2020 for all Illinois public school students, FY21 required commitment and creativity to manage a challenging year. During a year of many unknowns, District 31 and the teachers' union negotiated a contract which demonstrated a great deal of support for these staff members, as the need to rise to the occasion by providing different manners of teaching for those in person and those learning remotely, as well as numerous other adjustments in positions, settings, etc., to best service the students. The school year started on time for all students, and except for a short adaptive pause after winter break, the majority of students learned in person.
- A noticeable improvement in funding was the increase received from Corporate Personal Property Replacement Tax (CPPRT). CPPRT funding is based on revenues collected by the state and paid to local governments to replace dollars lost when their powers to tax certain entities were taken away. The funding is based on a percentage of their Illinois net income for corporations, partnerships, trusts, S corporations, and public utilities. The increase for this year, resulted in the District receiving 42% more than budgeted, or \$162, and 39.3% more than received last year.
- Efforts to minimize any financial impact of large property tax appeals or other property tax reductions remains a top priority for the District. Having agreed on settlements with the district's largest taxpayer in an effort to avoid large tax refunds moving forward, has provided financial stability for the District. The District continues efforts to recognize potential revenue losses and addresses them accordingly. These efforts have greatly mitigated, and in some cases, eliminated the possibility of negative outcomes. The ability to work in this manner is a positive practice and provides a fair platform for all involved, as well as protects the District's resources moving forward.
- It is important to note that the District's largest taxpayer is selling its property within the District's boundaries. With this recent development, it is important for the District to monitor and consider the various scenarios that can occur with this property. The impact of COVID-19 has shown businesses and corporations their staff can work in a multitude of settings, including working remotely. The outcome of this side effect has produced less of a need to utilize large campuses. disclosed. The financial impact for the District is unknown at this time.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Factors bearing on the District's Future (Continued)

- In addition to PTABs, the District remains diligent in working through other potential property tax losses in an effort to protect the District's resources.
- In an effort to keep this information available to the public, the following continues to be included in the Factors Bearing on the District each year. During the 2013 tax year, the Astellas Corporation exercised the first year of its 7(b) tax incentive which 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, 15% for year eleven, and 20% in year twelve, plus the equalization factor. The 2021 tax year will mark this year as the halfway point plus two years, to receiving the full amount of tax revenue from this development in 2026.
- The District continues to receive impact fees from the RED SEAL development on the Mission Hills Golf Course called Provenance, in Northbrook. This year continued to show strong sales. With 137 residences available to be built, 99% have been sold through the beginning of November 2021, with 117 of those sales considered closed.
- The Parkside development, by Lexington Homes, which is situated west of Landwehr, just south of Willow Road, was approved by the Village of Glenview last year and construction is well underway. Of the 29 available residences, the District has received impact fees for 17 of those properties, to date. The District continues to monitor enrollment based on these developments.
- The District participates with various cooperatives, including health insurance, worker's compensation, and property/liability insurance. This participation reflects an effort to continually best manage costs, while protecting the District's assets. These programs provide many cost savings initiatives as well as provide protection from wide swings in the insurance marketplace, which is especially important for a smaller sized District.
- The District's financial management strategy continues to include efforts to maintain consistency within its Debt Service Extension Base (DSEB) while evaluating the needs of the students, staff, and community. This includes continuing the process of implementing improvements to the learning environment and maintaining a strong, fiscally responsible position. This goal has been solidified in the District's most recent **Strategic Plan**, approved by the Board of Education. The strategy is intended to ensure that resources are expended in an equitable and fiscally responsible manner to maximize opportunities for all learners including access to leading-edge technology and responsive learning environments.
- In addition to maintaining its financial well-being, the **Strategic Plan** goals also include the further advancement of:
 - continuing growth for stronger family and community partnerships
 - cultivating professional practices and shared leadership
 - fostering a healthy, supportive learning environment meeting the needs of all learners
 - demonstrating academic and social emotional growth to increase student achievement

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Factors bearing on the District's Future (Continued)

- This District continues to monitor the state policies and potential and/or realized changes with legislation, mainly those involving pension changes, state funding, and property taxes. State funding, or 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, if any, as the District is considered well-funded and identified as a Tier IV district. More recent legislation in regards to paid time off related to COVID-19 has the potential to increase costs for school districts.
- The District participates with various cooperatives, including health insurance, worker's compensation, and property/liability insurance. This participation reflects an effort to continually best manage costs, protecting the District's assets. These programs provide many cost savings initiatives as well as provide protection from wide swings in the insurance marketplace, which is especially important for a smaller sized district.

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, 2021

ASSETS	
Cash and investments	\$ 15,272,853
Receivables (net of allowance for uncollectibles)	
Interest	1,272
Property taxes	8,933,418
Replacement taxes	112,592
Intergovernmental	466,388
Prepaid items	31,287
Net pension asset	214,585
Capital assets:	
Land	81,393
Depreciable buildings, property, and equipment, net	<u>15,908,648</u>
Total assets	<u>41,022,436</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	641,230
Deferred outflows related to other postemployment benefits	<u>379,229</u>
Total deferred outflows	<u>1,020,459</u>
LIABILITIES	
Accounts payable	222,299
Other current liabilities	62,308
Interest payable	41,850
Unearned revenue	250,506
Long-term liabilities:	
Due within one year	658,195
Due after one year	<u>21,808,180</u>
Total liabilities	<u>23,043,338</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for a future period	8,933,418
Deferred inflows related to pensions	1,491,195
Deferred inflows related to other postemployment benefits	<u>2,181,378</u>
Total deferred inflows	<u>12,605,991</u>
NET POSITION	
Net investment in capital assets	5,983,006
Restricted for:	
Tort immunity	34
Operations and maintenance	879,981
Debt service	1,291,596
Retirement benefits	101,810
Student transportation	875,572
Capital projects	367,941
Unrestricted	<u>(3,106,374)</u>
Total net position	<u>\$ 6,393,566</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, 2021

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	\$ 7,644,363	\$ 319,430	\$ 489,782	\$ (6,835,151)
Special programs	3,603,991	-	319,558	(3,284,433)
Other instructional programs	859,279	-	30,644	(828,635)
State retirement contributions	7,786,183	-	7,786,183	-
Support services:				
Pupils	814,588	-	-	(814,588)
Instructional staff	711,055	-	47,448	(663,607)
General administration	898,847	-	-	(898,847)
School administration	842,494	-	-	(842,494)
Business	1,191,332	8,740	728,637	(453,955)
Transportation	808,901	93,079	338,460	(377,362)
Operations and maintenance	1,322,165	114,170	-	(1,207,995)
Central	625,235	-	-	(625,235)
Other supporting services	347	-	-	(347)
Community services	72,915	-	-	(72,915)
Interest and fees	408,891	-	-	(408,891)
Unallocated depreciation	981,630	-	-	(981,630)
Total governmental activities	\$ 28,572,216	\$ 535,419	\$ 9,740,712	(18,296,085)
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				12,960,062
Real estate taxes, levied for specific purposes				1,975,501
Real estate taxes, levied for debt service				783,857
Personal property replacement taxes				601,821
State aid-formula grants				806,448
Investment earnings				23,740
Miscellaneous				597,415
Total general revenues				17,748,844
Change in net position				(547,241)
Net position, beginning of year, as restated				6,940,807
Net position, end of year				\$ 6,393,566

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Governmental Funds

BALANCE SHEET

June 30, 2021

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 11,611,161	\$ 906,265	\$ 923,517	\$ 92,810
Receivables (net of allowance for uncollectibles):				
Interest	1,272	-	-	-
Property taxes	7,490,473	499,743	349,754	149,988
Replacement taxes	103,592	-	-	9,000
Intergovernmental	382,617	-	83,771	-
Prepaid items	<u>31,287</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 19,620,402</u>	<u>\$ 1,406,008</u>	<u>\$ 1,357,042</u>	<u>\$ 251,798</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 139,835	\$ 26,258	\$ 56,206	\$ -
Other current liabilities	24,569	26	-	-
Unearned revenue	<u>174,996</u>	<u>-</u>	<u>75,510</u>	<u>-</u>
Total liabilities	<u>339,400</u>	<u>26,284</u>	<u>131,716</u>	<u>-</u>
DEFERRED INFLOWS				
Unavailable interest revenue	1,068	-	-	-
Property taxes levied for a future period	<u>7,490,473</u>	<u>499,743</u>	<u>349,754</u>	<u>149,988</u>
Total deferred inflows	<u>7,491,541</u>	<u>499,743</u>	<u>349,754</u>	<u>149,988</u>
FUND BALANCES				
Nonspendable	31,287	-	-	-
Restricted	34	879,981	875,572	101,810
Assigned	20,969	-	-	-
Unassigned	<u>11,737,171</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>11,789,461</u>	<u>879,981</u>	<u>875,572</u>	<u>101,810</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 19,620,402</u>	<u>\$ 1,406,008</u>	<u>\$ 1,357,042</u>	<u>\$ 251,798</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 1,333,446	\$ 405,654	\$ 15,272,853
-	-	1,272
443,460	-	8,933,418
-	-	112,592
-	-	466,388
<u>-</u>	<u>-</u>	<u>31,287</u>
<u>\$ 1,776,906</u>	<u>\$ 405,654</u>	<u>\$ 24,817,810</u>
\$ -	\$ -	\$ 222,299
-	37,713	62,308
<u>-</u>	<u>-</u>	<u>250,506</u>
<u>-</u>	<u>37,713</u>	<u>535,113</u>
-	-	1,068
<u>443,460</u>	<u>-</u>	<u>8,933,418</u>
<u>443,460</u>	<u>-</u>	<u>8,934,486</u>
-	-	31,287
1,333,446	367,941	3,558,784
-	-	20,969
<u>-</u>	<u>-</u>	<u>11,737,171</u>
<u>1,333,446</u>	<u>367,941</u>	<u>15,348,211</u>
<u>\$ 1,776,906</u>	<u>\$ 405,654</u>	<u>\$ 24,817,810</u>

West Northfield School District 31
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances - total governmental funds	\$	15,348,211
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Amounts reported for governmental activities in the statement of net position are different because:

Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds.		15,990,041
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Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are included as deferred inflows of resources in the governmental funds.		1,068
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Net pension asset is not included in the governmental funds as it does not provide current financial resources.		214,585
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions		641,230
Deferred inflows of resources related to pensions		(1,491,195)

Deferred outflows and inflows of resources related to other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to OPEB		379,229
Deferred inflows of resources related to OPEB		(2,181,378)

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

General obligation bonds	\$ (11,410,000)	
Unamortized bond premiums	(242,584)	
Capital leases	(372,035)	
Compensated absences	(83,013)	
TRS net pension liability	(895,578)	
RHP total other postemployment benefit liability	(70,932)	
THIS net other postemployment benefit liability	<u>(9,392,233)</u>	\$ (22,466,375)

The accompanying notes are an integral part of this statement.

West Northfield School District 31
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021 (Continued)

Interest on long-term liabilities (interest payable) accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.	<u>(41,850)</u>
Net position of governmental activities	\$ <u><u>6,393,566</u></u>

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, 2021

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 12,960,062	\$ 1,047,098	\$ 627,219	\$ 301,184
Replacement taxes	382,821	-	60,000	9,000
State aid	5,160,215	-	338,460	-
Federal aid	1,576,981	-	-	-
Interest	23,271	349	-	-
Other	716,384	144,770	104,853	9,420
Total revenues	20,819,734	1,192,217	1,130,532	319,604
Expenditures				
Current:				
Instruction:				
Regular programs	7,379,811	-	-	115,514
Special programs	1,242,608	-	-	43,006
Other instructional programs	839,360	-	-	16,947
State retirement contributions	4,314,679	-	-	-
Support services:				
Pupils	934,769	-	-	16,515
Instructional staff	735,870	-	-	9,100
General administration	870,180	-	-	26,966
School administration	804,175	-	-	31,322
Business	1,252,816	-	-	24,585
Transportation	-	-	808,901	-
Operations and maintenance	-	1,247,027	-	75,138
Central	652,141	-	-	47,145
Community services	72,915	-	-	-
Nonprogrammed charges	2,310,512	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	123,057	36,985	-	-
Total expenditures	21,532,893	1,284,012	808,901	406,238
Excess (deficiency) of revenues over expenditures	(713,159)	(91,795)	321,631	(86,634)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(177,758)	-	-	-
Capital lease proceeds	79,947	-	-	-
Total other financing sources (uses)	(97,811)	-	-	-
Net change in fund balance	(810,970)	(91,795)	321,631	(86,634)
Fund balance, beginning of year, as restated	12,600,431	971,776	553,941	188,444
Fund balance, end of year	\$ 11,789,461	\$ 879,981	\$ 875,572	\$ 101,810

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 783,857	\$ -	\$ 15,719,420
150,000	-	601,821
-	-	5,498,675
-	-	1,576,981
-	-	23,620
<u>19,701</u>	<u>137,706</u>	<u>1,132,834</u>
<u>953,558</u>	<u>137,706</u>	<u>24,553,351</u>
-	-	7,495,325
-	-	1,285,614
-	-	856,307
-	-	4,314,679
-	-	951,284
-	-	744,970
-	-	897,146
-	-	835,497
-	-	1,277,401
-	-	808,901
-	-	1,322,165
-	-	699,286
-	-	72,915
-	-	2,310,512
572,379	-	572,379
432,863	-	432,863
<u>-</u>	<u>161,512</u>	<u>321,554</u>
<u>1,005,242</u>	<u>161,512</u>	<u>25,198,798</u>
(51,684)	(23,806)	(645,447)
177,758	-	177,758
-	-	(177,758)
<u>-</u>	<u>-</u>	<u>79,947</u>
<u>177,758</u>	<u>-</u>	<u>79,947</u>
126,074	(23,806)	(565,500)
<u>1,207,372</u>	<u>391,747</u>	<u>15,913,711</u>
<u>\$ 1,333,446</u>	<u>\$ 367,941</u>	<u>\$ 15,348,211</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, 2021

Net change in fund balances - total governmental funds.	\$	(565,500)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$	361,216	
Depreciation Expense		(981,630)	
Gain (loss) on disposal		<u>(43,221)</u>	(663,635)

Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are included as deferred inflows of resources in the governmental funds.

Interest revenue	\$	<u>120</u>	120
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Changes in deferred outflows and inflows of resources related to pensions are reported only in the statement of activities:

Deferred outflows and inflows of resources related to IMRF pension	(292,741)
Deferred outflows and inflows of resources related to TRS pension	84,473

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

Deferred outflows and inflows of resources related to RHP	(3,574)
Deferred outflows and inflows of resources related to THIS	(354,331)

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.	2,354
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Governmental funds report the effect of premiums and discounts when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences.	21,618
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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, 2021 (Continued)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Principal repayments - general obligation bonds	\$ 415,000	
Capital Leases, net	77,432	
Compensated absences, net	(31,050)	
IMRF pension liability, net	599,951	
TRS pension liability, net	(10,702)	
RHP other postemployment benefit liability, net	(9,635)	
THIS other postemployment benefit liability, net	<u>182,979</u>	\$ <u>1,223,975</u>
Change in net position of governmental activities		\$ <u><u>(547,241)</u></u>

The accompanying notes are an integral part of this statement.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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. **New Accounting Pronouncement**

The GASB has issued Statement No. 84, *Fiduciary Activities*, which was implemented by the District for the year ended June 30, 2021. This Statement established guidance for identifying fiduciary activities and resulted in a change to accounting and financial reporting requirements.

Specific changes to the District's financial statements relate to the inclusion of the student activity funds within the District's General Fund. See Note L for the effects of this restatement.

3. **Fund Accounting**

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

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.

4. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) 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.

a. General Fund

The *General Fund* includes the Educational Account, Tort Immunity and Judgement Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources, held by the District, to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon 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 tax 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, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. General Fund (Continued)

The Student Activity balance is accounted for in the Educational Account. The balance accounts for activities such as student yearbooks, student clubs and councils, and scholarships.

b. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the debt service or capital projects) 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as 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, except for unmatured principal and interest on general long-term debt, which is recognized when due and certain compensated absences claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable financial resources.

Property taxes, personal property 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, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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.

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2021, 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, 2021, the District reported deferred inflows of resources related to pensions, other postemployment benefits, unavailable interest revenue, and property taxes levied for a future period.

7. 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.

8. 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.

9. Prepaid Items

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. 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 completed. 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

11. 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 costs, whether or not withheld from actual proceeds, are reported as debt service expenditures.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and 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.

13. 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.

14. 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. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward service credit for 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, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. 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.

16. Fund Balance

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

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, 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 fund balance at June 30, 2021.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegated the authority to assign amounts to be used for specific purposes. The Board of Education has declared that the Director of Business Services/CSBO may assign amounts for a specific purpose. The District student activity balance of \$20,969 has been assigned at June 30, 2021.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. 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 \$31,287 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-4.

17. 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.

NOTE B - DEPOSITS AND INVESTMENTS

As explained in Note A-7, 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, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

At June 30, 2021, the District's cash and investments consisted of the following, and for disclosure purposes are segregated as follows:

	Total
Deposits with financial institutions*	\$ 10,111,134
Illinois Funds	250,979
Illinois Trust	3,275,000
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	1,135,776
Other Investments	499,964
	\$ 15,272,853

*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.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and level 2 valuation inputs.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

District cash and investments (other than the student activity, flexible benefit, and imprest funds) are under the custody of the Township Treasurer. The Treasurer maintains records that segregate the cash and investment balances by district. Cash for all funds, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer also holds money-market type investments and deposits with financial institutions, including certificates of deposit. As of June 30, 2021, the fair value of District investments held by the Treasurer's office was \$11,673,064.

2. 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
Treasury Bill	\$ 499,464	\$ 499,464	\$ -	\$ -	\$ -
	\$ 499,464	\$ 499,464	\$ -	\$ -	\$ -

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

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$ 1,135,776	n/a	Daily	1 day
Illinois Funds	250,979	n/a	Daily	1 day
Illinois Trust	3,275,000	n/a	Daily	1 day

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

2. Deposit and Investment Risks (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds, and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs).

The 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.

3. Cash and Investments in the Custody of the District

At June 30, 2021, the carrying value of the District's student activity, imprest, e-pay, and flexible benefit accounts was \$309,309, all of which was deposited with financial institutions.

4. 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, 2021, the bank balance of the District's deposits with financial institutions totaled \$9,193,717, all of which was collateralized and/or insured.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

4. Custodial Credit Risk (Continued)

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 C - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 17, 2020. 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.

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 3.2234 for 2020.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE C - PROPERTY TAXES RECEIVABLE (Continued)

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 2020 tax levy was \$669,257,911.

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 2020 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases/</u> <u>Transfers</u>	<u>Decreases/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets, not being depreciated				
Land	\$ 81,393	\$ -	\$ -	\$ 81,393
Construction in process	122,720	-	122,720	-
Total capital assets, not being depreciated	<u>204,113</u>	<u>-</u>	<u>122,720</u>	<u>81,393</u>
Capital assets, being depreciated				
Buildings	26,727,103	47,985	-	26,775,088
Building improvements	3,450,266	378,643	576,280	3,252,629
Equipment	3,229,248	57,308	-	3,286,556
Vehicles	51,848	-	-	51,848
Total capital assets, being depreciated	<u>33,458,465</u>	<u>483,936</u>	<u>576,280</u>	<u>33,366,121</u>
Less accumulated depreciation for:				
Buildings	13,123,399	723,020	-	13,846,419
Building improvements	1,557,669	117,511	533,059	1,142,121
Equipment	2,288,790	136,831	-	2,425,621
Vehicles	39,044	4,268	-	43,312
Total accumulated depreciation	<u>17,008,902</u>	<u>981,630</u>	<u>533,059</u>	<u>17,457,473</u>
Total capital assets, being depreciated, net	<u>16,449,563</u>	<u>(497,694)</u>	<u>43,221</u>	<u>15,908,648</u>
Governmental activities capital assets, net	<u>\$ 16,653,676</u>	<u>\$ (497,694)</u>	<u>\$ 165,941</u>	<u>\$ 15,990,041</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM LIABILITIES

During the year ended June 30, 2021, changes in long-term liabilities were as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
General obligation bonds	\$ 11,825,000	\$ -	415,000	\$ 11,410,000
Capital leases	449,467	79,947	157,379	372,035
Unamortized premium	264,202	-	21,618	242,584
Compensated absences	51,963	108,028	76,978	83,013
RHP total other postemployment benefit liability	61,297	9,635	-	70,932
THIS total other postemployment benefit liability	9,575,212	441,483	624,462	9,392,233
IMRF net pension liability	385,366	801,192	1,186,558	-
TRS net pension liability	884,876	177,710	167,008	895,578
	<u>\$ 23,497,383</u>	<u>\$ 1,617,995</u>	<u>\$ 2,649,003</u>	<u>\$ 22,466,375</u>

	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$ 440,000
Capital leases	135,182
Compensated absences	83,013
	<u>\$ 658,195</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, 2021, are as follows:

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable (Continued)

	<u>Bonds Payable</u> <u>July 1, 2020</u>	<u>Debt Issued</u>	<u>Debt Retired/ Defeased</u>	<u>Bonds Payable</u> <u>June 30, 2021</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%.	2,190,000	-	415,000	1,775,000
\$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>-</u>	<u>-</u>	<u>7,975,000</u>
Total	<u>\$ 11,825,000</u>	<u>\$ -</u>	<u>\$ 415,000</u>	<u>\$ 11,410,000</u>

At June 30, 2021, the District's annual debt service requirements to maturity for bond principal and interest were as follows:

Year Ending		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30				
2022	\$	440,000	\$ 398,918	\$ 838,918
2023		465,000	385,342	850,342
2024		495,000	370,943	865,943
2025		520,000	355,458	875,458
2026		550,000	338,460	888,460
2027-2037		<u>8,940,000</u>	<u>2,131,998</u>	<u>11,071,998</u>
Total	\$	<u>11,410,000</u>	<u>\$ 3,981,119</u>	<u>\$ 15,391,119</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable (Continued)

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$1,333,446 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, 2021, the statutory debt limit for the District was \$46,178,796 of which \$34,396,761 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, 2021, 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
2022	\$ 135,182	\$	12,622	\$ 147,804
2023	113,365		6,649	120,014
2024	58,807		2,033	60,840
2025	64,681		720	65,401
	\$ 372,035	\$	22,024	\$ 394,059

3. Compensated Absences

At June 30, 2021 compensated absences amounted to \$83,013. Future payments will be made from the same fund where the employee's salary is recorded.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - 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/fy2020; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

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, 2021

NOTE F - 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. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. 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 began in 2019 and are 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, 2020, 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, 2021, 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 \$7,470,627 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$4,201,652 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, 2021, were \$52,867, and are deferred because they were paid after the June 30, 2020 measurement date.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - 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, 2018.

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

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$50,154 were paid from federal and special trust funds that required employer contributions of \$5,221.

Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - 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, 2021, 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	\$	895,578
State's proportionate share of the net pension liability associated with the District		<u>70,146,303</u>
Total	\$	<u><u>71,041,881</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. 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, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the District's proportion was 0.0010387695 percent, which was a decrease of 0.0000522136 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 7,470,627	\$ 4,201,652
District TRS pension expense (benefit)	<u>(20,376)</u>	<u>52,867</u>
Total TRS expense/expenditure	\$ <u><u>7,450,251</u></u>	\$ <u><u>4,254,519</u></u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - 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, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,679	\$ 239
Change in assumptions	3,670	9,397
Net difference between projected and actual earnings on pension plan investments	26,741	-
Changes in proportion and differences between District contributions and proportionate share of contributions	84,094	463,879
Total deferred amounts to be recognized in pension expense in the future periods	123,184	473,515
District contributions subsequent to the measurement date	52,867	-
	\$ 176,051	\$ 473,515

The District reported \$52,867 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ending June 30:	Net Deferred Inflows of Resources
2022	\$ 101,484
2023	157,447
2024	82,211
2025	5,954
2026	3,235
Total	\$ 350,331

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - 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, 2020 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, 2020 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, 2019 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, 2021

NOTE F - 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	16.5 %	6.1 %
U.S. equities small/mid cap	2.3	7.2
International equities developed	12.2	7.0
Emerging market equities	3.0	9.4
U.S. bonds core	7.0	2.2
U.S. bonds high yield	2.5	4.1
International debt developed	3.1	1.5
Emerging international debt	3.2	4.5
Real estate	16.0	5.7
Private debt	5.2	6.3
Hedge funds	10.0	4.3
Private equity	15.0	10.5
Infrastructure	4.0	6.2
Total	100.0 %	

Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2019 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, 2020 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, 2021

NOTE F - 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 Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ <u>1,087,068</u>	\$ <u>895,578</u>	\$ <u>737,926</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2020 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - 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, 2020, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	64
Inactive plan members entitled to but not yet receiving benefits	164
Active plan members	<u>43</u>
Total	<u><u>271</u></u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - 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 2020 was 10.35%. For the fiscal year ended June 30, 2021 the District contributed \$156,205 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, 2020. 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, 2020:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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, 2021

NOTE F - 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
	Domestic equities	37%	5.00 %
	International equities	18%	6.00 %
	Fixed income	28%	1.30 %
	Real estate	9%	6.20%
	Alternative investments	7%	2.85% - 6.95%
	Cash equivalents	1%	0.70%
	Total	<u>100%</u>	

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 2.00% (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, 2021

NOTE F - 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 (asset) for the calendar year ended December 31, 2020:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability(Asset) (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2019	\$ 7,626,358	\$ 7,240,992	\$ 385,366
Changes for the year:			
Service cost	154,778	-	154,778
Interest on the total pension liability	543,098	-	543,098
Difference between expected and actual experience of the total pension liability	103,316	-	103,316
Changes of assumptions	(82,299)	-	(82,299)
Contributions - employer	-	159,435	(159,435)
Contributions - employees	-	69,319	(69,319)
Net investment income	-	1,035,389	(1,035,389)
Benefit payments, including refunds of employee contributions	(425,488)	(425,488)	-
Other (net transfer)	-	54,701	(54,701)
Net changes	<u>293,405</u>	<u>893,356</u>	<u>(599,951)</u>
Balances at December 31, 2020	<u>\$ 7,919,763</u>	<u>\$ 8,134,348</u>	<u>\$ (214,585)</u>

Sensitivity of the Net Pension Liability (Asset) 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)	\$ 593,930	\$ (214,585)	\$ (857,683)
	<u> </u>	<u> </u>	<u> </u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

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

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

For the year ended June 30, 2021, the District recognized pension income of \$151,005. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 36,180	\$ -
Change of assumptions	-	28,820
Net difference between projected and actual earnings on pension plan investments	350,266	988,860
Total deferred amounts to be recognized in pension expense in the future periods	386,446	1,017,680
Pension contributions made subsequent to the measurement date	78,733	-
Total deferred amounts related to pensions	\$ 465,179	\$ 1,017,680

The District reported \$78,733 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, 2022.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

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

Year Ending June 30,	Net Deferred Inflows of Resources
2022	\$ (200,618)
2023	(76,185)
2024	(251,317)
2025	(103,114)
2026	-
Thereafter	-
Total	\$ (631,234)

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 52,867	\$ 78,733	\$ 131,600
Experience	8,679	36,180	44,859
Assumptions	3,670	-	3,670
Proportionate share	84,094	-	84,094
Investments	26,741	350,266	377,007
	\$ 176,051	\$ 465,179	\$ 641,230
Net pension liability (asset)	\$ 895,578	\$ (214,585)	\$ 680,993
Pension expense (income)	\$ 7,450,251	\$ (151,005)	\$ 7,299,246

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Deferred inflows of resources:			
Experience	\$ 239	\$ -	\$ 239
Assumptions	9,397	28,820	38,217
Investments	-	988,860	988,860
Proportionate share	463,879	-	463,879
	\$ 473,515	\$ 1,017,680	\$ 1,491,195

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 G - 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Plan Description (Continued)

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

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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, 2021. 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, 2021, the District recognized revenue and expenses of \$315,556 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$113,026 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - 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

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, 2021. For the year ended June 30, 2021, the District paid \$83,858 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2021 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.

At June 30, 2021, 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	\$	9,392,233
State's estimated proportionate share of the net OPEB liability associated with the District*		12,723,918
	\$	22,116,151

* 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - 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)

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. 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, 2020, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020, the District's proportion was 0.035130 percent, which was an increase of 0.000534 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 315,556	\$ 113,026
District OPEB pension expense	257,481	83,858
Total OPEB expense/expenditure	\$ 573,037	\$ 196,884

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - 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)

At June 30, 2021, 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	\$ -	\$ 249,542
Changes of assumptions	3,180	1,549,237
Net difference between projected and actual earnings on OPEB plan investments	-	267
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>255,516</u>	<u>382,332</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>258,696</u>	<u>2,181,378</u>
District contributions subsequent to the measurement date	<u>83,858</u>	<u>-</u>
	<u>\$ 342,554</u>	<u>\$ 2,181,378</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - 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 \$83,858 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, 2022. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2022	\$ 379,490
2023	379,464
2024	379,412
2025	312,026
2026	191,323
Thereafter	<u>280,967</u>
Total	\$ <u><u>1,922,682</u></u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 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, 2020, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - 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	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Trend Rate	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs and gradually decreases to an ultimate trend of 4.25%. Additional trend rate adjustment due to the repeal of 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, 2021

NOTE G - 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 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2020. 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 3.13 percent at June 30, 2019, and 2.45 percent at June 30, 2020, was used to measure the total OPEB liability. The decrease in the single discount rate, from 3.13 percent to 3.45 percent, caused the total OPEB liability for the entire plan to increase by approximately \$3,012 million as of June 30, 2020.

Investment Return

During plan year end June 30, 2020, the trust earned \$193,000 in interest, and the market value of assets at June 30, 2020, is \$189 million. Given the low asset value and pay-as-you-go funding policy, the long-term expected rate of 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 1.732% for plan year end June 30, 2020, and 2.038% for plan year end June 30, 2019.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - 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 2.45 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 (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current rate:

	<u>1% Decrease (1.45%)</u>	<u>Current Discount Rate (2.45%)</u>	<u>1% Increase (3.45%)</u>
District's proportionate share of the net OPEB liability	\$ <u>11,288,134</u>	\$ <u>9,392,233</u>	\$ <u>7,890,202</u>

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

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	<u>1% Decrease*</u>	<u>Current Healthcare Trend Rate</u>	<u>1% Increase **</u>
District's proportionate share of the net OPEB liability	\$ <u>7,554,216</u>	\$ <u>9,392,233</u>	\$ <u>11,876,885</u>

*One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.

** One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - 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, 2020 (most recent information available) the following employees were covered by the benefit terms:

Active employees	42
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	-
	-
Total	42

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 2020, 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, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2020, 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, 2019 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	3.00%
Discount rate *	2.18%
Salary rate increase	4.00%
Healthcare inflation rate	HMO initial - 5.50%
	HMO ultimate - 4.50%
	PPO initial - 5.50%
	PPO ultimate - 4.50%
Mortality rates	PubG.H-2010 Mortality Table - General
Election at retirement	10% of active IMRF employees are assumed to elect coverage continuation at retirement.
Marital status	20% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females.

* In 2021, changes in assumptions related to the discount rate were made (2.66% to 2.18%)

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - 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 2.18% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2021.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net OPEB Liability (A) - (B)</u>
Balances at July 1, 2020	\$ 61,297	\$ -	\$ 61,297
Changes for the year:			
Service cost	6,648	-	6,648
Interest on the total OPEB liability	1,630	-	1,630
Difference between expected & actual experience	-	-	-
Assumptions and other inputs	1,357	-	1,357
Other changes	-	-	-
Balances at June 30, 2021	<u>\$ 70,932</u>	<u>\$ -</u>	<u>\$ 70,932</u>

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 2.18%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	<u>1% Lower (1.18%)</u>	<u>Current Discount Rate (2.18%)</u>	<u>1% Higher (3.18%)</u>
Total OPEB liability	\$ 74,009	\$ 70,932	\$ 67,982

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

	<u>1% Lower</u> <u>(3.50% - 5.00%)</u>	<u>Current</u> <u>Healthcare</u> <u>Rate</u> <u>(4.50% - 6.00%)</u>	<u>1% Higher</u> <u>(5.50 - 7.00%)</u>
Total OPEB liability	\$ <u>66,760</u>	\$ <u>70,932</u>	\$ <u>75,443</u>

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

For the year ended June 30, 2021 the District recognized OPEB expense of \$13,210. At June 30, 2021, the District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Difference between expected and actual experience	\$ 4,076	\$ -
Change of assumptions	<u>32,599</u>	<u>-</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	<u>\$ 36,675</u>	<u>\$ -</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - 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)

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

Year Ending June 30,	Net Deferred Outflows of Resources
2022	\$ 4,931
2023	4,931
2024	4,931
2025	4,931
2026	4,931
Thereafter	12,020
Total	\$ 36,675

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2021:

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	\$ 83,858	\$ -	\$ 83,858
Experience	-	4,076	4,076
Assumptions	3,180	32,599	35,779
Proportionate share	255,516	-	255,516
	\$ 342,554	\$ 36,675	\$ 379,229
OPEB liability	\$ 9,392,233	\$ 70,932	\$ 9,463,165

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items (Continued)

	THIS	RHP	Total
OPEB expense	\$ 573,037	\$ 13,210	\$ 586,247
Deferred inflows of resources:			
Experience	\$ 249,542	\$ -	\$ 249,542
Assumptions	1,549,237	-	1,549,237
Proportionate share	382,332	-	382,332
Investments	267	-	267
	\$ 2,181,378	\$ -	\$ 2,181,378

NOTE H - JOINT AGREEMENTS

The District is a member of the TrueNorth Educational Cooperative 804 (formerly known as Northern Suburban Special Education District), 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 I. 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 two additional terms of 10 years each ending May 16, 2030.

NOTE I - 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 Treasurer.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE I - 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 J - INTERFUND TRANSFERS

The District transferred \$177,758 to the Debt Service Fund from the General Fund (Educational Account) to provide a funding source for principal and interest on capital leases.

NOTE K - CONTINGENCIES

1. Litigation

The District is a defendant in various tax appeal lawsuits and other litigation. Although the outcome of these lawsuits is not presently determinable, it is possible that the outcome could have an adverse effect on the financial condition of the District. 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.

3. COVID-19

The long-term direct and indirect impacts of the COVID-19 pandemic on the District's enrollment, vendors, operations, and financing arrangements are currently unknown, as is the duration and severity of any impacts that the District may experience. The District continues to monitor investment values and returns, tax revenues, and state and federal funding, which could be impacted. While the District's evaluation is ongoing, management is currently unable to quantify the full effects that the pandemic will have on its operations, cash flows, and financial position; however, they may be significant.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE L - CHANGE IN ACCOUNTING PRINCIPLE - RESTATEMENT

The implementation of GASB 84 (Note A-2) required the District to report its student activity fund as part of the General Fund. As a result of this implementation as of July 1, 2020, net position, fund balance and cash and investments increased by \$21,114.

NOTE M - SUBSEQUENT EVENT

Management has evaluated subsequent events through November 17, 2021, 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 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS Illinois Municipal Retirement Fund Seven Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability			
Service cost	\$ 154,778	\$ 150,638	\$ 148,694
Interest on the total pension liability	543,098	527,399	515,362
Difference between expected and actual experience of the total pension liability	103,316	(50,143)	(50,609)
Assumption changes	(82,299)	-	180,242
Benefit payments and refunds	(425,488)	(401,383)	(381,968)
Net change in total pension liability	<u>293,405</u>	<u>226,511</u>	<u>411,721</u>
Total pension liability, beginning	7,626,358	7,399,847	6,988,126
Total pension liability, ending	<u>\$ 7,919,763</u>	<u>\$ 7,626,358</u>	<u>\$ 7,399,847</u>
Plan fiduciary net position			
Contributions, employer	\$ 159,435	\$ 136,987	\$ 159,493
Contributions, employee	69,319	68,799	67,582
Net investment income (loss)	1,035,389	1,186,419	(379,416)
Benefit payments, including refunds of employee contributions	(425,488)	(401,383)	(381,968)
Other (net transfer)	54,701	17,867	144,948
Net change in plan fiduciary net position	<u>893,356</u>	<u>1,008,689</u>	<u>(389,361)</u>
Plan fiduciary net position, beginning	7,240,992	6,232,303	6,621,664
Plan fiduciary net position, ending	<u>\$ 8,134,348</u>	<u>\$ 7,240,992</u>	<u>\$ 6,232,303</u>
Net pension liability (asset)	<u>\$ (214,585)</u>	<u>\$ 385,366</u>	<u>\$ 1,167,544</u>
Plan fiduciary net position as a percentage of the total pension liability	102.71 %	94.95 %	84.22 %
Covered Valuation Payroll	\$ 1,540,428	\$ 1,528,883	\$ 1,501,823
Net pension liability as a percentage of covered valuation payroll	(13.93) %	25.21 %	77.74 %

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.

2018	2017	2016	2015
\$ 132,864	\$ 139,842	\$ 142,986	\$ 149,654
501,675	487,022	456,641	422,843
124,087	(60,720)	163,544	(38,191)
(210,353)	(14,661)	7,264	245,421
(365,429)	(374,548)	(334,543)	(300,715)
<u>182,844</u>	<u>176,935</u>	<u>435,892</u>	<u>479,012</u>
6,805,282	6,628,347	6,192,455	5,713,433
<u>\$ 6,988,126</u>	<u>\$ 6,805,282</u>	<u>\$ 6,628,347</u>	<u>\$ 6,192,445</u>
\$ 156,120	\$ 138,297	\$ 146,889	\$ 134,273
64,159	56,525	56,686	55,896
1,091,285	390,262	28,358	340,352
(365,429)	(374,548)	(334,543)	(300,715)
(322,359)	(2,281)	155,147	(127,516)
<u>623,776</u>	<u>208,255</u>	<u>52,537</u>	<u>102,290</u>
5,997,888	5,789,633	5,737,096	5,634,806
<u>\$ 6,621,664</u>	<u>\$ 5,997,888</u>	<u>\$ 5,789,633</u>	<u>\$ 5,737,096</u>
<u>\$ 366,462</u>	<u>\$ 807,394</u>	<u>\$ 838,714</u>	<u>\$ 455,349</u>
94.76 %	88.14 %	87.35 %	92.65 %
\$ 1,425,759	\$ 1,256,103	\$ 1,259,691	\$ 1,258,038
25.70 %	64.28 %	66.58 %	36.20 %

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

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2021	\$ 159,434 *	\$ 159,435	\$ (1)	\$ 1,540,428	10.35 %
2020	136,988	136,987	1	1,528,883	8.96
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 10.35% and covered valuation payroll of \$1,540,428.

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
Seven Most Recent Fiscal Years

Fiscal year ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0010387695 %	0.0010909831 %	0.0011849548 %
District's proportionate share of the net pension liability	\$ 895,578	\$ 884,876	\$ 923,611
State's proportionate share of the net pension liability associated with the District	<u>70,146,303</u>	<u>62,975,687</u>	<u>63,271,230</u>
Total	<u>\$ 71,041,881</u>	<u>\$ 63,860,563</u>	<u>\$ 64,194,841</u>
District's covered-employee payroll	\$ 8,639,774	\$ 8,525,428	\$ 8,489,592
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.37 %	10.38 %	10.88 %
Plan fiduciary net position as a percentage of the total pension liability	37.80 %	39.60 %	40.00 %

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0023558772 %	0.0018095105 %	0.0018867923 %	0.0017499646 %
\$ 1,799,846	\$ 1,428,356	\$ 1,236,039	\$ 1,064,998
<u>61,977,099</u>	<u>65,734,967</u>	<u>50,002,609</u>	<u>43,134,039</u>
<u>\$ 63,776,945</u>	<u>\$ 67,163,323</u>	<u>\$ 51,238,648</u>	<u>\$ 44,199,037</u>
\$ 8,370,668	\$ 8,277,863	\$ 7,719,938	\$ 6,993,465
21.50 %	17.26 %	16.01 %	15.23 %
39.30 %	36.40 %	41.50 %	43.00 %

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

	2021	2020	2019	2018
Contractually required contribution	\$ 50,111	\$ 49,447	\$ 49,234	\$ 97,061
Contributions in relation to the contractually required contribution	(50,639)	(49,436)	(49,234)	(97,061)
Contribution deficiency (excess)	\$ (528)	\$ 11	\$ -	\$ -
District's covered-employee payroll	\$ 9,115,022	\$ 8,639,774	\$ 8,525,428	\$ 8,489,592
Contributions as a percentage of covered-employee payroll	0.56 %	0.57 %	0.58 %	1.14 %

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>2017</u>	<u>2016</u>	<u>2015</u>
\$ 70,055	\$ 66,100	\$ 61,458
<u>(70,077)</u>	<u>(66,113)</u>	<u>(62,438)</u>
\$ <u>(22)</u>	\$ <u>(13)</u>	\$ <u>(980)</u>
\$ 8,277,863	\$ 7,719,938	\$ 6,993,465
0.85 %	0.86 %	0.89 %

West Northfield School District 31

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

Retiree Health Plan

Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability			
Service cost	\$ 6,648	\$ 6,325	\$ 3,710
Interest on the total OPEB liability	1,630	1,013	946
Difference between expected and actual experience of the total OPEB liability	0	5,178	-
Changes of assumptions and other inputs	1,357	11,548	-
Benefit payments, including the implicit rate subsidy	-	-	(1,465)
Other changes	-	937	619
Net change in total OPEB liability	<u>9,635</u>	<u>25,001</u>	<u>3,810</u>
Total OPEB liability, beginning	61,297	36,296	32,486
Total OPEB liability, ending	<u>\$ 70,932</u>	<u>\$ 61,297</u>	<u>\$ 36,296</u>
Plan fiduciary net position	\$ -	\$ -	\$ -
Contributions, employer	-	-	-
Contributions, employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, beginning	-	-	-
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 70,932</u>	<u>\$ 61,297</u>	<u>\$ 36,296</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered valuation payroll	\$ 1,479,422	\$ 1,479,422	\$ 1,403,687
Net OPEB liability as a percentage of covered valuation payroll	4.79 %	4.14 %	2.59 %

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

2018

\$ 3,486
946
-
-
(1,496)
29,550
32,486
-
\$ 32,486

\$ -
-
-
-
-
-
-
\$ -

\$ 32,486

0.00 %

\$ 1,403,687

2.31 %

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

	<u>2021</u>		<u>2020</u>		<u>2019</u>	
District's proportion of the net OPEB liability	0.0351300000	%	0.0345960000	%	0.0358050000	%
District's proportionate share of the net OPEB liability	\$ 9,392,233		\$ 9,575,212		\$ 9,433,076	
State's proportionate share of the net OPEB liability associated with the District	<u>12,723,918</u>		<u>12,966,059</u>		<u>12,666,587</u>	
Total	<u>\$ 22,116,151</u>		<u>\$ 22,541,271</u>		<u>\$ 22,099,663</u>	
District's covered-employee payroll	\$ 8,639,774		\$ 8,525,428		\$ 8,489,592	
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	108.71%		112.31%		111.11%	
Plan fiduciary net position as a percentage of the total OPEB liability	0.70%		0.25%		-0.07%	

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.

2018

0.0363890000 %

\$ 9,442,883

12,400,852

\$ 21,843,735

\$ 8,370,668

112.81%

-0.17%

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

Fiscal year ended June 30,	2021	2020	2019
Contractually required contribution	\$ 79,486	\$ 78,434	\$ 74,708
Contributions in relation to the contractually required contribution	81,758	78,228	74,693
Contribution excess (due)	\$ 2,272	\$ (206)	\$ (15)
District's covered-employee payroll	\$ 9,115,022	\$ 8,639,774	\$ 8,525,428
Contributions as a percentage of covered-employee payroll	0.90%	0.91%	0.88%

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.

2018
\$ 70,314

70,318
\$ 4

\$ 8,489,592

0.83%

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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 14,216,112	\$ 12,960,062	\$ (1,256,050)	\$ 13,768,496
Corporate personal property replacement taxes	170,000	382,821	212,821	185,937
Interest on investments	122,400	23,271	(99,129)	285,849
Sales to pupils - a la carte	7,500	8,740	1,240	8,527
Fees	72,450	143,184	70,734	126,286
Other district/school activity revenue	60,000	60,719	719	59,361
Student activity fund revenues	-	7,017	7,017	23,905
Rentals - regular textbook	145,000	108,510	(36,490)	111,127
Rentals	-	-	-	94,050
Contributions and donations from private sources	25,000	51	(24,949)	4,712
Impact fees from municipal				
Other	<u>40,000</u>	<u>388,163</u>	<u>348,163</u>	<u>37,434</u>
Total local sources	<u>14,858,462</u>	<u>14,082,538</u>	<u>(775,924)</u>	<u>14,705,684</u>
State sources				
Evidence Based Funding Formula	806,450	806,448	(2)	806,448
Special Education - Private Facility Tuition	6,518	25,360	18,842	6,097
Special Education - Orphanage - Individual	15,000	8,381	(6,619)	19,902
Special Education - Orphanage - Summer Individual	5,000	5,088	88	5,387
State Free Lunch & Breakfast	-	(491)	(491)	491
Other restricted revenue from state sources	<u>750</u>	<u>750</u>	<u>-</u>	<u>750</u>
Total state sources	<u>833,718</u>	<u>845,536</u>	<u>11,818</u>	<u>839,075</u>
Federal sources				
Summer Food Service Program	50,000	729,128	679,128	16,949
Title I - Low Income	182,028	209,381	27,353	181,336

(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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Federal sources (Continued)				
Title IV - Student Support & Academic Enrichment Grant	\$ 22,420	\$ -	\$ (22,420)	\$ 12,420
Federal Special Education - Preschool Flow-Through	7,731	8,053	322	6,662
Federal Special Education - IDEA Flow Through	216,163	220,446	4,283	209,356
Federal Special Education - IDEA Room & Board	-	39,259	39,259	55,765
Title III - Instruction for English Learners & Immigrant Students	7,247	6,779	(468)	247
Title III - English Language Acquisition	21,405	23,865	2,460	8,541
Title II - Teacher Quality	34,162	46,698	12,536	7,341
Medicaid Matching Funds - Fee-For-Service Program	55,000	12,971	(42,029)	49,276
Other restricted revenue from Federal Sources	<u>138,005</u>	<u>280,401</u>	<u>142,396</u>	<u>31,250</u>
Total federal sources	<u>734,161</u>	<u>1,576,981</u>	<u>842,820</u>	<u>579,143</u>
Total revenues	<u>16,426,341</u>	<u>16,505,055</u>	<u>78,714</u>	<u>16,123,902</u>
Expenditures				
Instruction				
Regular programs				
Salaries	5,939,700	5,915,939	23,761	5,326,980
Employee benefits	911,190	974,195	(63,005)	818,735
Purchased services	105,000	61,664	43,336	25,546
Supplies and materials	351,350	399,582	(48,232)	267,119
Capital outlay	3,500	-	3,500	5,224
Other objects	1,400	701	699	1,858
Non-capitalized equipment	2,000	-	2,000	189,650
Termination benefits	<u>27,599</u>	<u>27,730</u>	<u>131</u>	<u>25,929</u>
Total	<u>7,341,739</u>	<u>7,379,811</u>	<u>(37,810)</u>	<u>6,661,041</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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Special education programs				
Salaries	\$ 872,888	\$ 880,833	\$ (7,945)	\$ 855,459
Employee benefits	181,183	190,766	(9,583)	178,438
Purchased services	39,500	2,948	36,552	11,932
Supplies and materials	29,750	35,713	(5,963)	24,989
Capital outlay	2,000	1,896	104	-
Non-capitalized equipment	1,250	-	1,250	-
Termination benefits	5,804	5,804	-	7,612
Total	<u>1,132,375</u>	<u>1,117,960</u>	<u>14,415</u>	<u>1,078,430</u>
Special education programs pre-K				
Salaries	-	2,995	(2,995)	-
Total	<u>-</u>	<u>2,995</u>	<u>(2,995)</u>	<u>-</u>
CTE programs				
Purchased services	1,650	-	1,650	-
Supplies and materials	9,800	8,416	1,384	8,619
Capital outlay	1,000	-	1,000	-
Non-capitalized equipment	1,000	-	(1,000)	-
Total	<u>13,450</u>	<u>8,416</u>	<u>3,034</u>	<u>8,619</u>
Interscholastic programs				
Salaries	91,500	40,449	51,051	182,955
Employee benefits	1,230	594	636	2,439
Purchased services	5,750	598	5,152	5,823
Supplies and materials	20,100	16,217	3,883	16,909
Total	<u>118,580</u>	<u>57,858</u>	<u>60,722</u>	<u>208,126</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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Summer school programs				
Salaries	\$ 2,500	\$ 34,941	\$ (32,441)	\$ 2,277
Employee benefits	20	405	(385)	34
Supplies and materials	50	-	50	-
Total	<u>2,570</u>	<u>35,346</u>	<u>(32,776)</u>	<u>2,311</u>
Gifted programs				
Salaries	-	-	-	185,658
Employee benefits	-	-	-	22,425
Purchased services	150	119	31	139
Supplies and materials	500	39	461	-
Termination benefits	-	-	-	7,653
Total	<u>650</u>	<u>158</u>	<u>492</u>	<u>215,875</u>
Bilingual programs				
Salaries	614,438	602,245	12,193	746,577
Employee benefits	101,678	105,496	(3,818)	122,987
Purchased services	2,000	335	1,665	-
Supplies and materials	9,750	22,344	(12,594)	5,425
Termination benefits	-	-	-	5,526
Total	<u>727,866</u>	<u>730,420</u>	<u>(2,554)</u>	<u>880,515</u>
Special Education K-12 Programs				
Private Tuition	<u>120,000</u>	<u>123,549</u>	<u>(3,549)</u>	<u>126,239</u>
Student activity fund expenditures	<u>-</u>	<u>7,162</u>	<u>(7,162)</u>	<u>26,755</u>
Total instruction	<u>9,457,230</u>	<u>9,463,675</u>	<u>(8,183)</u>	<u>9,207,911</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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 267,095	\$ 254,729	\$ 12,366	\$ 252,293
Employee benefits	40,824	53,374	(12,550)	53,055
Purchased services	1,000	435	565	806
Supplies and materials	<u>1,700</u>	<u>474</u>	<u>1,226</u>	<u>585</u>
Total	<u>310,619</u>	<u>309,012</u>	<u>1,607</u>	<u>306,739</u>
Health services				
Salaries	59,000	50,539	8,461	39,816
Employee benefits	8,794	8,707	87	7,847
Purchased services	84,404	101,131	(16,727)	84,203
Supplies and materials	<u>3,200</u>	<u>295</u>	<u>2,905</u>	<u>1,493</u>
Total	<u>155,398</u>	<u>160,672</u>	<u>(5,274)</u>	<u>133,359</u>
Psychological services				
Salaries	79,278	78,931	347	76,505
Employee benefits	13,531	13,539	(8)	12,795
Purchased services	105,200	114,657	(9,457)	75,064
Supplies and materials	<u>700</u>	<u>389</u>	<u>311</u>	<u>141</u>
Total	<u>198,709</u>	<u>207,516</u>	<u>(8,807)</u>	<u>164,505</u>
Speech pathology and audiology services				
Salaries	155,360	147,263	8,097	135,804
Employee benefits	26,780	26,917	(137)	24,745
Purchased services	20,200	1,829	18,371	6,440
Supplies and materials	<u>3,300</u>	<u>489</u>	<u>2,811</u>	<u>507</u>
Total	<u>205,640</u>	<u>176,498</u>	<u>29,142</u>	<u>167,496</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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Other support services - pupils				
Salaries	\$ 122,000	\$ 80,320	\$ 41,680	\$ 67,183
Employee benefits	<u>1,200</u>	<u>751</u>	<u>449</u>	<u>917</u>
Total	<u>123,200</u>	<u>81,071</u>	<u>42,129</u>	<u>68,100</u>
Total pupils	<u>993,566</u>	<u>934,769</u>	<u>58,797</u>	<u>840,199</u>
Instructional staff				
Improvement of instruction services				
Salaries	254,770	223,279	31,491	224,414
Employee benefits	53,530	52,955	575	18,239
Purchased services	95,851	177,483	(81,632)	69,600
Supplies and materials	20,396	13,168	7,228	12,978
Other objects	<u>2,000</u>	<u>398</u>	<u>1,602</u>	<u>-</u>
Total	<u>426,547</u>	<u>467,283</u>	<u>(40,736)</u>	<u>325,231</u>
Educational media services				
Salaries	140,160	178,563	(38,403)	175,138
Employee benefits	28,705	35,516	(6,811)	33,451
Purchased services	1,650	778	872	516
Supplies and materials	65,550	36,888	28,662	15,807
Capital outlay	500	-	500	-
Non-capitalized equipment	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>237,065</u>	<u>251,745</u>	<u>(14,680)</u>	<u>224,912</u>
Assessment and testing				
Purchased services	12,000	12,451	(451)	10,850
Supplies and materials	<u>3,500</u>	<u>4,391</u>	<u>(891)</u>	<u>1,659</u>
Total	<u>15,500</u>	<u>16,842</u>	<u>(1,342)</u>	<u>12,509</u>
Total instructional staff	<u>679,112</u>	<u>735,870</u>	<u>(56,758)</u>	<u>562,652</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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
General administration				
Board of education services				
Salaries	\$ 13,506	\$ 13,509	\$ (3)	\$ 8,415
Employee benefits	998	1,041	(43)	3,344
Purchased services	189,050	134,950	54,100	166,670
Supplies and materials	6,500	6,694	(194)	8,569
Capital outlay	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Total	<u>212,554</u>	<u>156,194</u>	<u>56,360</u>	<u>186,998</u>
Executive administration services				
Salaries	291,371	294,153	(2,782)	278,949
Employee benefits	72,868	78,565	(5,697)	84,172
Purchased services	4,200	2,317	1,883	10,310
Supplies and materials	4,000	6,160	(2,160)	3,318
Other objects	<u>13,000</u>	<u>8,761</u>	<u>4,239</u>	<u>12,481</u>
Total	<u>385,439</u>	<u>389,956</u>	<u>(4,517)</u>	<u>389,230</u>
Special area administrative services				
Salaries	169,797	173,937	(4,140)	163,062
Employee benefits	57,525	47,468	10,057	45,649
Purchased services	2,000	89	1,911	695
Supplies and materials	500	183	317	528
Capital outlay	500	-	500	-
Other objects	<u>-</u>	<u>1,216</u>	<u>(1,216)</u>	<u>230</u>
Total	<u>230,322</u>	<u>222,893</u>	<u>7,429</u>	<u>210,164</u>
Tort immunity services				
Purchased services	131,390	101,137	30,253	100,465
Total	<u>131,390</u>	<u>101,137</u>	<u>30,253</u>	<u>100,465</u>
Total general administration	<u>959,705</u>	<u>870,180</u>	<u>89,525</u>	<u>886,857</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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
School administration					
Office of the principal services					
Salaries	\$ 614,664	\$ 623,861	\$ (9,197)	\$ 523,314	
Employee benefits	158,718	161,024	(2,306)	131,303	
Purchased services	8,500	5,338	3,162	14,533	
Supplies and materials	13,650	13,752	(102)	16,744	
Other objects	<u>1,500</u>	<u>200</u>	<u>1,300</u>	<u>487</u>	
Total	<u>797,032</u>	<u>804,175</u>	<u>(7,143)</u>	<u>686,381</u>	
Total school administration	<u>797,032</u>	<u>804,175</u>	<u>(7,143)</u>	<u>686,381</u>	
Business					
Direction of business support services					
Salaries	182,449	182,448	1	182,097	
Employee benefits	61,585	61,933	(348)	58,084	
Purchased services	4,000	3,739	261	2,864	
Supplies and materials	5,200	4,933	267	78	
Other objects	550	340	210	530	
Termination benefits	<u>10,160</u>	<u>10,160</u>	<u>-</u>	<u>-</u>	
Total	<u>263,944</u>	<u>263,553</u>	<u>391</u>	<u>243,653</u>	
Fiscal services					
Salaries	133,010	132,008	1,002	138,007	
Employee benefits	10,167	12,257	(2,090)	12,485	
Purchased services	14,000	12,017	1,983	13,337	
Supplies and materials	1,030	596	434	927	
Other objects	<u>200</u>	<u>195</u>	<u>5</u>	<u>120</u>	
Total	<u>158,407</u>	<u>157,073</u>	<u>1,334</u>	<u>164,876</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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Operation and maintenance of plant services				
Supplies and materials	\$ 10,000	\$ -	\$ 10,000	\$ -
Total	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Food services				
Purchased services	115,000	744,681	(629,681)	54,181
Supplies and materials	50,000	7,509	42,491	9,130
Capital outlay	5,300	5,218	82	-
Total	<u>170,300</u>	<u>757,408</u>	<u>(587,108)</u>	<u>63,311</u>
Internal services				
Purchased services	91,100	76,875	14,225	96,205
Supplies and materials	17,000	8,692	8,308	17,190
Total	<u>108,100</u>	<u>85,567</u>	<u>22,533</u>	<u>113,395</u>
Total business	<u>710,751</u>	<u>1,263,601</u>	<u>(552,850)</u>	<u>585,235</u>
Central				
Information services				
Salaries	30,000	30,884	(884)	14,431
Purchased services	8,750	7,840	910	5,740
Supplies and materials	350	614	(264)	226
Other objects	300	285	15	285
Total	<u>39,400</u>	<u>39,623</u>	<u>(223)</u>	<u>20,682</u>
Staff services				
Salaries	14,000	13,000	1,000	11,446
Employee benefits	9	-	9	2,965
Purchased services	1,000	-	1,000	-
Total	<u>15,009</u>	<u>13,000</u>	<u>2,009</u>	<u>14,411</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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Data processing services				
Salaries	\$ 238,876	\$ 243,756	\$ (4,880)	\$ 228,041
Employee benefits	37,990	38,554	(564)	35,735
Purchased services	168,969	166,086	2,883	142,998
Supplies and materials	79,167	71,175	7,992	70,956
Capital outlay	75,000	108,434	(33,434)	425,427
Non-capitalized equipment	<u>-</u>	<u>79,947</u>	<u>(79,947)</u>	<u>-</u>
Total	<u>600,002</u>	<u>707,952</u>	<u>(107,950)</u>	<u>903,157</u>
Total central	<u>654,411</u>	<u>760,575</u>	<u>(106,164)</u>	<u>938,250</u>
Other supporting services				
Supplies and materials	<u>1,000</u>	<u>1,942</u>	<u>(942)</u>	<u>-</u>
Total	<u>1,000</u>	<u>1,942</u>	<u>(942)</u>	<u>-</u>
Total support services	<u>4,795,577</u>	<u>5,371,112</u>	<u>(575,535)</u>	<u>4,499,574</u>
Community services				
Salaries	-	-	-	606
Purchased services	40,880	70,896	(30,016)	21,465
Supplies and materials	<u>1,405</u>	<u>4,089</u>	<u>(2,684)</u>	<u>2,556</u>
Total	<u>42,285</u>	<u>74,985</u>	<u>(32,700)</u>	<u>24,627</u>
Payments to other districts and government units				
Payments for special education programs				
Purchased services	87,000	92,545	(5,545)	85,939
Other objects	<u>2,534,231</u>	<u>2,215,897</u>	<u>318,334</u>	<u>2,480,121</u>
Total	<u>2,621,231</u>	<u>2,308,442</u>	<u>312,789</u>	<u>2,566,060</u>
Total payments to other districts and other government units	<u>2,621,231</u>	<u>2,308,442</u>	<u>312,789</u>	<u>2,566,060</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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Debt service				
Provision for contingencies	\$ 20,000	\$ -	\$ 20,000	\$ -
Total expenditures	<u>16,936,323</u>	<u>17,218,214</u>	<u>(283,629)</u>	<u>16,298,172</u>
Excess (deficiency) of revenues over expenditures	<u>(509,982)</u>	<u>(713,159)</u>	<u>(204,915)</u>	<u>(174,270)</u>
Other financing sources (uses)				
Proceeds from capital lease	-	79,947	(79,947)	477,697
Permanent transfer from working cash fund - abatement	-	-	-	(1,000,000)
Transfer to debt service fund for principal on capital leases	-	(157,379)	(157,379)	(139,573)
Transfer to debt service fund for interest on capital leases	<u>-</u>	<u>(20,379)</u>	<u>(20,379)</u>	<u>(7,036)</u>
Total other financing sources (uses)	<u>-</u>	<u>(97,811)</u>	<u>(257,705)</u>	<u>(668,912)</u>
Net change to fund balance	<u>\$ (509,982)</u>	(810,970)	<u>\$ (300,988)</u>	(843,182)
Fund balance, beginning of year (as restated)		<u>12,600,431</u>		<u>13,443,613</u>
Fund balance, end of year		<u>\$ 11,789,461</u>		<u>\$ 12,600,431</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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 1,419,420	\$ 1,047,098	\$ (372,322)	\$ 1,352,972
Corporate personal property replacement taxes	-	-	-	55,000
Interest on investments	-	349	349	-
Rentals	80,000	114,170	34,170	2,800
Other	-	30,600	30,600	-
	<u>1,499,420</u>	<u>1,192,217</u>	<u>(307,203)</u>	<u>1,410,772</u>
Total local sources	<u>1,499,420</u>	<u>1,192,217</u>	<u>(307,203)</u>	<u>1,410,772</u>
Total revenues	<u>1,499,420</u>	<u>1,192,217</u>	<u>(307,203)</u>	<u>1,410,772</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	15,000	-	15,000	18,500
Capital outlay	10,000	-	10,000	-
	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>18,500</u>
Total	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>18,500</u>
Operation and maintenance of plant services				
Salaries	486,190	431,550	54,640	450,893
Employee benefits	135,956	126,453	9,503	130,310
Purchased services	403,800	307,606	96,194	353,116
Supplies and materials	346,800	364,607	(17,807)	257,318
Capital outlay	78,000	36,985	41,015	45,634
Other objects	250	-	250	250
Non-capitalized equipment	16,500	16,811	(311)	6,005
	<u>1,467,496</u>	<u>1,284,012</u>	<u>183,484</u>	<u>1,243,526</u>
Total	<u>1,467,496</u>	<u>1,284,012</u>	<u>183,484</u>	<u>1,243,526</u>
Total business	<u>1,492,496</u>	<u>1,284,012</u>	<u>208,484</u>	<u>1,262,026</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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Total support services	\$ 1,492,496	\$ 1,284,012	\$ 208,484	\$ 1,262,026
Provision for contingencies	20,000	-	20,000	-
Total expenditures	<u>1,512,496</u>	<u>1,284,012</u>	<u>228,484</u>	<u>1,262,026</u>
Excess of revenues over expenditures	<u>(13,076)</u>	<u>(91,795)</u>	<u>(78,719)</u>	<u>148,746</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - abatement	-	-	-	1,000,000
Transfer to capital projects fund	-	-	-	<u>(1,000,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (13,076)</u>	(91,795)	<u>\$ (78,719)</u>	148,746
Fund balance, beginning of year		<u>971,776</u>		<u>823,030</u>
Fund balance, end of year		<u>\$ 879,981</u>		<u>\$ 971,776</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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 725,327	\$ 627,219	\$ (98,108)	\$ 612,164
Corporate personal property replacement taxes	60,000	60,000	-	50,000
Regular transportation fees from pupils or parents - in state	95,000	93,079	(1,921)	106,912
Other	<u>-</u>	<u>11,774</u>	<u>11,774</u>	<u>-</u>
Total local sources	<u>880,327</u>	<u>792,072</u>	<u>(88,255)</u>	<u>769,076</u>
State sources				
Transportation - Special Education	<u>342,403</u>	<u>338,460</u>	<u>(3,943)</u>	<u>333,320</u>
Total state sources	<u>342,403</u>	<u>338,460</u>	<u>(3,943)</u>	<u>333,320</u>
Total revenues	<u>1,222,730</u>	<u>1,130,532</u>	<u>(92,198)</u>	<u>1,102,396</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	1,104,000	808,901	295,099	936,852
Total	<u>1,104,000</u>	<u>808,901</u>	<u>295,099</u>	<u>936,852</u>
Total support services	<u>1,104,000</u>	<u>808,901</u>	<u>295,099</u>	<u>936,852</u>
Total expenditures	<u>1,104,000</u>	<u>808,901</u>	<u>295,099</u>	<u>936,852</u>

(Continued)

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, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Net change in fund balance	<u>\$ 118,730</u>	321,631	<u>\$ 202,901</u>	165,544
Fund balance, beginning of year		<u>553,941</u>		<u>388,397</u>
Fund balance, end of year		<u>\$ 875,572</u>		<u>\$ 553,941</u>

(Concluded)

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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 404,045	\$ 111,827	\$ (292,218)	\$ 172,862
Social security/Medicare only levy	-	189,357	189,357	221,151
Corporate personal property replacement taxes	9,000	9,000	-	6,740
Other	-	9,420	9,420	-
Total local sources	<u>413,045</u>	<u>319,604</u>	<u>(93,441)</u>	<u>400,753</u>
Total revenues	<u>413,045</u>	<u>319,604</u>	<u>(93,441)</u>	<u>400,753</u>
Expenditures				
Instruction				
Regular programs	120,370	115,514	4,856	98,746
Special education programs	39,733	42,777	(3,044)	38,104
Special education programs pre-K	-	229	(229)	-
Interscholastic programs	2,568	708	1,860	4,744
Summer school programs	40	1,753	(1,713)	33
Gifted programs	-	-	-	828
Bilingual programs	12,518	14,486	(1,968)	14,224
Total instruction	<u>175,229</u>	<u>175,467</u>	<u>(238)</u>	<u>156,679</u>
Support services				
Pupils				
Attendance and social work services	\$ 6,039	\$ 5,926	\$ 113	\$ 6,520
Health services	5,635	4,398	1,237	6,838
Psychological services	1,150	1,137	13	1,097
Speech pathology and audiology services	2,165	2,037	128	1,880
Other support services -pupils	5,457	3,017	2,440	1,904
Total pupils	<u>20,446</u>	<u>16,515</u>	<u>3,931</u>	<u>18,239</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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Instructional staff				
Improvement of instruction services	\$ 4,539	\$ 5,514	\$ (975)	\$ 5,843
Educational media services	5,097	3,586	1,511	3,629
Total instructional staff	<u>9,636</u>	<u>9,100</u>	<u>536</u>	<u>9,472</u>
General administration				
Board of education services	751	603	148	575
Executive administration services	17,407	17,191	216	17,685
Special area administrative services	7,263	9,172	(1,909)	8,562
Total general administration	<u>25,421</u>	<u>26,966</u>	<u>(1,545)</u>	<u>26,822</u>
School administration				
Office of the principal services	31,686	31,322	364	31,383
Total school administration	<u>31,686</u>	<u>31,322</u>	<u>364</u>	<u>31,383</u>
Business				
Direction of business support services	16,718	4,195	12,523	4,006
Fiscal services	23,177	20,390	2,787	21,310
Operation and maintenance of plant services	85,769	75,138	10,631	78,079
Total business	<u>125,664</u>	<u>99,723</u>	<u>25,941</u>	<u>103,395</u>
Central				
Information services	\$ 4,795	\$ 2,363	\$ 2,432	\$ 1,104
Staff services	2,360	2,288	72	1,956
Data processing services	42,384	42,494	(110)	39,144
Total central	<u>49,539</u>	<u>47,145</u>	<u>2,394</u>	<u>42,204</u>
Total support services	<u>262,392</u>	<u>230,771</u>	<u>31,621</u>	<u>231,515</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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Community services	\$ 1,390	\$ -	\$ 1,390	\$ 1,402
Total expenditures	<u>439,011</u>	<u>406,238</u>	<u>32,773</u>	<u>389,596</u>
Net change in fund balance	<u>\$ (25,966)</u>	(86,634)	<u>\$ (60,668)</u>	11,157
Fund balance, beginning of year		<u>188,444</u>		<u>177,287</u>
Fund balance, end of year		<u>\$ 101,810</u>		<u>\$ 188,444</u>

(Concluded)

West Northfield School District 31
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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 of Illinois for the employer's share of the Teacher Retirement Pension and the Teachers' Health Insurance Security Fund OPEB. 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.

- 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 20, 2020.
- g) All budget appropriations lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budget at June 30, 2021:

Fund	Variance
General	\$ 283,629

West Northfield School District 31

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 23-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF 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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were 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.

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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

Methods and Assumptions Used to Determine the 2020 Contribution Rate (Continued):

Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of 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 3.13% used in the Fiscal Year 2020 valuation to 2.45%, 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".

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

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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

Valuation Date:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Fiscal Year End	June 30, 2021

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Entry age normal (Alternative Measurement Method)
Amortization Method	Straight-line
Remaining Amortization Period	8.40 years
Municipal Bond Index	2.18%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%
Election at Retirement	10% of active IMRF employees are assumed to elect coverage continuation at retirement.
Mortality	PubG.H-2010 Mortality Table - General
Healthcare Cost Trend Rates	HMO initial - 5.50% HMO ultimate - 4.50% PPO initial - 5.50% PPO ultimate - 4.50%

Change in Assumptions:

The Discount Rate was changed from 2.66% used in the Fiscal Year 2020 valuation to 2.18%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2021.

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, 2021

	Educational Account	Tort Immunity and Judgment	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 5,680,000	\$ 34	\$ 5,931,127	\$ 11,611,161
Receivables (net of allowance for uncollectibles):				
Interest	1,272	-	-	1,272
Property taxes	7,490,351	-	122	7,490,473
Replacement taxes	103,592	-	-	103,592
Intergovernmental	382,617	-	-	382,617
Prepaid items	<u>31,287</u>	<u>-</u>	<u>-</u>	<u>31,287</u>
Total assets	<u>\$ 13,689,119</u>	<u>\$ 34</u>	<u>\$ 5,931,249</u>	<u>\$ 19,620,402</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 139,835	\$ -	\$ -	\$ 139,835
Other current liabilities	24,569	-	-	24,569
Unearned revenue	<u>174,996</u>	<u>-</u>	<u>-</u>	<u>174,996</u>
Total liabilities	<u>339,400</u>	<u>-</u>	<u>-</u>	<u>339,400</u>
DEFERRED INFLOWS				
Unavailable interest revenue	1,068	-	-	1,068
Property taxes levied for a future period	<u>7,490,351</u>	<u>-</u>	<u>122</u>	<u>7,490,473</u>
Total deferred inflows	<u>7,491,419</u>	<u>-</u>	<u>122</u>	<u>7,491,541</u>

(Continued)

West Northfield School District 31

General Fund

COMBINING BALANCE SHEET

June 30, 2021

	Educational Account	Tort Immunity and Judgment	Working Cash Account	Total
FUND BALANCES				
Nonspendable	31,287	-	-	31,287
Restricted	-	34	-	34
Assigned	20,969	-	-	20,969
Unassigned	<u>5,806,044</u>	<u>-</u>	<u>5,931,127</u>	<u>11,737,171</u>
Total fund balance	<u>5,858,300</u>	<u>34</u>	<u>5,931,127</u>	<u>11,789,461</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 13,689,119</u>	<u>\$ 34</u>	<u>\$ 5,931,249</u>	<u>\$ 19,620,402</u>

(Concluded)

West Northfield School District 31

General Fund

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

For the Year Ended June 30, 2021

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 12,959,463	\$ -	\$ 599	\$ 12,960,062
Replacement taxes	382,821	-	-	382,821
State aid	5,160,215	-	-	5,160,215
Federal aid	1,576,981	-	-	1,576,981
Interest	23,051	-	220	23,271
Other	716,370	-	14	716,384
Total revenues	20,818,901	-	833	20,819,734
Expenditures				
Current:				
Instruction:				
Regular programs	7,379,811	-	-	7,379,811
Special programs	1,242,608	-	-	1,242,608
Other instructional programs	839,360	-	-	839,360
State retirement contributions	4,314,679	-	-	4,314,679
Support services:				
Pupils	934,769	-	-	934,769
Instructional staff	735,870	-	-	735,870
General administration	870,180	-	-	870,180
School administration	804,175	-	-	804,175
Business	1,252,816	-	-	1,252,816
Transportation	-	-	-	-
Operations and maintenance	-	-	-	-
Central	652,141	-	-	652,141
Other supporting services	-	-	-	-
Community services	72,915	-	-	72,915
Nonprogrammed charges	2,310,512	-	-	2,310,512
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	123,057	-	-	123,057
Total expenditures	21,532,893	-	-	21,532,893
Excess (deficiency) of revenues over expenditures	(713,992)	-	833	(713,159)

(Continued)

West Northfield School District 31

General Fund

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

For the Year Ended June 30, 2021

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Other financing sources (uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers (out)	(177,758)	-	-	(177,758)
Capital lease proceeds	<u>79,947</u>	<u>-</u>	<u>-</u>	<u>79,947</u>
Total other financing sources (uses)	<u>(97,811)</u>	<u>-</u>	<u>-</u>	<u>(97,811)</u>
Net change in fund balance	<u>(811,803)</u>	<u>-</u>	<u>833</u>	<u>(810,970)</u>
Fund balance, beginning of year, as restated	<u>6,670,103</u>	<u>34</u>	<u>5,930,294</u>	<u>12,600,431</u>
Fund balance, end of year	<u>\$ 5,858,300</u>	<u>\$ 34</u>	<u>\$ 5,931,127</u>	<u>\$ 11,789,461</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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 889,154	\$ 783,857	\$ (105,297)	\$ 855,010
Corporate personal property replacement taxes	150,000	150,000	-	134,264
Other	<u>-</u>	<u>19,701</u>	<u>19,701</u>	<u>-</u>
Total local sources	<u>1,039,154</u>	<u>953,558</u>	<u>(85,596)</u>	<u>989,274</u>
Total revenues	<u>1,039,154</u>	<u>953,558</u>	<u>(85,596)</u>	<u>989,274</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds and other - interest	<u>435,201</u>	<u>431,274</u>	<u>3,927</u>	<u>432,100</u>
Total debt service - interest	<u>435,201</u>	<u>431,274</u>	<u>3,927</u>	<u>432,100</u>
Principal payments on long-term debt	<u>570,292</u>	<u>572,379</u>	<u>2,087</u>	<u>564,166</u>
Other debt service				
Other objects	<u>-</u>	<u>1,589</u>	<u>(1,589)</u>	<u>789</u>
Total	<u>-</u>	<u>1,589</u>	<u>(1,589)</u>	<u>789</u>
Total debt service	<u>1,005,493</u>	<u>1,005,242</u>	<u>251</u>	<u>997,055</u>
Total expenditures	<u>1,005,493</u>	<u>1,005,242</u>	<u>251</u>	<u>997,055</u>
Deficiency of revenues over expenditures	<u>33,661</u>	<u>(51,684)</u>	<u>(85,345)</u>	<u>(7,781)</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, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Transfer to pay principal on capital leases	\$ -	\$ 157,379	\$ (157,379)	\$ 139,573
Transfer to pay interest on capital leases	<u>-</u>	<u>20,379</u>	<u>(20,379)</u>	<u>7,036</u>
Total other financing sources	<u>-</u>	<u>177,758</u>	<u>(177,758)</u>	<u>146,609</u>
Net change in fund balance	<u>\$ 33,661</u>	126,074	<u>\$ 92,413</u>	138,828
Fund balance, beginning of year		<u>1,207,372</u>		<u>1,068,544</u>
Fund balance, end of year		<u>\$ 1,333,446</u>		<u>\$ 1,207,372</u>

(Concluded)

West Northfield School District 31
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	-	-	-	17,860
Contributions and donations from private sources	-	-	-	120,000
Impact fees from municipal or county governments	<u>75,000</u>	<u>137,706</u>	<u>62,706</u>	<u>72,490</u>
Total local sources	<u>75,000</u>	<u>137,706</u>	<u>62,706</u>	<u>210,350</u>
State sources				
Total revenues	<u>75,000</u>	<u>137,706</u>	<u>62,706</u>	<u>210,350</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	<u>285,000</u>	<u>161,512</u>	<u>123,488</u>	<u>5,492,653</u>
Total	<u>285,000</u>	<u>161,512</u>	<u>123,488</u>	<u>5,492,653</u>
Total support services	<u>285,000</u>	<u>161,512</u>	<u>123,488</u>	<u>5,492,653</u>
Provision for contingencies	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>300,000</u>	<u>161,512</u>	<u>138,488</u>	<u>5,492,653</u>
Deficiency of revenues over expenditures	<u>(225,000)</u>	<u>(23,806)</u>	<u>201,194</u>	<u>(5,282,303)</u>

(Continued)

West Northfield School District 31
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Permanent transfer to capital projects fund	-	-	-	1,000,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balance (deficit)	<u>\$ (225,000)</u>	(23,806)	<u>\$ 201,194</u>	(4,282,303)
Fund balance, beginning of year		<u>391,747</u>		<u>4,674,050</u>
Fund balance (deficit), end of year		<u>\$ 367,941</u>		<u>\$ 391,747</u>

(Concluded)

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assessed Valuation	\$ <u>669,257,911</u>	<u>675,663,444</u>	\$ <u>598,973,369</u>	\$ <u>611,806,992</u>	\$ <u>596,179,292</u>
Rates Extended					
Educational	2.2399	2.0785	2.3196	2.2145	2.2676
Operations and Maintenance	0.1494	0.2072	0.2235	0.2125	0.1845
Debt Service	0.1327	0.1292	0.1439	0.1380	0.1392
Transportation	0.1046	0.1036	0.0860	0.0736	0.0503
Municipal Retirement	0.0164	0.0222	0.0344	0.0212	0.0168
Social Security	0.0284	0.0355	0.0344	0.0392	0.0403
Working Cash	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>
Total rates extended	<u>2.6715</u>	<u>2.5763</u>	<u>2.8419</u>	<u>2.6991</u>	<u>2.6988</u>
Levies Extended					
Educational	\$ 14,990,504	14,043,774	\$ 13,894,080	\$ 13,548,522	\$ 13,518,976
Operations and Maintenance	1,000,000	1,400,000	1,339,000	1,300,000	1,100,000
Debt Service	887,794	872,873	861,827	844,250	829,885
Transportation	700,000	700,000	515,000	450,000	300,000
Municipal Retirement	110,000	150,000	206,000	130,000	100,000
Social Security	190,000	240,000	206,000	240,000	240,000
Working Cash	<u>500</u>	<u>500</u>	<u>515</u>	<u>500</u>	<u>500</u>
Total levies extended	<u>\$ 17,878,798</u>	<u>17,407,147</u>	<u>\$ 17,022,422</u>	<u>\$ 16,513,272</u>	<u>\$ 16,089,361</u>
Total collections	<u>\$ 8,766,546</u>	<u>16,152,582</u>	<u>\$ 16,779,605</u>	<u>\$ 16,212,001</u>	<u>\$ 15,810,460</u>
Percentage of extensions collected	<u>49.03%</u>	<u>92.79%</u>	<u>98.57%</u>	<u>98.18%</u>	<u>98.27%</u>

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