

DRAFT

ANNUAL FINANCIAL REPORT
NILES ELEMENTARY
SCHOOL DISTRICT NO. 71
NILES, ILLINOIS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

NILES ELEMENTARY
SCHOOL DISTRICT NO. 71
TABLE OF CONTENTS
JUNE 30, 2022

DRAFT

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1
Required Supplementary Information		
Management's Discussion and Analysis		4
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	A	12
Statement of Activities	B	13
Fund Financial Statements		
Balance Sheet – Governmental Funds	C	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds – With Comparative Actual Totals	D	18
Notes to the Basic Financial Statements		21
Required Supplementary Information		
Schedule of Employer's Proportionate Share of the Net Pension Liability – Teachers' Retirement System (TRS) of the State of Illinois		48
Schedule of the Employer Contributions – Teachers' Retirement System (TRS) of the State of Illinois		50
Schedule of Changes in Net Pension Liability and Related Ratios – Illinois Municipal Retirement Fund (IMRF)		52
Schedule of Employer Contributions – Illinois Municipal Retirement Fund (IMRF)		54
Schedule of the Employer's Proportionate Share of the THIS Liability – Other Post-Employment Benefits (OPEB) – Teachers' Health Insurance Security (THIS) Fund		55
Schedule of Employer Contributions – Other Post-Employment Benefits (OPEB) – Teachers' Health Insurance Security (THIS) Fund		57
	<u>Schedule</u>	<u>Page</u>
<i>General and Major Special Revenue Funds</i>		
General Fund – Combining Balance Sheet	1	59
<i>Schedule of Revenues, Expenditures and Change in Fund Balances – Budget to Actual – With Comparative Actual Amounts</i>		
General Fund	2	60

NILES ELEMENTARY
SCHOOL DISTRICT NO. 71
TABLE OF CONTENTS
JUNE 30, 2022

DRAFT

	<u>Schedule</u>	<u>Page</u>
<i>Schedule of Revenues, Expenditures and Change in Fund Balances – Budget to Actual – With Comparative Actual Amounts</i>		
Operations and Maintenance Fund	3	62
Transportation Fund	4	64
Municipal Retirement/Social Security Fund	5	65
Capital Projects Fund	6	67
Notes to Required Supplementary Information		68
Supplementary Information		
<i>General Fund Accounts – Schedule of Revenues, Expenditures and Change in Fund Balances – Budget to Actual – With Comparative Actual Amounts</i>		
Educational Account	7	70
Working Cash Account	8	77
Debt Service Fund	9	78
Schedule of Revenues, Expenditures and Fund Balance – Student Activities	10	79
Schedule of Assessed Valuations, Tax Rates, Extensions and Collections	11	80
Schedule of Operating Costs and Tuition Charges	12	81
Schedule of Debt Certificates Outstanding	13	82



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

Telephone (847) 221-5700
Facsimile (847) 221-5701

1875 Hicks Road
Rolling Meadows, Illinois 60008

INDEPENDENT AUDITOR'S REPORT

Board of Education
Niles Elementary School District No. 71
Niles, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Niles, Elementary School District No. 71, Niles, Illinois (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

DRAFT

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Prior-Year Comparative Information

We have previously audited the District's 2021 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information in our report dated October 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2021, (not presented herein), and have issued our report October 13, 2021, which contained unmodified audit opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The supplementary information, as listed in the table of contents, for the year ended June 30, 2021, is presented for purposes of additional analysis and is 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 2021 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **XXXXX XX, 2022**, 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 solely 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.

Evans, Marshall & Pease, P.C.

Evans, Marshall & Pease, P.C.
Certified Public Accountants

Rolling Meadows, Illinois
XXXXX XX, 2022

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

The discussion and analysis of Niles Elementary School District No. 71's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The management of the District encourages readers to consider the information presented herein, in conjunction with the transmittal letter found in the introductory section and the basic financial statements, to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis ("MD&A").

Financial Highlights

- The financial statements are presented using the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized when incurred. The following information should be viewed with this in mind.
- The assets of the District exceeded its liabilities at June 30, 2022, by \$18,416,784 (net position).
- The District's total net position increased by \$4,860,187.
- The District had capital outlay expenditures in the amount of \$802,454 for various improvements and equipment purchases.
- Fund balances totaled \$26,454,565, which is an increase of \$11,679,235 in comparison to the previous year.

Overview of the Financial Statements

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

- Government-Wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements

This report also contains required supplementary information and supplementary information in addition to the basic financial statements. Included as revenue and expense in the Educational Account is the annual "on-behalf" payment by the State to the Teachers' Retirement System (TRS) and the Teachers' Health Insurance Security (THIS) fund discussed elsewhere in this audit report. This is money over which the District has no control and never sees on its books. In fact, the State does not always make this contribution, or make it on time. This contribution by the State must be shown in the audit, but it should be kept in mind that to get a true picture of the District's revenue, expenses and balances, this contribution must be discounted.

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District	The activities of the District, such as the general fund
Required financial statements	Statement of net position	Balance sheet
	Statement of activities	Statement of revenues, expenditures, and changes in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or liabilities included
Type of deferred inflows/outflows of resources information	All deferred inflows and outflows of resources, financial, short-term and long-term	Generally deferred outflows of resources to be used up and deferred inflows that come due during the year or soon thereafter; no capital or debt included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of dates of actual cash transactions	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Position* includes all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year’s revenues and expenditures are accounted for in the *Statement of Activities* regardless of when cash is received or disbursed. Both statements are prepared using the accrual basis of accounting.

The government-wide statements report the District’s net position and how it has changed. Net position, the difference between the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities need to be considered.

In the government-wide financial statements, the District's activities are all categorized as Governmental Activities. All of the District's basic services such as regular and special education, transportation and administration are included in the statements. The property tax extension and Evidence Based Funding are the two primary revenue sources financing these activities.

Fund Financial Statements

The District's fund financial statements provide more detailed information about the District's funds. Funds are independent fiscal entities used to account for specific sources of funding and spending on particular programs. Some funds are required by state law such as Educational and Transportation and others the District establishes to manage and control monies for particular purposes.

The District's categories of funds:

- Governmental funds – most of the District's basic services are included in the governmental funds, which generally focus on: 1) how cash and other financial assets that can be readily converted to cash flow in and out; and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship between them.
- The District maintains no fiduciary and no proprietary funds.

Notes to the Financial Statements

The notes are an integral part of the financial statements and provide additional information that is essential to a full 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 operations presented to supplement the basic financial statements and progress in funding related to the Teachers' Retirement System (TRS), Illinois Municipal Retirement Fund (IMRF), and Teachers' Health Insurance Security (THIS) Fund. The *Supplementary Information* provides additional analysis derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

Financial Analysis of the District as a Whole

Statement of Net Position: The following summary data is compared with data from the preceding year. The following provides a summary of the District's Statement of Net Position as of June 30, 2022 and 2021:

	Governmental Activities		% Change
	2022	2021	
<i>Assets</i>			
Other assets	\$ 33,203,028	\$ 20,397,090	62.78%
Capital assets, net of depreciation	6,164,429	5,848,193	5.41%
<i>Total Assets</i>	<u>39,367,457</u>	<u>26,245,283</u>	<u>50.00%</u>
<i>Deferred Outflows of Resources</i>			
Pensions	199,893	491,382	-59.32%
Other post-employment benefits	285,691	366,983	-22.15%
<i>Total Deferred Outflows of Resources</i>	<u>485,584</u>	<u>858,365</u>	<u>-43.43%</u>
<i>Liabilities</i>			
Other liabilities	184,876	119,451	54.77%
Noncurrent liabilities	12,120,630	6,136,004	97.53%
<i>Total Liabilities</i>	<u>12,305,506</u>	<u>6,255,455</u>	<u>96.72%</u>
<i>Deferred Inflows of Resources</i>			
Unavailable revenue - property taxes	5,632,426	5,124,591	9.91%
Pensions	1,123,079	916,377	22.56%
Other post-employment benefits	2,375,246	1,250,628	89.92%
<i>Total Deferred Inflows of Resources</i>	<u>9,130,751</u>	<u>7,291,596</u>	<u>25.22%</u>
<i>Net Position</i>			
Net investment in capital assets	6,749,429	5,840,899	15.55%
Restricted	14,105,873	3,730,777	278.09%
Unrestricted	(2,438,518)	3,984,921	-161.19%
<i>Total Net Position</i>	<u>\$ 18,416,784</u>	<u>\$ 13,556,597</u>	<u>35.85%</u>

Total Net Position: Please note that the amounts reported for governmental activities in the audit statement above are different from the governmental funds because (1) capital assets used in governmental activities are not financial resources, as they are in business, and are not reported as assets in governmental funds. (2) long-term liabilities, including debt certificates payable, pension and other-post employment benefits are not due in the current period and therefore not reported as liabilities in the funds. The result is that the total net position for governmental activities is \$18,416,784.

Restricted Net Position: A portion of the District's total net position is considered restricted. The District's restricted net position results from portions of governmental funds that are restricted in any that limit the availability of fund resources for future use. The Operations and Maintenance, Transportation, and Municipal Retirement/Social Security Funds are special revenue funds; by law, funds held in a special revenue fund are restricted to the purpose of the fund. The Net Position of the General Fund student activities cash balance, Debt Service Fund and Capital Projects Fund is also restricted.

**Niles Elementary School District No. 71
Management's Discussion and Analysis
For the Year Ended June 30, 2022**

DRAFT

The funds have a restricted balance as follows: General Fund's student activity cash balance, \$17,497; Operations and Maintenance Fund, \$2,154,463; Transportation Fund, \$509,883; and Municipal Retirement/Social Security Fund, \$817,602; and Capital Projects Fund, \$10,606,428. The District's total restricted net position at the end of the fiscal year totaled \$14,105,873. There were no significant changes affecting restrictions, commitments, or other limitations to the availability of fund resources for future use.

Changes in Net Position from Operating Results: The following is a summary of the District's changes in net position for the year ending June 30, 2022, and 2021:

	Governmental Activities			
	2022	Percentage of Total	2021	Percentage of Total
<i>Revenues</i>				
<i>Program revenues</i>				
Charges for services	\$ 128,685	0.69%	\$ 126,799	0.80%
Operating grants and contributions	3,741,904	20.18%	5,776,011	36.61%
Capital grants and contributions	-	0.00%	-	0.00%
<i>General revenues</i>				
Property taxes	9,744,729	52.57%	8,592,527	54.46%
Personal property replacement taxes	986,787	5.32%	456,386	2.89%
Earnings on investments	417,719	2.25%	273,063	1.73%
Evidence based funding formula	554,337	3.00%	553,676	3.51%
Sale of capital assets	2,964,267	15.99%	-	0.00%
<i>Total Revenues</i>	<u>18,538,428</u>	<u>100.00%</u>	<u>15,778,462</u>	<u>100.00%</u>
<i>Expenses</i>				
<i>Current</i>				
Instruction	8,191,039	59.87%	10,308,014	70.69%
Support services	3,490,471	25.52%	3,247,639	22.27%
Community services	7,640	0.06%	25,183	0.17%
Payments to other governmental units	1,471,572	10.76%	682,279	4.68%
Debt service - interest and other	189,516	1.39%	643	0.00%
Depreciation - unallocated	328,003	2.40%	317,842	2.18%
<i>Total Expenses</i>	<u>13,678,241</u>	<u>100.00%</u>	<u>14,581,600</u>	<u>100.00%</u>
<i>Change in Net Position</i>	<u>4,860,187</u>		<u>1,196,862</u>	
<i>Net Position - Beginning</i>	<u>13,556,597</u>		<u>12,359,735</u>	
<i>Net Position - Ending</i>	<u>\$ 18,416,784</u>		<u>\$ 13,556,597</u>	

Changes in Net Position: The District's combined net position increased by \$4,860,187 to \$18,416,784 in fiscal year 2022.

The District's total revenues were \$18,538,428 for governmental activities. Local taxes (predominantly real estate taxes) were \$10,731,516 or 57.89%. Charges for services were \$128,685 or 0.69%. Operating grants and contributions were \$3,741,904 or 20.18% of the total. Earnings on investments was \$417,719 or 2.25%. Evidence based funding formula was \$554,337 or 3.00%. Sale of capital assets was \$2,964,267 or 15.99%.

Total costs for all governmental programs totaled \$13,678,241. Expenses are predominantly related to instruction, support services, community services, and payments to other governmental units. Expenses were lower in comparison to the prior year. Combined expenses for instruction and support services in the fiscal year ended June 30, 2022, totaled \$11,681,510, which is \$1,874,143 less than the combined total of \$13,555,653 in the previous fiscal year.

As noted earlier it should be kept in mind that to get a true picture of the District's revenue, expenses and balances the "on-behalf" payment by the state to the Teachers' Retirement System (TRS) and the Teachers' Health Insurance Security (THIS) fund must be discounted. This amount totaled \$2,664,473 in fiscal year 2022, and is included in "operating grants and contributions" in the revenues and "instruction" within the expenses. On-behalf payments by the state totaled \$4,671,885 in fiscal year 2021.

Financial Analysis of the District's Funds

The financial performance of the District reflects the financial climate of the country as a whole and Illinois in particular. Expenditures and revenues are monitored carefully. Financial updates and projections are shared with the Board of Education regularly. Account balances for all funds, except the Debt Service Fund, are at positive levels for the year ended June 30, 2022. The governmental funds reported combined fund balances of \$26,454,565, which is an increase of \$11,679,235 in comparison to the prior year.

General Fund (Educational and Working Cash Accounts)

- Fund balance increased by \$1,992,178, resulting in an ending fund balance of \$13,053,272.
- Revenues totaled \$13,577,456, which is \$1,763,410 more than the previous year, while on-behalf payments decreased by \$2,007,412 to \$2,664,473.

Operations and Maintenance Fund

- Fund balance increased by \$335,959 resulting in an ending fund balance of \$2,154,463.

Transportation Fund

- Fund balance increased by \$133,283 resulting in an ending fund balance of \$509,883.

Municipal Retirement/Social Security Fund

- Fund balance increased by \$28,989 resulting in an ending fund balance of \$817,602.

Debt Service Fund

- Fund balance decreased by \$729,217, resulting in an ending deficit fund balance of \$687,083.

Capital Projects Fund

- Fund balance increased by \$9,918,043 resulting in an ending fund balance of \$10,606,428.

Capital Assets and Debt Administration

Capital Assets

Total depreciation expense for the year was \$486,218, while additions to capital assets amounted to \$802,454, which consisted of improvements and equipment purchases.

	<u>2022</u>	<u>2021</u>
Land	\$ 105,000	\$ 105,000
Construction in progress	-	321,854
Buildings and improvements	4,990,831	4,388,860
Site improvements	725,746	752,467
Equipment	<u>342,852</u>	<u>280,012</u>
Total	<u>\$ 6,164,429</u>	<u>\$ 5,848,193</u>

More detailed information about capital assets can be found in Note 5 to the financial statements.

Long-Term Debt

At year end, the District had total debt certificates outstanding of \$7,415,000, \$570,000 which is due within the next fiscal year.

	<u>2022</u>	<u>2021</u>
Debt certificates	\$ 7,415,000	\$ -
Other	<u>-</u>	<u>7,294</u>
Total	<u>\$ 7,415,000</u>	<u>\$ 7,294</u>

More detailed information about long-term debt can be found in Note 6 to the financial statements.

Budgetary Analysis

During the year ended June 30, 2022, actual expenditures disbursed exceeded budgeted expenditures in the following funds:

<u>Account</u>	<u>Budgeted Expenditures</u>	<u>Actual Disbursed</u>	<u>Over Budget</u>
General Fund			
(Educational Account)	\$ 9,323,417	\$ 11,585,278	\$ 2,261,861
Debt Service Fund	700,300	729,534	29,234

The General Fund (Educational Account) over expended its budget by \$2,261,861, due to un-budgeted on-behalf payments made by the state for \$2,664,473. The Debt Service Fund over expended its budget by \$29,234 due to un-budgeted debt certificate fee payments.

Factors Bearing on the District's Financial Future

The District is aware of the following factors that may affect its future financial health:

- The lack of consistent on-time payments from the State of Illinois and the potential loss of significant State revenues.

- The continued deterioration of the financial condition of the statewide Teachers Retirement System (TRS) and the threat of the normal cost for the pension system being passed on to the District.
- Property tax appeals leading to assessment reductions and eroding District property tax collections or EAV.
- The state of the economy, particularly at the State level, continues to affect the District's state funding levels and timing of state receipts.
- The inability of lawmakers to address the State's financial dilemmas continues to create future financial uncertainty for school districts, of which the District is not immune. Likewise, the issue of local property tax "freezes" and pension reform continues to be a focus of State lawmakers, again creating more financial uncertainty for school districts.

Contacting the District's Financial Management

The financial report is designed to provide the District's citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or require additional information, contact the Business Office at Culver School, 6901 W. Oakton St., Niles, IL 60714.

DRAFT

BASIC FINANCIAL STATEMENTS

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
STATEMENT OF NET POSITION
JUNE 30, 2022

DRAFT

WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2021

	Governmental Activities	
	2022	2021
ASSETS		
Cash and investments	\$ 26,239,755	\$ 14,657,747
Receivables (net of allowance for uncollectibles)	5,958,958	5,361,625
Capital assets not being depreciated	105,000	426,854
Capital assets, net of accumulated depreciation	6,059,429	5,421,339
Net pension asset	1,004,315	377,718
Total Assets	39,367,457	26,245,283
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	199,893	491,382
Other post-employment benefits	285,691	366,983
Total Deferred Outflows of Resources	485,584	858,365
LIABILITIES		
Accounts payable	132,600	119,451
Accrued interest payable	52,276	-
Noncurrent liabilities		
Due within one year	570,000	6,208
Due in more than one year	11,550,630	6,129,796
Total Liabilities	12,305,506	6,255,455
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	5,632,426	5,124,591
Pensions	1,123,079	916,377
Other post-employment benefits	2,375,246	1,250,628
Total Deferred Inflows of Resources	9,130,751	7,291,596
NET POSITION		
Net investment in capital assets	6,749,429	5,840,899
Restricted	14,105,873	3,730,777
Unrestricted	(2,438,518)	3,984,921
Total Net Position	\$ 18,416,784	\$ 13,556,597

The accompanying notes to the financial statements are an integral part of this statement.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

DRAFT

WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2021

Functions/ Programs	Expenses Disbursed	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Current				
Instruction	\$ 8,191,039	\$ 111,358	\$ 3,366,743	\$ -
Support services	3,490,471	17,327	375,161	-
Community services	7,640	-	-	-
Payments to other gov't units	1,471,572	-	-	-
Debt Service				
Interest and other	129,845	-	-	-
Fees	59,671	-	-	-
Depreciation - unallocated*	328,003	-	-	-
Total Governmental Activities	\$ 13,678,241	\$ 128,685	\$ 3,741,904	\$ -

GENERAL REVENUES

- Taxes
 - Property taxes
 - Personal property replacement taxes
- Earnings on investments
- Evidence based funding formula
- Sale of capital assets

Total General Revenues

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR

NET POSITION - END OF YEAR

*This amount excludes the depreciation that is included in direct expenses of the functions.

The accompanying notes to the financial statements are an integral part of this statement.

DRAFT

Governmental Activities	
2022	2021
Net (Expense) Revenue and Changes in Net Position	
\$ (4,712,938)	\$ (4,755,089)
(3,097,983)	(2,897,754)
(7,640)	(25,183)
(1,471,572)	(682,279)
(129,845)	(643)
(59,671)	-
(328,003)	(317,842)
<u>(9,807,652)</u>	<u>(8,678,790)</u>
9,744,729	8,592,527
986,787	456,386
417,719	273,063
554,337	553,676
2,964,267	-
<u>14,667,839</u>	<u>9,875,652</u>
4,860,187	1,196,862
<u>13,556,597</u>	<u>12,359,735</u>
<u>\$ 18,416,784</u>	<u>\$ 13,556,597</u>

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

DRAFT

WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2021

	General Fund	Operations and Maintenance Fund	Transportation Fund
ASSETS			
Cash and investments	\$ 12,723,201	\$ 2,197,546	\$ 502,781
Receivables (net of allowance for uncollectibles):			
Property taxes	4,438,966	829,085	237,636
Replacement taxes	161,674	-	-
Intergovernmental	156,380	-	8,478
<u>Total Assets</u>	<u>\$ 17,480,221</u>	<u>\$ 3,026,631</u>	<u>\$ 748,895</u>
LIABILITIES			
Accounts payable	\$ 4,437	\$ 46,156	\$ 2,257
<u>Total Liabilities</u>	<u>4,437</u>	<u>46,156</u>	<u>2,257</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	4,422,512	826,012	236,755
<u>Total Deferred Inflows of Resources</u>	<u>4,422,512</u>	<u>826,012</u>	<u>236,755</u>
FUND BALANCES			
Restricted	17,497	2,154,463	509,883
Unassigned	13,035,775	-	-
<u>Total Fund Balances</u>	<u>13,053,272</u>	<u>2,154,463</u>	<u>509,883</u>
<u>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</u>	<u>\$ 17,480,221</u>	<u>\$ 3,026,631</u>	<u>\$ 748,895</u>

The accompanying notes to the financial statements are an integral part of this statement.

DRAFT

Municipal Retirement/Social Security Fund	Debt Service Fund	Capital Projects Fund	Total	
			2022	2021
\$ 817,132	\$ (687,083)	\$ 10,686,178	\$ 26,239,755	\$ 14,657,747
126,739	-	-	5,632,426	5,124,591
-	-	-	161,674	85,383
-	-	-	164,858	151,651
<u>\$ 943,871</u>	<u>\$ (687,083)</u>	<u>\$ 10,686,178</u>	<u>\$ 32,198,713</u>	<u>\$ 20,019,372</u>
\$ -	\$ -	\$ 79,750	\$ 132,600	\$ 119,451
-	-	79,750	132,600	119,451
126,269	-	-	5,611,548	5,124,591
126,269	-	-	5,611,548	5,124,591
817,602	-	10,606,428	14,105,873	3,730,777
-	(687,083)	-	12,348,692	11,044,553
817,602	(687,083)	10,606,428	26,454,565	14,775,330
<u>\$ 943,871</u>	<u>\$ (687,083)</u>	<u>\$ 10,686,178</u>	<u>\$ 32,198,713</u>	<u>\$ 20,019,372</u>

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT C
(Concluded)
DRAFT

Total fund balances - governmental funds		\$ 26,454,565
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		6,164,429
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	\$ 199,893	
Deferred inflows - pension related	(1,123,079)	
Deferred outflows - other post-employment benefits related	285,691	
Deferred inflows - other post-employment benefits related	<u>(2,375,246)</u>	(3,012,741)
Deferred inflows of resources related to property taxes, do not relate to current financial resources and are not included in the funds.		(20,878)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(7,415,000)	
Interest payable	(52,276)	
Pension related asset	1,004,315	
Pension related debt	(435,368)	
Other post-employment benefits debt	<u>(4,270,262)</u>	<u>(11,168,591)</u>
Total net position of governmental activities (Exhibit A)		<u>\$ 18,416,784</u>

The accompanying notes to the financial statements are an integral part of this statement.

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

DRAFT

FOR THE YEAR ENDED JUNE 30, 2022

WITH SUMMARIZED COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Operations and Maintenance Fund	Transportation Fund
REVENUES			
Local Sources			
Property taxes	\$ 7,982,845	\$ 1,172,627	\$ 402,100
Personal property replacement taxes	984,287	-	-
Earnings on investments	225,788	33,331	7,964
Other	122,206	6,479	-
State Sources	705,228	-	33,911
State on-behalf retirement	2,664,473	-	-
Federal Sources	892,629	-	-
	<u>13,577,456</u>	<u>1,212,437</u>	<u>443,975</u>
EXPENDITURES			
Current			
Instruction	5,561,290	-	-
State on-behalf retirement	2,664,473	-	-
Support services	2,473,143	664,674	310,692
Community services	7,640	-	-
Payments to other government units	858,265	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Fees	-	-	-
Capital Outlay	20,467	211,804	-
	<u>11,585,278</u>	<u>876,478</u>	<u>310,692</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,992,178</u>	<u>335,959</u>	<u>133,283</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Debt certificates issued	-	-	-
Sale of capital assets	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>1,992,178</u>	<u>335,959</u>	<u>133,283</u>
FUND BALANCE - BEGINNING OF YEAR	<u>11,061,094</u>	<u>1,818,504</u>	<u>376,600</u>
FUND BALANCE - END OF YEAR	<u>\$ 13,053,272</u>	<u>\$ 2,154,463</u>	<u>\$ 509,883</u>

The accompanying notes to the financial statements are an integral part of this statement.

DRAFT

Municipal Retirement/Social Security Fund	Debt Service Fund	Capital Projects Fund	Total	
			2022	2021
\$ 208,035	\$ -	\$ -	\$ 9,765,607	\$ 5,666,482
2,500	-	-	986,787	456,386
13,053	317	137,266	417,719	273,063
-	-	-	128,685	126,799
-	-	-	739,139	808,008
-	-	-	2,664,473	4,671,885
-	-	-	892,629	849,794
<u>223,588</u>	<u>317</u>	<u>137,266</u>	<u>15,595,039</u>	<u>12,852,417</u>
81,133	-	-	5,642,423	5,483,969
-	-	-	2,664,473	3,183,331
113,466	-	-	3,561,975	4,671,885
-	-	-	7,640	25,183
-	-	613,307	1,471,572	682,279
-	585,000	-	585,000	5,840
-	84,863	-	84,863	643
-	59,671	-	59,671	-
-	-	570,183	802,454	404,208
<u>194,599</u>	<u>729,534</u>	<u>1,183,490</u>	<u>14,880,071</u>	<u>14,457,338</u>
<u>28,989</u>	<u>(729,217)</u>	<u>(1,046,224)</u>	<u>714,968</u>	<u>(1,604,921)</u>
-	-	-	-	1,006,483
-	-	-	-	(1,006,483)
-	-	8,000,000	8,000,000	-
-	-	2,964,267	2,964,267	-
<u>-</u>	<u>-</u>	<u>10,964,267</u>	<u>10,964,267</u>	<u>-</u>
28,989	(729,217)	9,918,043	11,679,235	(1,604,921)
<u>788,613</u>	<u>42,134</u>	<u>688,385</u>	<u>14,775,330</u>	<u>16,380,251</u>
<u>\$ 817,602</u>	<u>\$ (687,083)</u>	<u>\$ 10,606,428</u>	<u>\$ 26,454,565</u>	<u>\$ 14,775,330</u>

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
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, 2022

Net Change in Fund Balances - total governmental funds (Exhibit D)		\$ 11,679,235
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Depreciation expense	\$ (486,218)	
Capital outlay over capitalization limits	<u>802,454</u>	316,236
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Earned but unavailable taxes		(20,878)
Bonds and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Debt certificates issued	(8,000,000)	
Principal paid on debt certificates	<u>585,000</u>	(7,415,000)
Some amounts reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Accrued interest on long-term debt	(52,276)	
Changes in pension liabilities and related deferred outflows and deferred inflows of resources	245,662	
Changes in OPEB liabilities and related deferred outflows and deferred inflows of resources	99,914	
Lease adjustment	<u>7,294</u>	<u>300,594</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,860,187</u>

The accompanying notes to the financial statements are an integral part of this statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Niles Elementary School District No. 71 (the "District") operates as a public-school system governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

A. Financial Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is a legally separate organization for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

There are no component units, as defined by GASB, which are included in the District's reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.

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

B. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses not allocated to functions are reported separately. A portion of depreciation expense is specifically identified by function and is included in the direct expenses of each function, and the remainder is unallocated. Program revenues include 1) tuition and fees and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Governmental Funds Financial Statements

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

Governmental Fund Types

Governmental fund types are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general capital assets and the servicing of general long-term debt. Governmental fund types include the following:

General Fund – The General Fund consists of the legally mandated Educational Account and Working Cash Account, and is the primary operating fund of the District and is always classified as a major fund. It is used to account for the revenues received and expenditures disbursed which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds – The Special Revenue Funds, which include the Operations and Maintenance Fund, Transportation Fund, and the Municipal Retirement/Social Security Fund, are used to account for revenue received from specific sources (other than those accounted for in the Debt Service and Capital Projects Funds) that are legally restricted to expenditures disbursed for specified purposes.

Debt Service Fund – The Debt Services Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures which mandate a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all issues.

Capital Projects Funds – The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund Types (not included in governmental-wide statements)

There are no Proprietary Fund Types.

Fiduciary Funds (not included in governmental-wide statements)

There are no Fiduciary Fund Types.

Major and Non-major Funds

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District, is considered major by the District or meets the following criteria:

- Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The District has elected to treat all funds as major.

The funds classified as major are as follows:

General Fund – see above for description.

Operations and Maintenance Fund – accounts for expenditures made for the repair and maintenance of the District's building and property. Revenue consists primarily of local property taxes.

Transportation Fund – accounts for all revenues and expenditures related to student transportation to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

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

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 source is local property taxes levied specifically for debt service.

Capital Projects Funds – accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net positions may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

C. Measurement Focus/Basis of Accounting

The government-wide financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of "current financial resources" measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 pay liabilities of the current period. For this purpose, the District considers property tax revenues available if they are collected within 60 days after year-end. All other state and federal revenues are "measurable and available" if they are vouchered by the Illinois State Board of Education on or before June 30, 2022 and which are normally collected within 60 days of year end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Expenditures are recorded when the related fund liability is incurred. Certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System and Teachers' Health Insurance Security Fund) have been recognized in the financial statements.

D. Equity Classifications/Fund Balance Reporting

Government-Wide Reporting

Equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

Restricted net position – consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation. The Restricted Net Position consists of the General Fund's student activities cash balance, \$17,497; the Operations and Maintenance Fund by statute, \$2,154,463; the Transportation Fund by statute, \$509,883; the Municipal Retirement/Social Security Fund by statute, \$817,602; and the Capital Projects Fund by statute, \$10,606,428; totaling \$14,105,873.

Unrestricted net position – all other net position that do not meet the definition of "Restricted" or "Net investment in capital assets."

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

Governmental Fund Balance Reporting

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid items. There are no assigned fund balance designations for the year ended June 30, 2022.

Restricted – The restricted balance classification refers to amounts that are subject to restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributions or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special revenue funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that fall into these categories:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- Student Activities – revenues and the related expenditures are accounted for in the Educational Account. As of June 30, 2022, the restricted balance is \$17,497.
- Special Education – revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenues for this purpose, resulting in no restricted fund balance.
- State grants – proceeds from state grants and the related expenditures have been included in the Educational Account and the Transportation Fund. At June 30, 2022, expenditures exceeded revenues from state grants, resulting in no restricted fund balance.
- Federal grants – proceeds from federal grants and the related expenditures have been included in the Educational Account. At June 30, 2022, expenditures exceeded revenues from federal grants, resulting in no restricted fund balance.
- Social Security – expenditures and related expenditures of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2022, expenditures disbursed exceeded revenue received, resulting in no restricted fund balance.

Committed – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit that amount. The formal action required to modify, rescind or commit fund balance is by formal resolution of the school board to allocate funds to a specific project. There are no committed fund balance designations.

Assigned – the assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. There are no assigned fund balance designations. The Board of Education may assign amounts for specific purposes. Assignments may take place after the end of the reporting period.

Unassigned – the unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

E. Assets, Deferred Inflows/Outflows of Resources, Liabilities and Net Position or Equity

Cash and Investments

Investments of the District, for which the Niles Township School Treasurer maintains accounting records, are in the custody of the Treasurer, except for imprest funds, which are in the custody of the District. The Treasurer maintains cash accounts for each Fund of the District and invests excess cash. These investments are in the name of the Treasurer. Income is distributed monthly based on each district's contribution to the purchase of such securities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Receivables

In government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends. Major receivable balances are shown on the exhibits. In fund financial statements, material receivables in governmental funds include revenue accruals that are both measurable and available. Non-exchange transactions collectible but not available are unearned in the fund financial statements in accordance with modified accrual, but not unearned in the government-wide financial statements in accordance with the accrual basis.

Capital Assets

Capital assets, which include land, buildings and improvements, site improvements and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial individual cost of more than \$500 for furniture and equipment and \$500 for buildings and improvements 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 the life of an asset are not capitalized. Buildings and improvements, site improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-40
Site improvements	15-20
Equipment	5-20

In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

Long-Term Liabilities

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 are deferred and amortized over the life of the applicable bonds using the effective interest method. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the period incurred. 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 the actual debt proceeds received, are reported as debt service expenditures (i.e., interest and other).

Deferred outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualifies for this category. The first is deferred charge on refunding reported in the government-wide statement of net

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

position. The items are pensions and other post-employment benefits reported in the government-wide statement of position. These results are from differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions.

Deferred inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. The first is unavailable revenue; it is reported in both the government-wide statement of position and in the governmental funds balance sheet. The item for unavailable revenue is from property taxes. The second and third items are pensions and other post-employment benefits. These results are from differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions. These items amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Property Tax Revenues

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the Niles Township School Treasurer for the use of the District, its share of collections. Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2021 levy was December 14, 2021, and the adoption date for the 2020 tax levy was December 8, 2020. Taxes attach as an enforceable lien on property on January 1 and are due and payable in two installments. The first installment is due on March 1. The due date of the second installment varies and can occur in September, October, or November. The first installment is an estimated bill, and is 55 percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill.

Based upon collection histories, the District has provided at June 30, 2022, an allowance for uncollectible real property taxes equivalent to 1 percent of the current levy. All property taxes receivable over one year old have been written off.

Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

Program Revenues

Amounts reported as program revenues include 1) Tuition and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather as program revenues.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the funds level. All annual budgets lapse at fiscal year-end.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2021, from which such summarized information was derived.

NOTE 2. CASH AND INVESTMENTS

Under *Illinois Compiled Statutes*, the Niles Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independent elected body, to serve the school districts in the township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district to the township. Monies combined under these circumstances as well as investment earnings are accounted for separately for each fund and/or district.

Cash and investments, other than the student activity and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records which segregate the cash and investment balance by district or cooperative. Income from investments is distributed annually based on the District's percentage participation in the pool. The Treasurer's investment policies are established by the Niles Elementary School District No. 71's School Board as prescribed by the *Illinois School Code* and the *Illinois Compiled Statutes*.

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

Categorization by risk category is not determinable for all cash and investments pooled by a separate legal governmental agency (Treasurer). Further information regarding collateralization of investments and insurance is available from the Treasurer's financial statements. As of June 30, 2022, the amount of pooled cash and investments held by the Niles Township School Treasurer and allocated to the District was \$26,220,258; with an additional \$2,000 of imprest and \$17,497 of student activity for total cash and investments of \$26,239,755.

NOTE 2. CASH AND INVESTMENTS (Cont'd)

Credit Risk – Authorized Investments: 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: direct obligations of or obligations guaranteed by the United States Treasury or agencies of the United States, short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000, interest-bearing savings accounts or interest-bearing certificates of deposits or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, fully collateralized repurchase agreements, the State Treasurer’s Illinois and Prime Funds, and money market mutual funds and certain other instruments.

Interest Rate Risk: The District, much like the Treasurer, does not have a formal investment policy that limits the investment portfolio to specific maturities; however, the predominant strategy is to operate as a buy and hold to maturity investor, which does limit interest rate risk.

Custodial Credit Risk: This is the risk that in the event of a bank failure, the Treasurer’s deposits may not be returned to it. The Treasurer does not have a deposit policy for custodial credit risk. Further information regarding collateralization of investments and insurance is available from the Treasurer’s financial statements.

Concentration of Credit Risk: The Treasurer’s policy states that it shall diversify its investments to the best of its ability based upon the type of funds invested, available institutions to invest in, and the cash flow needs of those funds. Diversification can be by type of investments, number of institutions invested in, and length of maturity.

Foreign Current Risk: The District does not have any investments denominated in a currency other than the U.S. dollar.

Cash and Investments – Student Activity and Imprest Deposits

Deposits of the student activity and imprest funds, consist of cash held in financial institutions. 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 does not have a deposit policy for custodial credit risk. As of June 30, 2022, \$18,379 held in bank accounts of the District is covered by FDIC coverage.

NOTE 3. PROPERTY TAXES

A summary of the past two years’ assessed valuation, tax rates, and extensions are as follows:

Tax Year	2021*		2020	
	Rates	Extensions	Rates	Extensions
Equalized Assessed Valuation	N/A		\$554,794,598	
Educational	N/A	\$ 8,451,014	1.4886	\$ 8,258,596
Special Education	N/A	206,000	0.0360	200,000
Working Cash	N/A	1,030	0.0002	1,000
Operations and Maintenance	N/A	1,617,100	0.1602	889,011
Transportation	N/A	463,500	0.0721	400,000
Municipal Retirement	N/A	103,000	0.0108	60,000
Social Security	N/A	144,200	0.0252	140,000
Totals	N/A	\$ 10,985,844	1.7931	\$ 9,948,607

*2021 tax levy rates have not been released by Cook County.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

DRAFT

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable of the governmental activities consists of property taxes and intergovernmental revenues. Receivable detail at June 30, 2022, and June 30, 2021, is as follows:

	2022	2021
Property taxes	\$ 5,632,426	\$ 5,124,591
Personal property replacement taxes	161,674	85,383
Intergovernmental	164,858	151,651
Total	\$ 5,958,958	\$ 5,361,625

Accounts receivable for property taxes includes a 1% allowance for doubtful accounts.

NOTE 5. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 105,000	\$ -	\$ -	\$ 105,000
Construction in progress	321,854	-	321,854	-
Total	426,854	-	321,854	105,000
Capital assets, being depreciated				
Buildings and improvements	12,514,471	925,241	-	13,439,712
Site improvements	1,458,238	47,250	-	1,505,488
Equipment	1,737,250	151,817	-	1,889,067
Total	15,709,959	1,124,308	-	16,834,267
Accumulated depreciation				
Buildings and improvements	8,125,611	323,270	-	8,448,881
Site improvements	705,771	73,971	-	779,742
Equipment	1,457,238	88,977	-	1,546,215
Total	10,288,620	486,218	-	10,774,838
Net depreciable capital assets	5,421,339	638,090	-	6,059,429
Net total capital assets	\$ 5,848,193	\$ 638,090	\$ 321,854	\$ 6,164,429

Depreciation was charged to functions as follows:

Governmental activities	
Instruction	\$ 47,552
Support services	110,663
Unallocated	328,003
Total	\$ 486,218

NOTE 6. LONG-TERM LIABILITIES

Debt Certificates Payable

Taxable General Obligation Debt Certificates, Series 2021, were issued August 17, 2021, totaling \$8,000,000 due in varying installments from \$570,000 to \$665,000 through 2034, interest rate of 1.41 percent. At June 30, 2022, \$7,415,000 remains outstanding.

Summary

The following is a summary of changes in long-term liabilities of the District for the year ended June 30, 2022:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Debt certificates	\$ -	\$ 8,000,000	\$ 585,000	\$ 7,415,000	\$ 570,000
Other	7,294	-	7,294	-	-
Pensions*	552,624	-	117,256	435,368	-
Other post-employment benefits (OPEB)	5,576,086	-	1,305,824	4,270,262	-
Total	\$ 6,136,004	\$ 8,000,000	\$ 2,015,374	\$ 12,120,630	\$ 570,000

*IMRF Net Pension Asset of \$1,004,315 is not included (Note 7, part B and C).

Annual Debt Service Requirements

As of June 30, 2022, the annual debt service requirements to service all debt certificates payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 570,000	\$ 100,533
2024	580,000	92,425
2025	585,000	84,212
2026	595,000	75,893
2027	605,000	67,433
2028-2032	3,155,000	205,896
2033-2034	1,325,000	18,718
Total	\$ 7,415,000	\$ 645,110

Debt certificates are liquidated by the Debt Service Fund. Pensions and other post-employment benefit obligations (OPEB) are liquidated by the General Fund.

Legal Debt Margin

Based on the 2020 assessed valuation (the 2021 assessed valuation has not been released by the county) of \$554,794,598, the debt limit of 6.9% is \$38,280,827. At June 30, 2022, the outstanding debt to which the legal debt margin applies is \$7,415,000, leaving a legal debt margin of \$30,865,287.

NOTE 7. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System (TRS) of the State of Illinois

General Information about the Pension Plan

Plan Description

The employer participates in the Teachers' Retirement System (TRS) of the State of Illinois. 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 <https://www.trsil.org/financial/acfrs/fy2021>; by writing to TRS at 2815 W. Washington Street, P. O. 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 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 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. 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 begin in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

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, 2021, 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, 2022, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$2,617,172 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were \$30,483, and are deferred because they were paid after the June 30, 2021 measurement date.

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

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

For the year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$115,525 were paid from federal and special trust funds that required employer contributions of \$11,094. These contributions are deferred because they were paid after the June 30, 2021 measurement date.

Employer retirement contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members 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, 2022, the employer paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent, \$3,762 for salary increases in excess of governor's statute, and \$-0- for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2021, the employer 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 employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer 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 employer were as follows:

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

DRAFT

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

Employer's proportionate share of the net pension liability	\$	435,368
State's proportionate share of the net pension liability associated with the employer		36,488,480
Total	\$	36,923,848

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2021, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2021, the employer's proportion was 0.0005580835 percent and at June 30, 2020 was 0.0006409822 percent.

For the year ended June 30, 2021, the employer recognized pension expense of \$2,617,172 and revenue of \$2,690,662 for support provided by the state. At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 2,498	\$ 1,795
Net difference between projected and actual earnings on pension plan investments	-	29,203
Changes of assumptions	193	2,151
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,264	211,508
Total deferred amounts to be recognized in pension expense in future periods	9,955	244,657
<i>Pension contributions made subsequent to the measurement date</i>	41,577	-
Total	\$ 51,532	\$ 244,657

\$41,577 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date 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:

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (109,358)
2024	(67,678)
2025	(25,362)
2026	(25,044)
2027	(7,261)
Total	\$ (234,703)

Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 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, 2021 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are used on a fully-generational basis using projection table MP-2020. In the June 30, 2020 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-2017.

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:

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

DRAFT

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.7%	6.2%
U.S. equities small/mid cap	2.2%	7.4%
International equities developed	10.6%	6.9%
Emerging market equities	4.5%	9.2%
U.S. bonds core	3.0%	1.6%
Cash equivalents	2.0%	0.1%
TIPS	1.0%	0.8%
International debt developed	1.0%	0.4%
Emerging international debt	4.0%	4.4%
Real estate	16.0%	5.8%
Private debt	10.0%	6.5%
Hedge funds	10.0%	3.9%
Private equity	15.0%	10.4%
Infrastructure	4.0%	6.3%
Total	100.0%	

Discount Rate

At June 30, 2021, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2020, 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, 2021, was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 539,194	\$ 435,368	\$ 349,127

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2021, is available in the separately issued TRS *Annual Comprehensive Financial Report*.

B. Illinois Municipal Retirement Fund (IMRF)

IMRF Plan Description

The employer's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer's plan is managed by 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 of this document. 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 (RSI). The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011, (the ECO plan was closed to new participants after that date).

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, 2021, the following employees were covered by the benefit terms:

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

December 31,	2021
Retirees and Beneficiaries currently receiving benefits	34
Inactive Plan Members entitled to but not yet receiving benefits	89
Active Plan Members	20
Total	143

Contributions

As set by statute, the employer'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 employer's annual required contribution rate for calendar year 2021 was 6.45%. For the fiscal year ended June 30, 2022, the employer contributed \$57,387 to the plan. The employer 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 employer's net pension liability was measured as of December 31, 2021. 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, 2021:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For Non-Disabled Retirees, the Pub-2010, Amounted-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and female (adjusted 105%) tables, and future morality improvements projected using scale MP-2020.
- For Disabled Retirees, the Pub-2010, Amounted-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future morality improvements projected using scale MP- 2020.
- 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 as of December 31, 2021:

Asset Class	Target Allocation	Return 12/31/2021	Projected Returns/Risks	
			One Year Arithmetic	Ten Year Geometric
Equities	39%	24.89%	3.25%	1.90%
International Equities	15%	9.78%	4.89%	3.15%
Fixed Income	25%	-0.44%	-0.50%	-0.60%
Real Estate	10%	21.95%	4.20%	3.30%
Alternatives	10%	46.46%		
Private Equity		N/A	8.85%	5.50%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	2.90%	1.70%
Cash Equivalents	<u>1%</u>	2.44%	-0.90%	-0.90%
Total	<u><u>100%</u></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:

1. 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
2. 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 1.84%; and the resulting single discount rate is 7.25%.

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

Changes in the Net Pension Liability

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability/(Asset) (A) - (B)</u>
Balances at December 31, 2020	\$ 5,267,180	\$ 5,644,898	\$ (377,718)
Changes for the year:			
Service Cost	73,804	-	73,804
Interest on the Total Pension Liability	371,635	-	371,635
Differences Between Expected and Actual Experience of the Total Pension Liability	(78,664)	-	(78,664)
Changes of Assumptions	-	-	-
Contributions - Employer	-	50,780	(50,780)
Contributions - Employees	-	35,428	(35,428)
Net Investment Income	-	985,869	(985,869)
Benefits Payments, including Refunds of Employee Contributions	(356,160)	(356,160)	-
Other	-	(78,705)	78,705
Net Changes	<u>10,615</u>	<u>637,212</u>	<u>(626,597)</u>
Balances at December 31, 2021	<u>\$ 5,277,795</u>	<u>\$ 6,282,110</u>	<u>\$ (1,004,315)</u>

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

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

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Total Pension Liability	\$ 5,737,848	\$ 5,277,795	\$ 4,897,763
Plan Fiduciary Net Position	<u>6,282,110</u>	<u>6,282,110</u>	<u>6,282,110</u>
Net Pension Liability/(Asset)	<u>\$ (544,262)</u>	<u>\$ (1,004,315)</u>	<u>\$ (1,384,347)</u>

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

For the year ended June 30, 2022, the employer recognized pension (revenue) of \$(172,172). At June 30, 2022, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

DRAFT

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ -	\$ 18,440
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	118,992	859,982
Total deferred amounts to be recognized in pension expense in future periods	118,992	878,422
<i>Pension contributions made subsequent to the measurement date</i>	29,369	-
Total Deferred Amounts Related to Pensions	\$ 148,361	\$ 878,422

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

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2022	\$ (180,219)
2023	(280,769)
2024	(180,593)
2025	(117,849)
2026	-
Thereafter	-
Total	\$ (759,430)

C. Aggregate Pension Amounts

For the year ended June 30, 2022, aggregate pension amounts are as follows:

	TRS	IMRF	Total
Deferred Outflows of Resources	\$ 51,532	\$ 148,361	\$ 199,893
Net Pension Liability/(Asset)	435,368	(1,004,315)	(568,947)
Deferred Inflows of Resources	244,657	878,422	1,123,079
Pension Expense/(Revenue), Net of State Support	(73,490)	(172,172)	(245,662)

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

D. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teacher's Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare.

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS

A. Teachers' Health Insurance Security (THIS) Fund

General Information about the Plan

Plan Description

The employer participates in the Teachers' 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.

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.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2013, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

Contributions

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

On-Behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2022. State of Illinois contributions were \$47,301, and the employer recognized revenue and expenditures of this amount during the year.

Employer Contributions to the THIS Fund

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2022. For the year ended June 30, 2022, the employer paid \$35,213 to the THIS Fund, which was 100 percent of the required contribution. The contributions are deferred because they were paid after the June 30, 2021 measurement date.

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Cont'd)

THIS Liabilities, THIS Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to THIS

At June 30, 2021, the employer reported a liability for its proportionate share of the net THIS liability (first amount shown below). The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net THIS liability, the related state support, and the total portion of the net THIS liability that was associated with the employer were as follows:

Employer's proportionate share of the net THIS liability	\$ 4,270,262
State's proportionate share of the net THIS liability associated with the employer	<u>5,789,852</u>
Total	<u><u>\$ 10,060,114</u></u>

The net THIS liability was measured as of June 30, 2021, and the total THIS liability used to calculate the net THIS liability was determined by an actuarial valuation as of June 30, 2021. The employer's proportion of the net THIS liability was based on the employer's share of contributions to THIS for the measurement year ended June 30, 2021, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2021, the employer's proportion was 0.019362 percent and at June 30, 2020 was 0.020856 percent.

For the year ended June 30, 2022, the employer recognized THIS expense of \$47,301 and revenue of \$147,215 for support provided by the state. At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to THIS from the following sources:

Deferred Amounts Related to THIS	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in THIS expense in future periods</i>		
Differences between expected and actual experience	\$ -	\$ 199,758
Net difference between projected and actual earnings on pension plan investments	68	81
Changes of assumptions	1,474	1,599,021
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>248,936</u>	<u>576,386</u>
Total deferred amounts to be recognized in THIS expense in future periods	<u>250,478</u>	<u>2,375,246</u>
<i>THIS contributions subsequent to the measurement date</i>		
	<u>35,213</u>	<u>-</u>
Total	<u><u>\$ 285,691</u></u>	<u><u>\$ 2,375,246</u></u>

\$35,213 reported as deferred outflows of resources related to THIS resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the THIS 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 THIS will be recognized in THIS expense as follows:

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

DRAFT

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Cont'd)

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2022	\$ (392,139)
2023	(392,106)
2024	(339,492)
2025	(260,214)
2026	(239,342)
Thereafter	(466,262)
Total	\$ (2,089,555)

Actuarial Assumptions

The total THIS liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50 percent
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 increases includes a 3.25% wage inflation assumption.
Investment rate of return	2.75 percent, net of THIS plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Trend for fiscal year ending 2022 based on expected increases used to develop average costs. For fiscal years ending on and after 2023, trend starts at 8.00% for non-Medicare costs and post-Medicare costs, and gradually decreases to an ultimate trend of 4.25%.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for experience. For disabled annuitant's mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set at zero.

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Cont'd)

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on THIS plan investments (to the extent that the plan fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 1.92% as of June 30, 2021, and 2.45% as of June 30, 2020.

Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net THIS liability calculated using the discount rate of 1.92 percent, as well as what the employer's proportionate share of the net THIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current rate.

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Employer's proportionate share of the net THIS liability	\$ 5,129,962	\$ 4,270,262	\$ 3,589,012

Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Health Care Trend Rate

The following presents the employer's proportionate share of the net THIS liability calculated using the health care trend rate of 8.00 percent, as well as what the employer's proportionate share of the net THIS liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Employer's proportionate share of the net THIS liability	\$ 3,418,640	\$ 4,270,262	\$ 5,427,634

Further information on the THIS Fund

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

NOTE 9. JOINT VENTURE – NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION (NTDSE)

The District is entered into a joint agreement to provide special education services to the students enrolled. The Niles Township District for Special Education (NTDSE) serves the school districts in the North Cook County, Illinois communities of Morton Grove, Niles, Lincolnwood and Skokie. Each member district has a financial responsibility for annual and special assessments as established by the Directing Board. Complete financial statements for NTDSE can be obtained from the Administrative Offices at 8701 Menard Avenue, Morton Grove, Illinois 60053.

NOTE 10. TORT EXPENSES

The District did not levy for tort nor had any tort funds on hand during the year ended June 30, 2022, in which to pay tort expenses. Expenditures for tort are paid out of the General Fund. The District's tort expenditures consisted of payments for:

	Amount
Workers' compensation and liability insurance	\$ 97,886
Legal expenses	61,259
Total	\$ 159,145

NOTE 11. COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally certain of the funds participating in the common bank account could incur overdrafts (deficits) in the account. The overdrafts result from expenses paid that have been approved by the School Board.

NOTE 12. RISK MANAGEMENT

The District has purchased insurance from risk pools and private insurance companies. Risks covered include general liability, workers compensation, medical and other. Premiums have been displayed as expenses paid in appropriate funds. There were no significant changes in insurance coverage from the prior year and the number of settlements did not exceed insurance coverage for the last three years.

NOTE 13. CONTINGENCIES

The District participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2022, have not yet been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 14. INTERFUND LOANS AND TRANSFERS

The District had no interfund loans outstanding as of June 30, 2022.

The District made no interfund transfers during the fiscal year ended June 30, 2022.

NOTE 15. DEFICIT FUND BALANCE

At year end, the Debt Service Fund had a deficit fund balance of \$687,083.

NOTE 16. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between June 30, 2022, and the date of this audit report requiring disclosure in the financial statements.

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS
 MOST RECENT FISCAL YEARS

DRAFT

Fiscal year ending June 30,*	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer's proportion of the net pension liability	0.0006%	0.0006%	0.0007%
Employer's proportionate share of the net pension liability	\$ 435,368	\$ 552,624	\$ 540,273
State's proportionate share of the net pension liability associated with the employer	<u>36,488,480</u>	<u>43,284,414</u>	<u>38,450,665</u>
Total	<u>\$ 36,923,848</u>	<u>\$ 43,837,038</u>	<u>\$ 38,990,938</u>
Employer's covered-employee payroll	\$ 5,005,418	\$ 5,287,810	\$ 5,302,282
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	8.70%	10.45%	10.19%
Plan fiduciary net position as a percentage of the total pension liability	45.10%	37.80%	39.60%

*The amounts presented were determined as of the prior fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0007%	0.0014%	0.0010%	0.0013%	0.0012%
\$ 546,872	\$ 1,048,255	\$ 779,740	\$ 850,191	\$ 715,357
<u>37,463,053</u>	<u>34,101,525</u>	<u>36,645,305</u>	<u>30,414,410</u>	<u>28,367,869</u>
<u>\$ 38,009,925</u>	<u>\$ 35,149,780</u>	<u>\$ 37,425,045</u>	<u>\$ 31,264,601</u>	<u>\$ 29,083,226</u>
\$ 5,018,910	\$ 4,598,559	\$ 4,579,106	\$ 4,688,684	\$ 4,827,798
10.90%	22.80%	17.03%	18.13%	14.82%
40.00%	39.30%	36.40%	40.50%	43.00%

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEACHERS' RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS
 MOST RECENT FISCAL YEARS

DRAFT

Fiscal year ending June 30,	2022	2021	2020
Contractually-required contribution	\$ 42,394	\$ 34,816	\$ 37,560
Contributions in relation to the contractually-required contribution	41,577	34,163	37,664
Contribution (excess)	\$ 817	\$ 653	\$ (104)
Employer's covered-employee payroll	\$ 5,255,679	\$ 5,005,418	\$ 5,287,810
Contributions as a percentage of covered-employee payroll	0.81%	0.70%	0.71%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 30,753	\$ 35,443	\$ 44,664	\$ 27,658	\$ 45,714
<u>41,134</u>	<u>43,678</u>	<u>56,095</u>	<u>41,365</u>	<u>45,751</u>
<u>\$ (10,381)</u>	<u>\$ (8,235)</u>	<u>\$ (11,431)</u>	<u>\$ (13,707)</u>	<u>\$ (37)</u>
\$ 5,302,282	\$ 5,018,910	\$ 4,598,559	\$ 4,579,106	\$ 4,688,684
0.58%	0.71%	0.97%	0.60%	0.97%

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
 MOST RECENT CALENDAR YEARS

DRAFT

Calendar year ending December 31,	2021	2020	2019
Total pension liability			
Service cost	\$ 73,804	\$ 89,401	\$ 88,654
Interest on the total pension liability	371,635	339,626	331,214
Difference between expected and actual experience	(78,664)	412,603	(3,486)
Changes of assumptions	-	(41,006)	-
Benefit payments	(356,160)	(346,483)	(254,979)
Net change in pension liability	10,615	454,141	161,403
Total pension liability - beginning	5,267,180	4,813,039	4,651,636
Total pension liability - ending (A)	\$ 5,277,795	\$ 5,267,180	\$ 4,813,039
Plan fiduciary net position			
Contributions - employer	\$ 50,780	\$ 55,044	\$ 47,242
Contributions - employees	35,428	38,598	37,166
Net investment income	985,869	677,150	814,354
Benefit payments	(356,160)	(346,483)	(254,979)
Other	(78,705)	162,509	10,558
Net change in plan fiduciary net position	637,212	586,818	654,341
Plan fiduciary net position - beginning	5,644,898	5,058,080	4,403,739
Plan fiduciary net position - ending (B)	\$ 6,282,110	\$ 5,644,898	\$ 5,058,080
Net pension liability/(asset) - ending (A) - (B)	\$ (1,004,315)	\$ (377,718)	\$ (245,041)
Plan fiduciary net position as a percentage of the total pension liability	119.03%	107.17%	105.09%
Covered valuation payroll	\$ 787,289	\$ 784,118	\$ 825,900
Net pension liability as a percentage of covered valuation payroll	-127.57%	-48.17%	-29.67%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

2018	2017	2016	2015	2014
\$ 83,642	\$ 81,541	\$ 79,446	\$ 79,340	\$ 90,913
322,730	317,034	300,859	292,666	275,998
8,286	52,011	72,006	(25,320)	(96,301)
97,189	(133,996)	-	-	186,775
(242,901)	(240,505)	(234,878)	(240,106)	(218,623)
268,946	76,085	217,433	106,580	238,762
4,382,690	4,306,605	4,089,172	3,982,592	3,743,830
<u>\$ 4,651,636</u>	<u>\$ 4,382,690</u>	<u>\$ 4,306,605</u>	<u>\$ 4,089,172</u>	<u>\$ 3,982,592</u>
\$ 67,989	\$ 62,366	\$ 65,330	\$ 68,903	\$ 80,436
39,421	39,332	37,238	33,619	31,695
(244,710)	739,448	271,789	19,879	227,763
(242,901)	(240,505)	(234,878)	(240,106)	(218,623)
92,389	(63,916)	92,397	(3,984)	136,295
(287,812)	536,725	231,876	(121,689)	257,566
4,691,551	4,154,826	3,922,950	4,044,639	3,787,073
<u>\$ 4,403,739</u>	<u>\$ 4,691,551</u>	<u>\$ 4,154,826</u>	<u>\$ 3,922,950</u>	<u>\$ 4,044,639</u>
<u>\$ 247,897</u>	<u>\$ (308,861)</u>	<u>\$ 151,779</u>	<u>\$ 166,222</u>	<u>\$ (62,047)</u>
94.67%	107.05%	96.48%	95.94%	101.56%
\$ 831,154	\$ 788,455	\$ 745,786	\$ 683,561	\$ 714,844
29.83%	-39.17%	20.35%	24.32%	-8.68%

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
 MOST RECENT CALENDAR YEARS

DRAFT

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2021	\$ 50,780	\$ 50,780	\$ -	\$ 787,289	6.45%
2020	55,045	55,044	1	784,118	7.02%
2019	47,241	47,242	(1)	825,900	5.72%
2018	67,988	67,989	(1)	831,154	8.18%
2017	62,367	62,366	1	788,455	7.91%
2016	65,331	65,330	1	745,786	8.76%
2015	68,903	68,903	-	683,561	10.08%
2014	81,635	80,436	1,199	714,844	11.25%

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2021 Contribution Rates

<i>Actuarial Cost Method</i>	Aggregate entry age normal
<i>Amortization Method</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period</i>	22-year closed period
<i>Asset Valuation Method</i>	5-year smoothed market; 20% corridor
<i>Wage Growth</i>	3.25%
<i>Price Inflation</i>	2.50%
<i>Salary Increases</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return</i>	7.25%
<i>Retirement Age</i>	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 to 2016.
<i>Mortality</i>	For non-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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2019, actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE THIS LIABILITY
 OTHER POST-EMPLOYMENT BENEFITS (OPEB) - TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND
 MOST RECENT FISCAL YEARS

DRAFT

Fiscal year ending June 30,*	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer's proportion of the net THIS liability	0.0194%	0.0209%	0.0215%
Employer's proportionate share of the net THIS liability	\$ 4,270,262	\$ 5,576,086	\$ 5,954,211
State's proportionate share of the net THIS liability associated with the employer	<u>5,789,852</u>	<u>7,554,078</u>	<u>8,062,761</u>
Total	<u>\$ 10,060,114</u>	<u>\$ 13,130,164</u>	<u>\$ 14,016,972</u>
Employer's covered-employee payroll	\$ 5,005,418	\$ 5,287,810	\$ 5,302,282
Employer's proportionate share of the net THIS liability as a percentage of its covered-employee payroll	85.31%	105.45%	112.30%
Plan fiduciary net position as a percentage of the total THIS liability	1.40%	0.70%	0.25%

*The amounts presented were determined as of the prior fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2019</u>	<u>2018</u>
0.0212%	0.0201%
\$ 5,581,458	\$ 5,222,479
<u>7,494,694</u>	<u>6,858,413</u>
<u>\$ 13,076,152</u>	<u>\$ 12,080,892</u>
\$ 5,018,910	\$ 4,598,559
111.21%	113.57%
-0.07%	-0.17%

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 OTHER POST-EMPLOYMENT BENEFITS - TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND
 MOST RECENT FISCAL YEARS

DRAFT

Fiscal year ending June 30,	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually-required contribution	\$ 35,213	\$ 46,050	\$ 48,648
Contributions in relation to the contractually-required contribution	<u>35,213</u>	<u>46,050</u>	<u>48,648</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 5,255,679	\$ 5,005,418	\$ 5,287,810
Contributions as a percentage of covered-employee payroll	0.67%	0.92%	0.92%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2019</u>	<u>2018</u>
\$ 48,781	\$ 44,166
<u>48,781</u>	<u>44,166</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 5,302,282	\$ 5,018,910
0.92%	0.88%

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2022

SCHEDULE 1

DRAFT

WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2021

	Educational Account	Working Cash Account	Total	
			2022	2021
ASSETS				
Cash and investments	\$ 9,940,282	\$ 2,782,919	\$ 12,723,201	\$ 10,862,425
Receivables (net of allowance for uncollectibles)				
Property taxes	4,438,438	528	4,438,966	4,357,398
Replacement taxes	161,674	-	161,674	85,383
Intergovernmental	156,380	-	156,380	129,235
<u>Total Assets</u>	<u>\$ 14,696,774</u>	<u>\$ 2,783,447</u>	<u>\$ 17,480,221</u>	<u>\$ 15,434,441</u>
LIABILITIES				
Accounts payable	\$ 4,437	\$ -	\$ 4,437	\$ 15,949
<u>Total Liabilities</u>	<u>4,437</u>	<u>-</u>	<u>4,437</u>	<u>15,949</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	4,421,986	526	4,422,512	4,357,398
<u>Total Deferred Inflows of Resources</u>	<u>4,421,986</u>	<u>526</u>	<u>4,422,512</u>	<u>4,357,398</u>
FUND BALANCES				
Restricted	17,497	-	17,497	16,541
Unassigned	10,252,854	2,782,921	13,035,775	11,044,553
<u>Total Fund Balances</u>	<u>10,270,351</u>	<u>2,782,921</u>	<u>13,053,272</u>	<u>11,061,094</u>
<u>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</u>	<u>\$ 14,696,774</u>	<u>\$ 2,783,447</u>	<u>\$ 17,480,221</u>	<u>\$ 15,434,441</u>

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

DRAFT

	2022		
	Original and Final Budget	Educational Account	Working Cash Account
REVENUES			
Local sources	\$ 9,308,200	\$ 9,250,341	\$ 64,785
State sources	704,250	705,228	-
State on-behalf retirement	-	2,664,473	-
Federal sources	595,381	892,629	-
<u>Total Revenues</u>	10,607,831	13,512,671	64,785
EXPENDITURES			
Current			
Instruction	5,925,100	5,561,290	-
State on-behalf retirement	-	2,664,473	-
Support services	2,608,857	2,473,143	-
Community services	37,760	7,640	-
Payments to other gov't units	620,000	858,265	-
Provision for contingencies	5,000	-	-
Capital outlay	126,700	20,467	-
<u>Total Expenditures</u>	9,323,417	11,585,278	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,284,414</u>	<u>1,927,393</u>	<u>64,785</u>
OTHER FINANCING (USES)			
Transfers out	-	-	-
<u>Total Other Financing (Uses)</u>	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ 1,284,414</u>	1,927,393	64,785
FUND BALANCE - BEGINNING OF YEAR		8,342,958	2,718,136
FUND BALANCE - END OF YEAR		<u>\$ 10,270,351</u>	<u>\$ 2,782,921</u>

DRAFT

	<u>2021</u>
<u>Total</u>	<u>Actual</u>
\$ 9,315,126	\$ 5,574,763
705,228	717,604
2,664,473	4,671,885
892,629	849,794
<u>13,577,456</u>	<u>11,814,046</u>
5,561,290	5,400,863
2,664,473	4,671,885
2,473,143	2,287,870
7,640	25,183
858,265	682,279
-	-
20,467	21,081
<u>11,585,278</u>	<u>13,089,161</u>
<u>1,992,178</u>	<u>(1,275,115)</u>
<u>-</u>	<u>(1,006,483)</u>
<u>-</u>	<u>(1,006,483)</u>
1,992,178	(2,281,598)
<u>11,061,094</u>	<u>13,342,692</u>
<u>\$ 13,053,272</u>	<u>\$ 11,061,094</u>

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

DRAFT

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
REVENUES			
Local Sources			
General levy	\$ 900,000	\$ 1,172,627	\$ 521,048
Earnings on investments	65,000	33,331	31,401
Rentals	-	2,379	5,286
Refund of prior years' expenditures	20,000	4,100	15,908
Other	-	-	3,651
Total Local Sources	985,000	1,212,437	577,294
Total Revenues	985,000	1,212,437	577,294
EXPENDITURES			
Support Services			
Operation and Maintenance of Plant Services			
Salaries	220,000	212,792	219,836
Employee benefits	61,280	52,585	51,787
Purchased services	253,000	238,170	180,582
Supplies and materials	174,400	153,780	149,288
Capital outlay	218,500	211,804	61,273
Other objects	1,000	-	-
Non-capitalized equipment	-	815	-
Total	928,180	869,946	662,766
Food Services			
Salaries	-	5,270	9,083
Total	-	5,270	9,083
Other Support Services			
Employee benefits	-	387	486
Purchased services	-	875	1,948
Total	-	1,262	2,434
Total Support Services	928,180	876,478	674,283
Provision for Contingencies			
Other objects	5,000	-	-
Total Provision for Contingencies	5,000	-	-
Total Expenditures	933,180	876,478	674,283

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 51,820	\$ 335,959	\$ (96,989)
OTHER FINANCING SOURCES			
Transfers out	700,000	-	-
<u>Total Other Financing Sources</u>	700,000	-	-
NET CHANGE IN FUND BALANCES	\$ (648,180)	335,959	(96,989)
FUND BALANCE - BEGINNING OF YEAR		1,818,504	1,915,493
FUND BALANCE - END OF YEAR		\$ 2,154,463	\$ 1,818,504

DRAFT

NILES ELEMENTARY SCHOOL DISTRICT NO. 71

TRANSPORTATION FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
REVENUES			
Local Sources			
General levy	\$ 400,000	\$ 402,100	\$ 230,946
Earnings on investments	5,300	7,964	5,714
Other	-	-	103
Total Local Sources	405,300	410,064	236,763
State Sources			
Transportation - regular/vocational	18,000	303	5,715
Transportation - special education	82,000	33,608	84,689
Total State Sources	100,000	33,911	90,404
Total Revenues	505,300	443,975	327,167
EXPENDITURES			
Support Services			
Pupil Transportation Services			
Salaries	21,000	20,418	19,824
Employee benefits	6,200	24,479	5,090
Purchased services	355,000	265,795	160,144
Total	382,200	310,692	185,058
Total Support Services	382,200	310,692	185,058
Provision for Contingencies			
Other objects	5,000	-	-
Total Provision for Contingencies	5,000	-	-
Total Expenditures	387,200	310,692	185,058
NET CHANGE IN FUND BALANCES	\$ 118,100	133,283	142,109
FUND BALANCE - BEGINNING OF YEAR		376,600	234,491
FUND BALANCE - END OF YEAR		\$ 509,883	\$ 376,600

DRAFT

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
REVENUES			
Local Sources			
General levy	\$ 64,000	\$ 76,505	\$ 32,668
FICA/Medicare levy	139,000	131,530	74,888
Personal property replacement taxes	-	2,500	2,500
Earnings on investments	5,500	13,053	12,887
Total Local Sources	208,500	223,588	122,943
Total Revenues	208,500	223,588	122,943
EXPENDITURES			
Employee Benefits			
Instruction			
Regular programs	47,500	46,201	42,697
Pre-K programs	2,000	4,059	1,235
Special education programs	31,900	21,310	24,855
Remedial and supplemental programs	9,000	4,143	4,157
Interscholastic programs	1,200	1,021	119
Summer school programs	1,800	1,613	1,781
Bilingual programs	4,200	2,786	2,660
Total Instruction	97,600	81,133	77,504
Support Services			
Attendance and social work services	1,200	1,976	1,112
Health services	1,500	955	909
Psychological services	1,000	1,037	1,006
Speech pathology and audiology services	2,000	1,720	1,318
Improvement of instruction services	600	22	279
Educational media services	8,000	5,360	4,939
Board of education services	1,000	506	397
Executive administration services	14,700	12,998	12,769
Office of the principal services	26,000	30,774	26,153
Fiscal services	11,200	-	100
Operation and maintenance of plant services	34,800	26,307	26,710
Pupil transportation services	300	315	314
Food services	11,500	14,279	13,376
Information processing services	14,000	17,217	13,613
Data processing services	3,500	-	-
Total Support Services	131,300	113,466	102,995

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
EXPENDITURES			
Community Services	\$ 100	\$ -	\$ -
<u>Total Expenditures</u>	229,000	194,599	180,499
NET CHANGE IN FUND BALANCES	\$ (20,500)	28,989	(57,556)
FUND BALANCE - BEGINNING OF YEAR		788,613	846,169
FUND BALANCE - END OF YEAR		\$ 817,602	\$ 788,613

DRAFT

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
REVENUES			
Local Sources			
Earnings on investments	\$ (6,000)	\$ 137,266	\$ 10,239
Total Local Sources	(6,000)	137,266	10,239
<u>Total Revenues</u>	(6,000)	137,266	10,239
EXPENDITURES			
Support Services			
Facilities Acquisition and Construction Services			
Capital outlay	1,750,000	570,183	321,854
Total	1,750,000	570,183	321,854
Total Support Services	1,750,000	570,183	321,854
Payments to Other Gov't Units			
Payments for Special Education Programs			
Other	613,000	613,307	-
Total	613,000	613,307	-
Total Payments to Other Gov't Units	613,000	613,307	-
<u>Total Expenditures</u>	2,363,000	1,183,490	321,854
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(2,369,000)	(1,046,224)	(311,615)
OTHER FINANCING SOURCES			
Transfers in	-	-	1,000,000
Debt certificates issued	8,000,000	8,000,000	-
Sale of capital assets	-	2,964,267	-
<u>Total Other Financing Sources</u>	8,000,000	10,964,267	1,000,000
NET CHANGE IN FUND BALANCES	\$ 5,631,000	9,918,043	688,385
FUND BALANCE - BEGINNING OF YEAR		688,385	-
FUND BALANCE - END OF YEAR		\$ 10,606,428	\$ 688,385

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

NOTE 1. TEACHERS' RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2021 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit 2019 and 2020. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2016-2020 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience for the three-year period ending June 30, 2014.

NOTE 2. TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND

Changes of Assumptions

The discount rate was changed from 2.45 percent at June 30, 2020, to 1.92 percent at June 30, 2021. The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2020, projected plan cost for plan year end June 30, 2021, premium changes through plan year end 2022, and expectation of future trend increases after June 30, 2021. Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed. Per capita claim costs for plan year end June 30, 2021, were updated based on projected claims and enrollment experience through June 30, 2020, and updated premium rates through plan year 2022. Healthcare plan participation rates by plan were updated based on observed experience.

Amounts reported in 2021 reflect an investment rate of return of 2.75 percent, an inflation rate of 2.50 percent, and salary increases that vary by service credit. Amounts reported in 2020 reflect an investment rate of return of 2.75 percent, an inflation rate of 2.50 percent, and salary increases that vary by service credit. Amounts reported in 2019 reflect an investment rate of return of 0.00 percent, an inflation rate of 2.50 percent and salary increases that vary by amount of service credit. Amounts reported in 2018 reflect an investment rate of return of 0.00 percent, an inflation rate of 2.50, and salary increases that vary by service credit. In 2017, assumptions used were an investment rate of return of 0.00 percent, and inflation rate of 2.75 percent, and salary increases that vary by amount of service. In 2016, assumptions used were an investment rate of return of 0.00 percent, and inflation rate of 2.75 percent, and salary increases that vary by amount of service. In 2015 and 2014, assumptions used were an investment rate of return of 4.50 percent, and inflation rate of 3.00 percent, and salary increases that vary by amount of service.

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared on the accrual basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The original budget was passed September 21, 2021.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. All encumbrances lapse at the end of the fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING (Cont'd)

1. 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.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year. The District adopts an interim budget for the period of July 1 through September 30 as which time an annual budget is adopted.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

EXPENDITURES IN EXCESS OF BUDGET

During the year ended June 30, 2022, actual expenditures disbursed exceeded budgeted expenditures in the following funds:

Account	Budgeted Expenditures	Actual Disbursed	Over Budget
General Fund			
(Educational Account)	\$ 9,323,417	\$ 11,585,278	\$ 2,261,861
Debt Service Fund	700,300	729,534	29,234

The General Fund (Educational Account) over expended its budget by \$2,261,861, due to un-budgeted on-behalf payments made by the state for \$2,664,473. The Debt Service Fund over expended its budget by \$29,234 due to un-budgeted debt certificate fee payments.

DRAFT

SUPPLEMENTARY INFORMATION

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71

EDUCATIONAL ACCOUNT

DRAFTSCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
REVENUES			
Local Sources			
General levy	\$ 8,310,000	\$ 7,793,602	\$ 4,690,284
Special education levy	200,000	188,301	116,018
Personal property replacement taxes	380,000	984,287	453,886
Tuition	100	3,620	5,625
Earnings on investments	170,000	161,945	145,281
Food services	87,000	14,948	8,135
Admissions - other	-	12,876	3,414
Other activity revenue	13,500	3,626	2,777
Student activities	1,300	19,290	9,390
Rentals - regular textbooks	45,000	39,843	43,507
Rentals - other	1,000	-	-
Refund of prior years' expenditures	-	-	(26)
Other	35,000	28,003	29,029
Total Local Sources	9,242,900	9,250,341	5,507,320
State Sources			
Evidence based funding formula	560,000	554,337	553,676
Special education	500	4,348	16,640
State free lunch and breakfast	1,900	2,915	3,860
Early childhood - block grant	141,000	142,678	142,678
State on-behalf retirement	-	2,664,473	4,671,885
Other	850	950	750
Total State Sources	704,250	3,369,701	5,389,489
Federal Sources			
Food services	110,000	338,335	242,200
Title I - low income	200,000	120,509	206,387
Title IVA - student support and academic enrichment	10,000	10,000	15,694
Special education			
IDEA - preschool - flow-through	4,385	4,380	4,385
IDEA - flow-through	230,000	202,316	227,284
Title III - language instruction program limited English (LIPLEP)	20,996	48,674	21,984
Title II - teacher quality	20,000	13,147	25,307
Other	-	155,268	106,553
Total Federal Sources	595,381	892,629	849,794
Total Revenues	10,542,531	13,512,671	11,746,603

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
EXPENDITURES			
Instruction			
Regular Programs			
Salaries	\$ 3,284,700	\$ 3,138,225	\$ 3,065,496
Employee benefits	444,000	455,827	465,527
State on-behalf retirement	-	2,664,473	4,671,885
Purchased services	47,600	36,444	35,177
Supplies and materials	148,700	121,073	118,887
Capital outlay	4,700	8,966	15,479
Other objects	1,500	-	-
Total	<u>3,931,200</u>	<u>6,425,008</u>	<u>8,372,451</u>
Pre-K Programs			
Salaries	83,000	74,198	87,608
Employee benefits	32,800	34,741	10,013
Purchased services	1,000	255	-
Supplies and materials	30,000	8,969	31,920
Total	<u>146,800</u>	<u>118,163</u>	<u>129,541</u>
Special Education Programs			
Salaries	843,000	680,357	610,596
Employee benefits	148,300	140,247	140,424
Purchased services	3,000	3,322	3,022
Supplies and materials	12,000	9,720	6,176
Capital outlay	3,000	1,506	-
Total	<u>1,009,300</u>	<u>835,152</u>	<u>760,218</u>
Remedial and Supplemental Programs			
Salaries	376,000	305,236	306,878
Employee benefits	77,700	56,575	59,226
Purchased services	1,000	22,395	-
Supplies and materials	86,200	118,552	123,546
Total	<u>540,900</u>	<u>502,758</u>	<u>489,650</u>

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
EXPENDITURES			
Interscholastic Programs			
Salaries	\$ 48,300	\$ 44,530	\$ 8,557
Employee benefits	1,500	506	128
Purchased services	8,500	10,092	4,040
Supplies and materials	7,000	-	4,304
Capital outlay	1,000	-	-
Total	<u>66,300</u>	<u>55,128</u>	<u>17,029</u>
Summer School Programs			
Salaries	35,000	32,853	34,406
Employee benefits	4,250	1,956	2,116
Supplies and materials	100	-	-
Total	<u>39,350</u>	<u>34,809</u>	<u>36,522</u>
Bilingual Programs			
Salaries	221,000	201,979	197,862
Employee benefits	45,850	28,162	40,706
Supplies and materials	9,800	26,737	3,664
Other objects	40,000	-	34,163
Total	<u>316,650</u>	<u>256,878</u>	<u>276,395</u>
Student Activities			
Other objects	1,300	18,334	12,023
Total	<u>1,300</u>	<u>18,334</u>	<u>12,023</u>
Total Instruction	<u>6,051,800</u>	<u>8,246,230</u>	<u>10,093,829</u>
Support Services			
Attendance and Social Work Services			
Salaries	151,500	146,221	83,582
Employee benefits	41,370	35,171	19,095
Supplies and materials	3,000	8,126	1,350
Total	<u>195,870</u>	<u>189,518</u>	<u>104,027</u>

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
EXPENDITURES			
Health Services			
Salaries	\$ 70,000	\$ 69,311	\$ 66,102
Employee benefits	10,885	9,763	9,691
Purchased services	100	219	114
Supplies and materials	5,000	3,786	4,317
Total	85,985	83,079	80,224
Psychological Services			
Salaries	86,000	83,349	81,316
Employee benefits	21,770	20,314	20,050
Purchased services	2,000	-	-
Supplies and materials	2,000	2,611	-
Total	111,770	106,274	101,366
Speech Pathology and Audiology Services			
Salaries	123,000	122,258	106,565
Employee benefits	17,850	10,488	12,956
Purchased services	1,500	-	24,967
Supplies and materials	2,000	1,042	200
Capital outlay	3,000	-	-
Total	147,350	133,788	144,688
Improvement of Instruction Services			
Salaries	6,000	1,620	11,988
Employee benefits	2,400	9,055	168
Purchased services	38,500	24,571	17,450
Other objects	5,000	826	2,800
Total	51,900	36,072	32,406
Educational Media Services			
Salaries	88,000	86,976	84,302
Employee benefits	8,510	6,247	6,208
Purchased services	1,000	11,234	2,538
Supplies and materials	68,750	66,815	45,096
Capital outlay	106,000	9,995	5,602
Non-capitalized equipment	-	6,622	48,835
Total	272,260	187,889	192,581

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
EXPENDITURES			
Assessment and Testing Services			
Supplies and materials	\$ 1,000	\$ -	\$ -
Total	1,000	-	-
Board of Education Services			
Salaries	3,500	3,590	2,792
Purchased services	187,750	177,334	177,255
Supplies and materials	20,000	9,114	5,626
Other objects	8,500	7,556	6,406
Total	219,750	197,594	192,079
Executive Administration Services			
Salaries	234,000	237,725	230,801
Employee benefits	57,400	54,067	53,964
Purchased services	4,400	-	-
Supplies and materials	1,000	-	-
Capital outlay	1,000	-	-
Other objects	2,500	525	50
Total	300,300	292,317	284,815
Tort Immunity Services			
Employee benefits	18,000	9,468	7,928
Total	18,000	9,468	7,928
Office of the Principal Services			
Salaries	523,000	551,489	509,779
Employee benefits	123,400	126,984	115,302
Purchased services	3,500	175	274
Supplies and materials	2,000	-	-
Capital outlay	3,000	-	-
Other objects	3,500	3,537	629
Total	658,400	682,185	625,984

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
EXPENDITURES			
Fiscal Services			
Salaries	\$ 13,000	\$ -	\$ 6,094
Employee benefits	2,072	-	-
Purchased services	54,500	38,441	52,804
Supplies and materials	1,000	-	20,134
Total	70,572	38,441	79,032
Operation and Maintenance of Plant Services			
Supplies and materials	5,000	-	-
Total	5,000	-	-
Pupil Transportation Services			
Purchased services	2,100	-	528
Total	2,100	-	528
Food Services			
Salaries	103,000	102,081	101,123
Employee benefits	3,950	2,326	2,162
Purchased services	35,000	9,096	33,492
Supplies and materials	143,000	195,842	132,611
Capital outlay	5,000	-	-
Total	289,950	309,345	269,388
Information Services			
Salaries	100,000	120,657	95,424
Employee benefits	10,650	9,879	9,684
Purchased services	68,000	76,637	67,716
Total	178,650	207,173	172,824
Total Support Services	2,608,857	2,473,143	2,287,870

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
EDUCATIONAL ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
EXPENDITURES			
Community Services			
Salaries	\$ 560	\$ -	\$ -
Purchased services	17,000	7,640	10,304
Supplies and materials	19,700	-	14,879
Other objects	500	-	-
Total Community Services	37,760	7,640	25,183
Payments to Other Gov't Units			
Payments for Special Education Programs			
Purchased services	5,000	-	-
Other objects	615,000	858,265	682,279
Total	620,000	858,265	682,279
Total Payments to Other Gov't Units	620,000	858,265	682,279
Provision for Contingencies			
Other objects	5,000	-	-
Total Provision for Contingencies	5,000	-	-
Total Expenditures	9,323,417	11,585,278	13,089,161
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,219,114	1,927,393	(1,342,558)
OTHER FINANCING (USES)			
Transfers out	-	-	(6,483)
Total Other Financing (Uses)	-	-	(6,483)
NET CHANGE IN FUND BALANCES	\$ 1,219,114	1,927,393	(1,349,041)
FUND BALANCE - BEGINNING OF YEAR		8,342,958	9,691,999
FUND BALANCE - END OF YEAR		\$ 10,270,351	\$ 8,342,958

DRAFT

NILES ELEMENTARY SCHOOL DISTRICT NO. 71

WORKING CASH ACCOUNT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
REVENUES			
Local Sources			
General levy	\$ 300	\$ 942	\$ 630
Earnings on investments	65,000	63,843	66,813
Total Local Sources	65,300	64,785	67,443
<u>Total Revenues</u>	65,300	64,785	67,443
EXPENDITURES			
<u>Total Expenditures</u>	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	65,300	64,785	67,443
OTHER FINANCING (USES)			
Transfers out	-	-	(1,000,000)
<u>Total Other Financing (Uses)</u>	-	-	(1,000,000)
NET CHANGE IN FUND BALANCES	<u>\$ 65,300</u>	64,785	(932,557)
FUND BALANCE - BEGINNING OF YEAR		2,718,136	3,650,693
FUND BALANCE - END OF YEAR		<u>\$ 2,782,921</u>	<u>\$ 2,718,136</u>

DRAFT

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Original and Final Budget	Actual	Actual
REVENUES			
Local Sources			
Earnings on investments	\$ 400	\$ 317	\$ 728
Total Local Sources	400	317	728
<u>Total Revenues</u>	400	317	728
EXPENDITURES			
Support Services			
Debt Service			
Principal	700,000	585,000	5,840
Interest	300	84,863	643
Fees	-	59,671	-
Total	700,300	729,534	6,483
Total Support Services	700,300	729,534	6,483
<u>Total Expenditures</u>	700,300	729,534	6,483
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(699,900)	(729,217)	(5,755)
OTHER FINANCING SOURCES			
Transfers in	700,000	-	6,483
<u>Total Other Financing Sources</u>	700,000	-	6,483
NET CHANGE IN FUND BALANCES	\$ 100	(729,217)	728
FUND BALANCE - BEGINNING OF YEAR		42,134	41,406
FUND BALANCE - END OF YEAR		\$ (687,083)	\$ 42,134

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCE
 STUDENT ACTIVITIES (INCLUDED IN EDUCATIONAL ACCOUNT)
 FOR THE YEAR ENDED JUNE 30, 2022

DRAFT

	Beginning Balance	Revenues	Expenditures	Ending Balance
Culver activity	\$ 983	\$ 9,178	\$ 8,772	\$ 1,389
Student council	4,634	3,745	958	7,421
Parents/8th grade	7,070	6,366	8,604	4,832
Scholarship fund	2,637	1	-	2,638
Fundraising	472	-	-	472
Breakfast club	745	-	-	745
Total	\$ 16,541	\$ 19,290	\$ 18,334	\$ 17,497

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS
 JUNE 30, 2022

DRAFT

WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021

	LEVY			
	2021*		2020	
ASSESSED VALUATION	N/A		\$554,794,598	
TAX EXTENSIONS BY LEVY	RATE	AMOUNT	RATE	AMOUNT
Educational	N/A	\$ 8,451,014	1.4886	\$ 8,258,596
Special education	N/A	206,000	0.0360	200,000
Working cash	N/A	1,030	0.0002	1,000
Operations and maintenance	N/A	1,617,100	0.1602	889,011
Transportation	N/A	463,500	0.0721	400,000
Municipal retirement	N/A	103,000	0.0108	60,000
Social security	N/A	144,200	0.0252	140,000
Total	0.0000	\$ 10,985,844	1.7931	\$ 9,948,607
TAX COLLECTIONS				
Year ended June 30,				
2021		\$ -		\$ 4,724,529
2022		5,243,560		4,872,609
Total		\$ 5,243,560		\$ 9,597,138
PERCENTAGE OF TOTAL LEVY COLLECTED THROUGH JUNE 30, 2022		47.73%		96.47%

*2021 tax levy is based off the levy edit report, the levy has not been released by Cook County.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
SCHEDULE OF OPERATING COSTS AND TUITION CHARGES
JUNE 30, 2022

DRAFT

WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021

	2022	2021
OPERATING COST PER PUPIL		
Average Daily Attendance (ADA):	570.18	567.90
Operating Costs:		
Educational	\$ 8,879,787	\$ 8,405,253
Operations and maintenance	876,478	674,283
Debt service	729,534	6,483
Transportation	310,692	185,058
Municipal retirement/social security	194,599	180,499
	10,991,090	9,451,576
Subtotal		
Less Revenues/Expenditures of Non-regular Programs:		
Capital outlay	232,271	82,354
Community services	7,640	25,183
Debt principal retired	585,000	5,840
Non-capitalized equipment	7,437	48,835
Payments to other government units	858,265	682,279
Pre-K programs	122,222	130,776
Summer school programs	36,422	38,303
	1,849,257	1,013,570
Subtotal		
Operating costs	9,141,833	8,438,006
Operating Cost Per Pupil - Based on ADA	\$ 16,033	\$ 14,858
TUITION CHARGE		
Operating Costs	\$ 9,141,833	\$ 8,438,006
Less:		
Offsetting receipts/revenues	1,196,988	1,129,190
	7,944,845	7,308,816
Net Operating Expense for Tuition Computation		
Add:		
Total Depreciation Allowance	486,962	476,040
	8,431,807	7,784,856
Total Allowance for Tuition Computation		
	\$ 8,431,807	\$ 7,784,856
Tuition Charge Per Pupil - based on ADA	\$ 14,788	\$ 13,708

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 SCHEDULE OF DEBT CERTIFICATES OUTSTANDING
 JUNE 30, 2022

DRAFT

Date of Issue: 8/17/2021 (Series 2021)
 Bonds due each year: December 1
 Interest dates: December 1 and June 1
 Type: General Obligation Debt Certificates
 Interest Rates: 1.410%

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 570,000	\$ 100,533	\$ 1,410,340
2024	580,000	92,425	1,410,340
2025	585,000	84,212	2,764,488
2026	595,000	75,893	3,553,671
2027	605,000	67,433	3,526,900
2028	615,000	58,832	3,505,653
2029	620,000	50,125	3,479,651
2030	630,000	41,314	3,454,258
2031	640,000	32,360	3,429,178
2032	650,000	23,265	3,703,304
2033	660,000	14,030	3,701,217
2034	665,000	4,688	3,702,898
TOTAL	\$ 7,415,000	\$ 645,110	\$ 37,641,898

DRAFT

(THIS PAGE INTENTIONALLY LEFT BLANK)