

**NILES ELEMENTARY
SCHOOL DISTRICT NO. 71
NILES, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

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SCHOOL DISTRICT NO. 71
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate reaming fund information of Niles Elementary School District No. 71, Niles, Illinois (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior-Year Comparative Information

We have previously audited the District's 2020 financial statements, and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 6, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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, as listed in the table of contents, 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, 2020 (not presented herein), and have issued our report October 6, 2020, which contained unmodified 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, 2020 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 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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

October 13, 2021
Rolling Meadows, IL
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the financial statements of Niles Elementary School District No. 71, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Niles Elementary School District No. 71's financial statements, and have issued our report thereon dated October 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Niles Elementary School District No. 71's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Niles Elementary School District No. 71's internal control. Accordingly, we do not express an opinion on the effectiveness of Niles Elementary School District No. 71's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Niles Elementary School District No. 71's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Evans, Marshall & Pease, P.C.

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

Rolling Meadows, IL
October 13, 2021

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

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**Niles Elementary School District No. 71
Management's Discussion and Analysis
For the Year Ended June 30, 2021**

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, 2021. 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, 2021, by \$13,556,597 (net position).
- The District's total net position increased by \$1,196,862.
- The District had capital outlay expenditures in the amount of \$404,208 for various improvements and equipment purchases.
- Fund balances totaled \$14,775,330, which is a decrease of \$1,604,921 in comparison to the previous year.
- The District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*.

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.

**Niles Elementary School District No. 71
Management's Discussion and Analysis
For the Year Ended June 30, 2021**

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as 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.

**Niles Elementary School District No. 71
Management's Discussion and Analysis
For the Year Ended June 30, 2021**

- 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.

**Niles Elementary School District No. 71
Management's Discussion and Analysis
For the Year Ended June 30, 2021**

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, 2021 and 2020:

	Governmental Activities		% Change
	2021	(Restated) 2020	
<i>Assets</i>			
Current and other assets	\$ 20,397,090	\$ 18,106,585	12.65%
Capital assets, net of depreciation	5,848,193	5,915,141	-1.13%
<i>Total Assets</i>	<u>26,245,283</u>	<u>24,021,726</u>	<u>9.26%</u>
<i>Deferred Outflows of Resources</i>			
Pensions	491,382	560,735	-12.37%
Other post-employment benefits	366,983	440,110	-16.62%
<i>Total Deferred Outflows of Resources</i>	<u>858,365</u>	<u>1,000,845</u>	<u>-14.24%</u>
<i>Liabilities</i>			
Other liabilities	119,451	167,617	-28.74%
Noncurrent liabilities	6,136,004	6,507,618	-5.71%
<i>Total Liabilities</i>	<u>6,255,455</u>	<u>6,675,235</u>	<u>-6.29%</u>
<i>Deferred Inflows of Resources</i>			
Unavailable revenue - property taxes	5,124,591	4,239,721	20.87%
Pensions	916,377	964,251	-4.96%
Other post-employment benefits	1,250,628	783,629	59.59%
<i>Total Deferred Inflows of Resources</i>	<u>7,291,596</u>	<u>5,987,601</u>	<u>21.78%</u>
<i>Net Position</i>			
Net investment in capital assets	5,840,899	5,902,007	-1.04%
Restricted	3,730,777	3,056,733	22.05%
Unrestricted	3,984,921	3,400,995	17.17%
<i>Total Net Position</i>	<u>\$ 13,556,597</u>	<u>\$ 12,359,735</u>	<u>9.68%</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 bonds payable and capital leases 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 \$13,556,597.

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, 2021**

The funds have a restricted balance as follows: General Fund's student activity cash balance, \$16,541; Operations and Maintenance Fund, \$1,818,504; Transportation Fund, \$376,600; and Municipal Retirement/Social Security Fund, \$788,613; Capital Projects Fund, \$688,385; and Debt Service Fund, \$42,134. The District's total restricted net position at the end of the fiscal year totaled \$3,730,777. 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, 2021, and 2020:

	Governmental Activities			
	2021	Percentage of Total	(Restated) 2020	Percentage of Total
<i>Revenues</i>				
<i>Program revenues</i>				
Charges for services	\$ 126,799	0.80%	\$ 216,572	1.38%
Operating grants and contributions	5,776,011	36.61%	4,973,705	31.63%
Capital grants and contributions	-	0.00%	50,000	0.32%
<i>General revenues</i>				
Property taxes	8,592,527	54.46%	9,271,325	58.97%
Personal property replacement taxes	456,386	2.89%	327,558	2.08%
Earnings on investments	273,063	1.73%	329,425	2.10%
Evidence based funding formula	553,676	3.51%	553,676	3.52%
<i>Total Revenues</i>	<u>15,778,462</u>	<u>100.00%</u>	<u>15,722,261</u>	<u>100.00%</u>
<i>Expenses</i>				
<i>Current</i>				
Instruction	10,308,014	70.69%	10,335,676	69.81%
Support services	3,247,639	22.27%	3,527,160	23.82%
Community services	25,183	0.17%	10,241	0.07%
Payments to other governmental units	682,279	4.68%	619,790	4.19%
Debt Service - interest and other	643	0.00%	989	0.01%
Depreciation - unallocated	317,842	2.18%	312,215	2.11%
<i>Total Expenses</i>	<u>14,581,600</u>	<u>100.00%</u>	<u>14,806,071</u>	<u>100.00%</u>
<i>Change in Net Position</i>	<u>1,196,862</u>		<u>916,190</u>	
<i>Net Position - Beginning - As Previously Reported</i>	12,359,735		11,426,613	
<i>Prior Period Adjustment</i>				
Student activities reclassification	-		16,932	
<i>Net Position - Beginning - As Restated</i>	<u>12,359,735</u>		<u>11,443,545</u>	
<i>Net Position - Ending</i>	<u>\$ 13,556,597</u>		<u>\$ 12,359,735</u>	

Changes in Net Position: The District's combined net position increased by \$1,196,862 to \$13,556,597 in fiscal year 2021.

**Niles Elementary School District No. 71
Management's Discussion and Analysis
For the Year Ended June 30, 2021**

The District's total revenues were \$15,778,462 for governmental activities. Local taxes (predominantly real estate taxes) were \$9,048,913 or 57.35%. Charges for services were \$126,799 or 0.80%. Operating grants and contributions were \$5,776,011 or 36.61% of the total. Earnings on investments was \$273,063 or 1.73%. Evidence based funding formula was \$553,676 or 3.51%.

Total costs for all governmental programs totaled \$14,581,600. 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, 2021, totaled \$13,555,653, which is \$307,183 less than the combined total of \$13,862,836 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 \$4,671,885 in fiscal year 2021, and is included in "operating grants and contributions" in the revenues and "instruction" within the expenses. On-behalf payments by the state totaled \$4,240,352 in fiscal year 2020.

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 are at positive levels for the year ended June 30, 2021. The governmental funds reported combined fund balances of \$14,775,330, which is a decrease of \$1,604,921 in comparison to the prior year.

General Fund (Educational and Working Cash Accounts)

- Fund balance decreased by \$2,281,598, resulting in an ending fund balance of \$11,061,094.
- Revenues totaled \$11,814,046, which is \$1,430,744 less than the previous year, while on-behalf payments increased \$431,533 to \$4,671,885.

Operations and Maintenance Fund

- Fund balance decreased by \$96,989 resulting in an ending fund balance of \$1,818,504.

Transportation Fund

- Fund balance increased by \$142,109 resulting in an ending fund balance of \$376,600.

Municipal Retirement/Social Security Fund

- Fund balance decreased by \$57,556 resulting in an ending fund balance of \$788,613.

Debt Service Fund

- Fund balance increased by \$728, resulting in an ending fund balance of \$42,134.

Capital Projects Fund

- Fund balance increased by \$688,385 resulting in an ending fund balance of \$688,385.

**Niles Elementary School District No. 71
Management's Discussion and Analysis
For the Year Ended June 30, 2021**

Capital Assets and Debt Administration

Capital Assets

Total depreciation expense for the year was \$471,156, while additions to capital assets amounted to \$404,208, which consisted of improvements and equipment purchases.

	<u>2021</u>	<u>2020</u>
Land	\$ 105,000	\$ 105,000
Construction in progress	321,854	-
Buildings and improvements	4,388,860	4,654,844
Site improvements	752,467	822,888
Equipment	280,012	332,409
Total	<u>\$ 5,848,193</u>	<u>\$ 5,915,141</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 \$7,294 in capital leases, \$6,208 which is due within the next fiscal year.

	<u>2021</u>	<u>2020</u>
Capital leases	\$ 7,294	\$ 13,134
Total	<u>\$ 7,294</u>	<u>\$ 13,134</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, 2021, 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)	\$ 8,624,720	\$ 13,089,161	\$ 4,464,441
Capital Projects Fund	-	321,854	321,854
Debt Service Fund	300	6,483	6,183

The General Fund (Educational Account) over expended its budget by \$4,464,441, due to un-budgeted on-behalf payments made by the state for \$4,671,885. The Capital Projects Fund over expended its budget by \$321,854, due to the establishment of the new capital projects fund. The Debt Service Fund over expended its budget by \$6,183 due to un-budgeted capital lease principal and interest payments transferred from the General Fund to the Debt Service Fund.

Factors Bearing on the District's Financial Future

With the COVID-19 pandemic, the District's first priority remains the health and safety of staff, students, and the community. The District continues working closely with public health guidance to achieve the best plan. As the situation evolves, the District will need to be flexible; to listen; and to understand to change course as needed. The District will take it one day, one week, and one month at a time.

**Niles Elementary School District No. 71
Management's Discussion and Analysis
For the Year Ended June 30, 2021**

With the State of Illinois, there continues to be a material risk that future funding formula legislation will impact the District negatively. Legislation has been introduced in recent years to modify the school funding system. Several of these scenarios and pieces of legislation would reduce State revenue to the District.

Pension obligations for certificated employees, including teachers and administrators, are funded by the state and active members of the Illinois Teachers' Retirement System. The State of Illinois continues its' long-standing debate on pensions and the need for funding reforms to address an increasing unfunded liability in the system. Currently, employers are mandated to contribute 0.58% of all creditable salary earnings to the Teachers' Retirement System. Due to the complexities of the pension system and various funding reform issues being discussed in the legislature, added employer contributions may be a future consideration.

The persistent climate of the State's economy is a continual concern. The State's ability to properly fund education is more questionable now than at any time in recent years.

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.

BASIC FINANCIAL STATEMENTS

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NILES ELEMENTARY SCHOOL DISTRICT NO. 71
STATEMENT OF NET POSITION
JUNE 30, 2021

WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2020

	Governmental Activities	
	2021	(Restated) 2020
ASSETS		
Cash and investments	\$ 14,657,747	\$ 13,553,141
Receivables (net of allowance for uncollectibles)		
Property taxes	5,124,591	4,239,721
Personal property replacement taxes	85,383	46,706
Intergovernmental	151,651	19,322
Prepaid items	-	2,654
Net pension asset	377,718	245,041
Capital assets not being depreciated		
Land	105,000	105,000
Construction in progress	321,854	-
Capital assets, net of accumulated depreciation		
Buildings and improvements	4,388,860	4,654,844
Site improvements	752,467	822,888
Equipment	280,012	332,409
Total Assets	26,245,283	24,021,726
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	491,382	560,735
Other post-employment benefits	366,983	440,110
Total Deferred Outflows of Resources	858,365	1,000,845
LIABILITIES		
Accounts payable	119,451	155,878
Payroll deductions and withholdings	-	11,739
Noncurrent liabilities		
Due within one year	6,208	5,840
Due in more than one year	6,129,796	6,501,778
Total Liabilities	6,255,455	6,675,235
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	5,124,591	4,239,721
Pensions	916,377	964,251
Other post-employment benefits	1,250,628	783,629
Total Deferred Inflows of Resources	7,291,596	5,987,601
NET POSITION		
Net investment in capital assets	5,840,899	5,902,007
Restricted	3,730,777	3,056,733
Unrestricted	3,984,921	3,400,995
Total Net Position	\$ 13,556,597	\$ 12,359,735

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, 2021

WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2020

Functions/ Programs	Expenses Disbursed	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Current				
Instruction	\$ 10,308,014	\$ 113,378	\$ 5,439,547	\$ -
Support Services	3,247,639	13,421	336,464	-
Community Services	25,183	-	-	-
Payments to other gov't units	682,279	-	-	-
Debt Service				
Interest and other	643	-	-	-
Depreciation - unallocated*	317,842	-	-	-
Total Governmental Activities	\$ 14,581,600	\$ 126,799	\$ 5,776,011	\$ -

GENERAL REVENUES

Taxes
Property taxes
Personal property replacement taxes
Earnings on investments
Evidence based funding formula

Total General Revenues

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR -
AS PREVIOUSLY REPORTED

PRIOR PERIOD ADJUSTMENT

Student activities reclassification

FUND BALANCE - BEGINNING OF YEAR -
AS RESTATED

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.

Governmental Activities	
(Restated)	
2021	2020
Net (Expense) Revenue and Changes in Net Position	
\$ (4,755,089)	\$ (5,487,095)
(2,897,754)	(3,135,464)
(25,183)	(10,241)
(682,279)	(619,790)
(643)	(989)
<u>(317,842)</u>	<u>(312,215)</u>
<u>(8,678,790)</u>	<u>(9,565,794)</u>
8,592,527	9,271,325
456,386	327,558
273,063	329,425
<u>553,676</u>	<u>553,676</u>
<u>9,875,652</u>	<u>10,481,984</u>
<u>1,196,862</u>	<u>916,190</u>
12,359,735	11,426,613
<u>-</u>	<u>16,932</u>
<u>12,359,735</u>	<u>11,443,545</u>
<u>\$ 13,556,597</u>	<u>\$ 12,359,735</u>

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2020

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
ASSETS				
Cash and investments	\$ 10,862,425	\$ 1,837,922	\$ 358,518	\$ 788,613
Receivables (net of allowance for uncollectibles):				
Property taxes	4,357,398	458,019	206,028	103,146
Replacement taxes	85,383	-	-	-
Intergovernmental	129,235	-	22,416	-
Prepaid items	-	-	-	-
<u>Total Assets</u>	<u>\$ 15,434,441</u>	<u>\$ 2,295,941</u>	<u>\$ 586,962</u>	<u>\$ 891,759</u>
LIABILITIES				
Accounts payable	\$ 15,949	\$ 19,418	\$ 4,334	\$ -
Payroll deductions and withholdings	-	-	-	-
<u>Total Liabilities</u>	<u>15,949</u>	<u>19,418</u>	<u>4,334</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	4,357,398	458,019	206,028	103,146
<u>Total Deferred Inflows of Resources</u>	<u>4,357,398</u>	<u>458,019</u>	<u>206,028</u>	<u>103,146</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	16,541	1,818,504	376,600	788,613
Unassigned	11,044,553	-	-	-
<u>Total Fund Balances</u>	<u>11,061,094</u>	<u>1,818,504</u>	<u>376,600</u>	<u>788,613</u>
<u>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</u>	<u>\$ 15,434,441</u>	<u>\$ 2,295,941</u>	<u>\$ 586,962</u>	<u>\$ 891,759</u>

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

Debt Service Fund	Capital Projects Fund	Total	
		2021	(Restated) 2020
\$ 42,134	\$ 768,135	\$ 14,657,747	\$ 13,553,141
-	-	5,124,591	4,239,721
-	-	85,383	46,706
-	-	151,651	19,322
-	-	-	2,654
<u>\$ 42,134</u>	<u>\$ 768,135</u>	<u>\$ 20,019,372</u>	<u>\$ 17,861,544</u>
\$ -	\$ 79,750	\$ 119,451	\$ 155,878
-	-	-	11,739
-	79,750	119,451	167,617
-	-	5,124,591	1,313,676
-	-	5,124,591	1,313,676
-	-	-	2,654
42,134	688,385	3,730,777	3,056,733
-	-	11,044,553	13,320,864
<u>42,134</u>	<u>688,385</u>	<u>14,775,330</u>	<u>16,380,251</u>
<u>\$ 42,134</u>	<u>\$ 768,135</u>	<u>\$ 20,019,372</u>	<u>\$ 17,861,544</u>

(Continued)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances - governmental funds		\$ 14,775,330
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.</p>		
Cost of capital assets:		
Land	\$ 105,000	
Construction in progress	321,854	
Buildings and improvements	12,514,471	
Site improvements	1,458,238	
Equipment	<u>1,737,250</u>	
Total cost of capital assets	16,136,813	
Less: Accumulated Depreciation	<u>(10,288,620)</u>	
Net capital assets		5,848,193
<p>Deferred outflows of resources do not relate to current financial resources and are not included in the governmental funds balance sheet.</p>		
Pensions	491,382	
Other post-employment benefits	<u>366,983</u>	858,365
<p>Deferred inflows of resources do not relate to current financial resources and are not included in the governmental funds balance sheet.</p>		
Pensions	(916,377)	
Other post-employment benefits	<u>(1,250,628)</u>	(2,167,005)
<p>Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported as liabilities in the funds. All liabilities, both current and long-term, are reported in the statement of net position. Balances as of June 30, 2021 as follows:</p>		
Capital leases payable	(7,294)	
Pensions (includes net pension asset)	(174,906)	
Other post-employment benefits	<u>(5,576,086)</u>	<u>(5,758,286)</u>
Total net position of governmental activities (Exhibit A)		<u>\$ 13,556,597</u>

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

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NILES ELEMENTARY SCHOOL DISTRICT NO. 71
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
REVENUES				
Local Sources				
Property taxes	\$ 4,806,932	\$ 521,048	\$ 230,946	\$ 107,556
Personal property replacement taxes	453,886	-	-	2,500
Earnings on investments	212,094	31,401	5,714	12,887
Other local sources	101,851	24,845	103	-
State Sources	717,604	-	90,404	-
State On-behalf retirement	4,671,885	-	-	-
Federal Sources	849,794	-	-	-
<u>Total Revenues</u>	<u>11,814,046</u>	<u>577,294</u>	<u>327,167</u>	<u>122,943</u>
EXPENDITURES				
Current				
Instruction				
Regular programs	3,685,087	-	-	42,697
Special education programs	760,218	-	-	24,855
Other instructional programs	961,160	-	-	9,952
Support Services				
Pupils	430,305	-	-	4,345
Instructional staff	219,385	-	-	5,218
General administration	484,822	-	-	13,166
School administration	625,984	-	-	26,153
Business	348,948	610,576	185,058	40,500
Central	172,824	-	-	13,613
Other support services	-	2,434	-	-
Community Services	25,183	-	-	-
State On-behalf retirement	4,671,885	-	-	-
Payments to other government units	682,279	-	-	-
Debt Service				
Interest and other	-	-	-	-
Principal	-	-	-	-
Capital Outlay	21,081	61,273	-	-
<u>Total Expenditures</u>	<u>13,089,161</u>	<u>674,283</u>	<u>185,058</u>	<u>180,499</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,275,115)</u>	<u>(96,989)</u>	<u>142,109</u>	<u>(57,556)</u>

Debt Service Fund	Capital Projects Fund	Total	
		2021	(Restated) 2020
\$ -	\$ -	\$ 5,666,482	\$ 8,456,867
-	-	456,386	327,558
728	10,239	273,063	329,425
-	-	126,799	216,572
-	-	808,008	827,408
-	-	4,671,885	4,240,352
-	-	849,794	509,621
<u>728</u>	<u>10,239</u>	<u>12,852,417</u>	<u>14,907,803</u>
-	-	3,727,784	3,725,747
-	-	785,073	904,697
-	-	971,112	1,205,845
-	-	434,650	399,107
-	-	224,603	252,054
-	-	497,988	459,404
-	-	652,137	613,495
-	-	1,185,082	1,488,125
-	-	186,437	166,104
-	-	2,434	9,188
-	-	25,183	10,241
-	-	4,671,885	4,240,352
-	-	682,279	619,790
643	-	643	989
5,840	-	5,840	5,493
-	321,854	404,208	482,443
<u>6,483</u>	<u>321,854</u>	<u>14,457,338</u>	<u>14,583,074</u>
<u>(5,755)</u>	<u>(311,615)</u>	<u>(1,604,921)</u>	<u>324,729</u>

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	<u>(1,006,483)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,006,483)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(2,281,598)</u>	<u>(96,989)</u>	<u>142,109</u>	<u>(57,556)</u>
FUND BALANCE - BEGINNING OF YEAR - AS PREVIOUSLY REPORTED	13,342,692	1,915,493	234,491	846,169
PRIOR PERIOD ADJUSTMENT				
Student activities reclassification	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR - AS RESTATED	<u>13,342,692</u>	<u>1,915,493</u>	<u>234,491</u>	<u>846,169</u>
FUND BALANCE - END OF YEAR	<u>\$ 11,061,094</u>	<u>\$ 1,818,504</u>	<u>\$ 376,600</u>	<u>\$ 788,613</u>

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

Debt Service Fund	Capital Projects Fund	Total	
		2021	(Restated) 2020
\$ 6,483	\$ 1,000,000	\$ 1,006,483	\$ 1,006,482
-	-	(1,006,483)	(1,006,482)
6,483	1,000,000	-	-
728	688,385	(1,604,921)	324,729
41,406	-	16,380,251	16,038,590
-	-	-	16,932
41,406	-	16,380,251	16,055,522
<u>\$ 42,134</u>	<u>\$ 688,385</u>	<u>\$ 14,775,330</u>	<u>\$ 16,380,251</u>

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, 2021

Net Change in Fund Balances - total governmental funds (Exhibit D) \$ (1,604,921)

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

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays for items below the District's capitalization limits are expensed.

Depreciation expense	\$ (471,156)	
Capital outlay over capitalization limits	<u>404,208</u>	(66,948)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead counted as deferred inflows. They are, however, recorded as revenues in the statement of activities. 2,926,045

Repayment of capital lease principal is recorded as an expenditure in governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. The District debt was reduced by principal payments made to capital leases. 5,840

Some amounts reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These amounts include the change in:

Pensions	98,847	
Other post-employment benefits	<u>(162,001)</u>	<u>(63,154)</u>

Change in net position of governmental activities (Exhibit B) \$ 1,196,862

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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. The District has no bonded debt, but retains a small portion of cash in the fund.

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:

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021 and which are normally collected within 60 days of year end.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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 (\$16,541), the Operations and Maintenance Fund by statute (\$1,818,504), the Transportation Fund by statute (\$376,600), the Municipal Retirement/Social Security Fund by statute (\$788,613), the Capital Projects Fund by statute (\$688,385), and the Debt Service Fund by statute (\$42,134), totaling \$3,730,777.

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, 2021.

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:

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, the restricted balance is \$16,541.
- 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, 2021, 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, 2021, 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, 2021, 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.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

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.

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.

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.

Prepaid Items

The District's prepaid items are accounted for using the consumption method. Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items.

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.

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:

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

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

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 Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debts, to be repaid from governmental resources, are reported as liabilities in the government-wide statements. The long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

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, 2020, from which such summarized information was derived.

Deferred Outflows/Inflows 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 – pensions and other post-employment benefits reported in the government-wide statement of position (\$491,382 pensions and \$366,983 other post-employment benefits). This result is from the 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.

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 (gw) statement of position and in the governmental funds (gf) balance sheet (\$5,124,591 gw, \$5,124,591 gf). The item for unavailable revenue is from property taxes. The second and third items are pensions (\$916,377) and other post-employment benefits (\$1,250,628), which are 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. These items amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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.

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, 2021, the amount of pooled cash and investments held by the Niles Township School Treasurer and allocated to the District was \$14,639,206; with an additional \$2,000 of imprest and \$16,541 of student activity for total cash and investments of \$14,657,747.

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.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2. CASH AND INVESTMENTS (Cont'd)

Custodial Credit Risk: In the case of deposits, 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, 2021, \$17,955 held in bank accounts of the District is covered by FDIC coverage.

NOTE 3. PROPERTY TAXES

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 2020 levy was December 8, 2020, and the adoption date for the 2019 tax levy was December 10, 2019. 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, 2021, 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.

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

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3. PROPERTY TAXES (Cont'd)

Tax Year	2020		2019	
Equalized Assessed Valuation	\$554,794,598		\$494,021,080	
	Rates	Extensions	Rates	Extensions
Educational	1.4886	\$ 8,258,596	1.4605	\$ 7,214,958
Special Education	0.0360	200,000	0.0407	200,844
Working Cash	0.0002	1,000	0.0002	1,005
Operations and Maintenance	0.1602	889,011	0.1829	903,798
Transportation	0.0721	400,000	0.0772	381,604
Municipal Retirement	0.0108	60,000	0.0122	60,254
Social Security	0.0252	140,000	0.0285	140,591
Totals	1.7931	\$ 9,948,607	1.8022	\$ 8,903,054

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable of the governmental activities consists of property taxes and intergovernmental revenues. Receivable detail at June 30, 2021, and June 30, 2020, is as follows:

	2021	2020
Property taxes	\$ 5,124,591	\$ 4,239,721
Personal property replacement taxes	85,383	46,706
Due from state government	151,651	19,322
Totals	\$ 5,361,625	\$ 4,305,749

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, 2021, was as follows:

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5. CAPITAL ASSETS AND DEPRECIATION (Cont'd)

	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 capital assets, not being depreciated	<u>105,000</u>	<u>321,854</u>	<u>-</u>	<u>426,854</u>
Capital assets, being depreciated:				
Buildings and improvements	12,468,172	46,299	-	12,514,471
Site improvements	1,455,808	2,430	-	1,458,238
Equipment	1,703,625	33,625	-	1,737,250
Total capital assets, being depreciated	<u>15,627,605</u>	<u>82,354</u>	<u>-</u>	<u>15,709,959</u>
Accumulated depreciation:				
Buildings and improvements	7,813,328	312,283	-	8,125,611
Site improvements	632,920	72,851	-	705,771
Equipment	1,371,216	86,022	-	1,457,238
Total accumulated depreciation	<u>9,817,464</u>	<u>471,156</u>	<u>-</u>	<u>10,288,620</u>
Net depreciable capital assets	<u>5,810,141</u>	<u>(388,802)</u>	<u>-</u>	<u>5,421,339</u>
Net total capital assets	<u>\$ 5,915,141</u>	<u>\$ (66,948)</u>	<u>\$ -</u>	<u>\$ 5,848,193</u>
Depreciation was charged to functions as follows:				
Governmental activities:				
Instruction		\$ 46,079		
Support services		107,235		
Unallocated		317,842		
Total governmental activities and depreciation expense		<u>\$ 471,156</u>		

NOTE 6. LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following is a summary of the components of long-term obligations and related transactions of the District for the year ended June 30, 2021:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Capital Lease:					
(3) Copier machines	\$ 13,134	\$ -	\$ 5,840	\$ 7,294	\$ 6,208
Pensions*	540,273	12,351	-	552,624	-
Other post-employment benefits	5,954,211	-	378,125	5,576,086	-
Total Long-Term Obligations	<u>\$ 6,507,618</u>	<u>\$ 12,351</u>	<u>\$ 383,965</u>	<u>\$ 6,136,004</u>	<u>\$ 6,208</u>

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 6. LONG-TERM OBLIGATIONS (Cont'd)

See Note 7 for further information on pensions and Note 8 for further information on other post-employment benefits. Long-term liabilities are liquidated by the General Fund.

*IMRF Net Pension Asset of \$377,718 (Note 7, part B)

Capital Leases

The District has acquired certain equipment by entering into various installment purchase obligations. The total cost of the property and equipment has been included in the capital assets in the year of acquisition. These obligations will be paid from current operating funds of the Educational Account, General Fund of the Governmental Fund.

On July 17, 2017, the District entered into a lease/purchase agreement with Canon Financial Services for the purchase of (2) Canon 6575 and (1) Canon 4535 copier machines with hole punch unit attachment, totaling \$27,845, with a monthly payment of \$540 including interest at 6.14% for the copiers and 5.55% for the hole punch unit attachment. The remaining balance due at June 30, 2021, is \$7,294.

As of June 30, 2021, the annual debt service requirements to cover outstanding capital lease agreements are:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 6,208	\$ 275	\$ 6,483
2023	1,086	8	1,094
Total	\$ 7,294	\$ 283	\$ 7,577

Legal Debt Margin

The Illinois School Code limits the amount of bond indebtedness to 6.9 percent of equalized assessed valuation. Based on the 2020 assessed valuation of \$554,794,598, the debt limit is \$38,280,827. At June 30, 2021, the outstanding capital lease to which the legal debt margin applies is \$7,294, leaving a legal debt margin of \$38,273,533.

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.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org>; 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.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2021, State of Illinois contributions recognized by the 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 \$4,609,818 in pension contributions from the State of Illinois.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$28,855, and are deferred because they were paid after the June 30, 2020 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, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$55,564 were paid from federal and special trust funds that required employer contributions of \$5,308. These contributions are deferred because they were paid after the June 30, 2020 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, 2021, the employer paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent, \$3,624 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, 2020 (measurement date), 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:

Employer's proportionate share of the net pension liability	\$ 552,624
State's proportionate share of the net pension liability associated with the employer	<u>43,284,414</u>
Total	<u><u>\$ 43,837,038</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The 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, 2020, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2020, the employer's proportion was .00064 percent, which was a decrease of .00003 percent from its proportion measured as of June 30, 2019.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

For the year ended June 30, 2021, the employer recognized pension expense of \$4,609,818 and revenue of \$4,665,738 for support provided by the state. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 5,356	\$ 147
Net difference between projected and actual earnings on pension plan investments	16,501	-
Changes of assumptions	2,264	5,798
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>59,146</u>	<u>260,844</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>83,267</u>	<u>266,789</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>34,163</u>	<u>-</u>
Total	<u><u>\$ 117,430</u></u>	<u><u>\$ 266,789</u></u>

\$34,163 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:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (52,111)
2023	(85,176)
2024	(43,382)
2025	(1,293)
2026	<u>(1,560)</u>
Total	<u><u>\$ (183,522)</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

In the June 30, 2020 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017. In the June 30, 2019 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.5%	6.1%
U.S. equities small/mid cap	2.3%	7.2%
International equities developed	12.2%	7.0%
Emerging market equities	3.0%	9.4%
U.S. bonds core	7.0%	2.2%
U.S. bonds high yield	2.5%	4.1%
International debt developed	3.1%	1.5%
Emerging international debt	3.2%	4.5%
Real estate	16.0%	5.7%
Private debt	5.2%	6.3%
Hedge funds	10.0%	4.3%
Private equity	15.0%	10.5%
Infrastructure	4.0%	6.2%
Total	<u>100.0%</u>	

Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2019, rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

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	\$ 670,785	\$ 552,624	\$ 455,344

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2020, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

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.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

December 31,	<u>2020</u>
Retirees and Beneficiaries currently receiving benefits	37
Inactive Plan Members entitled to but not yet receiving benefits	87
Active Plan Members	<u>21</u>
Total	<u><u>145</u></u>

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 2020 was 7.02%. For the fiscal year ended June 30, 2021, the employer contributed \$51,260 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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- 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.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

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

Asset Class	Target Allocation	Return 12/31/2020	Projected Returns/Risks	
			One Year Arithmetic	Ten Year Geometric
Equities	37%	22.07%	6.35%	5.00%
International Equities	18%	13.52%	7.65%	6.00%
Fixed Income	28%	7.87%	1.40%	1.30%
Real Estate	9%	4.20%	7.10%	6.20%
Alternatives	7%			
Private Equity		N/A	10.35%	6.95%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	3.90%	2.85%
Cash Equivalents	1%	2.56%	0.70%	0.70%
Total	<u>100%</u>			

Single Discount Rate

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

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

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

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 2.00%; and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2019	\$ 4,813,039	\$ 5,058,080	\$ (245,041)
Changes for the year:			
Service Cost	89,401	-	89,401
Interest on the Total Pension Liability	339,626	-	339,626
Differences Between Expected and Actual Experience of the Total Pension Liability	412,603	-	412,603
Changes of Assumptions	(41,006)	-	(41,006)
Contributions - Employer	-	55,044	(55,044)
Contributions - Employees	-	38,598	(38,598)
Net Investment Income	-	677,150	(677,150)
Benefits Payments, including Refunds of Employee Contributions	(346,483)	(346,483)	-
Other	-	162,509	(162,509)
Net Changes	<u>454,141</u>	<u>586,818</u>	<u>(132,677)</u>
Balances at December 31, 2020	<u>\$ 5,267,180</u>	<u>\$ 5,644,898</u>	<u>\$ (377,718)</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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 5,734,414	\$ 5,267,180	\$ 4,876,856
Plan Fiduciary Net Position	5,644,898	5,644,898	5,644,898
Net Pension Liability (Asset)	<u>\$ 89,516</u>	<u>\$ (377,718)</u>	<u>\$ (768,042)</u>

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

For the year ended June 30, 2021, the employer recognized pension expense of \$46,079. At June 30, 2021, 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, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (Cont'd)

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 110,706	\$ -
Changes of assumptions	-	11,002
Net difference between projected and actual earnings on pension plan investments	<u>237,984</u>	<u>638,586</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>348,690</u>	<u>649,588</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>25,262</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 373,952</u></u>	<u><u>\$ 649,588</u></u>

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:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ (31,310)
2021	(43,928)
2022	(162,918)
2023	(62,742)
2024	-
Thereafter	-
Total	<u><u>\$ (300,898)</u></u>

C. Aggregate Pension Amounts

For the year ended June 30, 2021, aggregate pension amounts are as follows:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred Outflows of Resources	\$ 117,430	\$ 373,952	\$ 491,382
Net Pension Liability (Asset)	552,624	(377,718)	174,906
Deferred Inflows of Resources	266,789	649,588	916,377
Pension Expense (Revenue), Net of State Support	(55,920)	46,079	(9,841)

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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 1.24 percent of pay during the year ended June 30, 2021. State of Illinois contributions were \$62,067, 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 0.92 percent during the year ended June 30, 2021. For the year ended June 30, 2021, the employer paid \$46,050 to the THIS Fund, which was 100 percent of the required contribution. The contributions are deferred because they were paid after the June 30, 2020 measurement date.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2020 (measurement date), 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	\$ 5,576,086
State's proportionate share of the net THIS liability associated with the employer	<u>7,554,078</u>
Total	<u><u>\$ 13,130,164</u></u>

The net THIS liability was measured as of June 30, 2020, and the total THIS liability used to calculate the net THIS liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. 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, 2020, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020, the employer's proportion was 0.020856, which was a decrease of 0.000657 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the employer recognized THIS expense of \$224,068 and revenue of \$62,067 for support provided by the state. At June 30, 2020, 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	\$ -	\$ 148,151
Net difference between projected and actual earnings on pension plan investments	-	159
Changes of assumptions	1,889	919,768
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>319,044</u>	<u>182,550</u>
Total deferred amounts to be recognized in THIS expense in future periods	<u>320,933</u>	<u>1,250,628</u>
<i>THIS contributions subsequent to the measurement date</i>	<u>46,050</u>	<u>-</u>
Total	<u><u>\$ 366,983</u></u>	<u><u>\$ 1,250,628</u></u>

\$46,050 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, 2021. 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, 2021

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

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2022	\$ (178,447)
2023	(178,434)
2024	(178,408)
2025	(138,006)
2026	(77,128)
Thereafter	(133,222)
Total	<u>\$ (883,645)</u>

Actuarial Assumptions

The total THIS liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	0.00 percent, net of THIS plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend rate 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.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

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 the 20-year general obligation bond index has been selected. The discount rates are 3.56% as of June 30, 2017, 3.62% as of June 30, 2018, 3.13% as of June 30, 2019, 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 2.45 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 (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current rate.

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Employer's proportionate share of the net THIS liability	\$ 6,701,613	\$ 5,576,086	\$ 4,684,306

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 8.25 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 (7.25 percent) or 1-percentage-point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Employer's proportionate share of the net THIS liability	\$ 4,484,836	\$ 5,576,086	\$ 7,051,147

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".

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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. SPECIAL TAX LEVIES

Special Education. Proceeds from the Special Education Special Tax Levy and related disbursements have been included in the operations of the Educational Account portion of the General Fund. At June 30, 2021, the cumulative Special Education disbursements had exceeded related receipts in the Educational Account portion of the General Fund and, accordingly, there is no restriction on the June 30, 2021 fund balance of the Educational Account portion of the General Fund.

NOTE 11. TORT EXPENSES

The District did not levy for tort nor had any tort funds on hand during the year ended June 30, 2021, 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:

	<u>Amount</u>
Workers' compensation	\$ 36,303
Liability insurance	49,120
Legal expenses	<u>71,799</u>
Total Tort Expenses	<u><u>\$ 157,222</u></u>

NOTE 12. 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 13. 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 amount of settlements did not exceed insurance coverage for the last three years.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14. 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, 2021, 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 15. INTERFUND LOANS AND TRANSFERS

The District made no interfund loans during the fiscal year ended June 30, 2021.

The District made the following interfund transfers during the fiscal year ended June 30, 2021:

- The General Fund to the Debt Service Fund in the amount of \$6,483 for principal and interest payments paid on the capital lease.
- The General Fund to the Capital Projects Fund in the amount of \$1,000,000 for construction.

NOTE 16. CHANGE IN ACCOUNTING PRINCIPLE

In 2021, the District adopted new accounting guidance *GASB Statement No. 84, Fiduciary Activities*. The Government-Wide Financial Statements and Fund Financial Statements at July 1, 2019 was increased by \$16,932, due to student activities carrying amount recognition previously unrecognized.

NOTE 17. PRIOR PERIOD ADJUSTMENT

The District restated its Government-Wide Financial Statements and Fund Financial Statements at July 1, 2019, in the amount of \$16,932 for the recognition of student activities carrying amount under the newly adopted standards.

NOTE 18. 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, 2021, and the date of this audit report requiring disclosure in the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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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

Fiscal year ending June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually-required contribution	\$ 34,816	\$ 37,560	\$ 30,753
Contributions in relation to the contractually-required contribution	<u>34,163</u>	<u>37,664</u>	<u>41,134</u>
Contribution (excess)	<u>\$ 653</u>	<u>\$ (104)</u>	<u>\$ (10,381)</u>
Employer's covered-employee payroll	\$ 5,005,418	\$ 5,287,810	\$ 5,302,282
Contributions as a percentage of covered-employee payroll	0.70%	0.71%	0.58%

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

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

Fiscal year ending June 30,*	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer's proportion of the net pension liability	0.0006409822%	0.0006661146%	0.0007016147%
Employer's proportionate share of the net pension liability	\$ 552,624	\$ 540,273	\$ 546,872
State's proportionate share of the net pension liability associated with the employer	<u>43,284,414</u>	<u>38,450,665</u>	<u>37,463,053</u>
Total	<u>\$ 43,837,038</u>	<u>\$ 38,990,938</u>	<u>\$ 38,009,925</u>
Employer's covered-employee payroll	\$ 5,287,810	\$ 5,302,282	\$ 5,018,910
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.45%	10.19%	10.90%
Plan fiduciary net position as a percentage of the total pension liability	37.80%	39.60%	40.00%

*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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0013720944%	0.0009878129%	0.0012978019%	0.0011754479%
\$ 1,048,255	\$ 779,740	\$ 850,191	\$ 715,357
<u>34,101,525</u>	<u>36,645,305</u>	<u>30,414,410</u>	<u>28,367,869</u>
<u>\$ 35,149,780</u>	<u>\$ 37,425,045</u>	<u>\$ 31,264,601</u>	<u>\$ 29,083,226</u>
\$ 4,598,559	\$ 4,579,106	\$ 4,688,684	\$ 4,827,798
22.80%	17.03%	18.13%	14.82%
39.30%	36.40%	40.50%	43.00%

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

Calendar year ending December 31,	2020	2019	2018
Total pension liability			
Service cost	\$ 89,401	\$ 88,654	\$ 83,642
Interest on the total pension liability	339,626	331,214	322,730
Difference between expected and actual experience of the total pension liability	412,603	(3,486)	8,286
Changes of assumptions	(41,006)	-	97,189
Benefit payments, including refunds of employee contributions	<u>(346,483)</u>	<u>(254,979)</u>	<u>(242,901)</u>
Net change in pension liability	454,141	161,403	268,946
Total pension liability - beginning	<u>4,813,039</u>	<u>4,651,636</u>	<u>4,382,690</u>
Total pension liability - ending (A)	<u>\$ 5,267,180</u>	<u>\$ 4,813,039</u>	<u>\$ 4,651,636</u>
Plan fiduciary net position			
Contributions - employer	\$ 55,044	\$ 47,242	\$ 67,989
Contributions - employees	38,598	37,166	39,421
Net investment income	677,150	814,354	(244,710)
Benefit payments, including refunds of employee contributions	(346,483)	(254,979)	(242,901)
Other	<u>162,509</u>	<u>10,558</u>	<u>92,389</u>
Net change in plan fiduciary net position	586,818	654,341	(287,812)
Plan fiduciary net position - beginning	<u>5,058,080</u>	<u>4,403,739</u>	<u>4,691,551</u>
Plan fiduciary net position - ending (B)	<u>\$ 5,644,898</u>	<u>\$ 5,058,080</u>	<u>\$ 4,403,739</u>
Net pension liability/(asset) - ending (A) - (B)	<u>\$ (377,718)</u>	<u>\$ (245,041)</u>	<u>\$ 247,897</u>
Plan fiduciary net position as a percentage of total pension liability	107.17%	105.09%	94.67%
Covered valuation payroll	\$ 784,118	\$ 825,900	\$ 831,154
Net pension liability as a percentage of covered valuation payroll	-48.17%	-29.67%	29.83%

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.

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

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
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 2020 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 2020 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>	Non-Taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 23 year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
<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 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, 2018 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.

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

Fiscal year ending June 30,*	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's proportion of the net THIS liability	0.020856%	0.021513%	0.021185%	0.020125%
Employer's proportionate share of the net THIS liability	\$ 5,576,086	\$ 5,954,211	\$ 5,581,458	\$ 5,222,479
State's proportionate share of the net THIS liability associated with the employer	<u>7,554,078</u>	<u>8,062,761</u>	<u>7,494,694</u>	<u>6,858,413</u>
Total	<u>\$ 13,130,164</u>	<u>\$ 14,016,972</u>	<u>\$ 13,076,152</u>	<u>\$ 12,080,892</u>
Employer's covered-employee payroll	\$ 5,287,810	\$ 5,302,282	\$ 5,018,910	\$ 4,598,559
Employer's proportionate share of the net THIS liability as a percentage of its covered-employee payroll	105.45%	112.30%	111.21%	113.57%
Plan fiduciary net position as a percentage of the total THIS liability	0.70%	0.25%	-0.07%	-0.17%

*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.

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

Fiscal year ending June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually-required contribution	\$ 46,050	\$ 48,648	\$ 48,781	\$ 44,166
Contributions in relation to the contractually-required contribution	<u>46,050</u>	<u>48,648</u>	<u>48,781</u>	<u>44,166</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 5,005,418	\$ 5,287,810	\$ 5,302,282	\$ 5,018,910
Contributions as a percentage of covered-employee payroll	0.92%	0.92%	0.92%	0.88%

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.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2021

WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2020

	Educational Account	Working Cash Account	Total	
			2021	(Restated) 2020
ASSETS				
Cash and investments	\$ 8,144,289	\$ 2,718,136	\$ 10,862,425	\$ 10,881,399
Receivables (net of allowance for uncollectibles)				
Property taxes	4,356,935	463	4,357,398	3,531,956
Replacement taxes	85,383	-	85,383	46,706
Intergovernmental	129,235	-	129,235	-
Prepaid items	-	-	-	2,654
<u>Total Assets</u>	<u>\$ 12,715,842</u>	<u>\$ 2,718,599</u>	<u>\$ 15,434,441</u>	<u>\$ 14,462,715</u>
LIABILITIES				
Accounts payable	\$ 15,949	\$ -	\$ 15,949	\$ 17,662
Payroll deductions and withholdings	-	-	-	7,985
<u>Total Liabilities</u>	<u>15,949</u>	<u>-</u>	<u>15,949</u>	<u>25,647</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	4,356,935	463	4,357,398	1,094,376
<u>Total Deferred Inflows of Resources</u>	<u>4,356,935</u>	<u>463</u>	<u>4,357,398</u>	<u>1,094,376</u>
FUND BALANCES				
Nonspendable	-	-	-	2,654
Restricted	16,541	-	16,541	21,828
Unassigned	8,326,417	2,718,136	11,044,553	13,318,210
<u>Total Fund Balances</u>	<u>8,342,958</u>	<u>2,718,136</u>	<u>11,061,094</u>	<u>13,342,692</u>
<u>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</u>	<u>\$ 12,715,842</u>	<u>\$ 2,718,599</u>	<u>\$ 15,434,441</u>	<u>\$ 14,462,715</u>

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		
	Original and Final Budget	Educational Account	Working Cash Account
REVENUES			
Local Sources	\$ 7,720,877	\$ 5,507,320	\$ 67,443
State Sources	704,250	717,604	-
State On-behalf retirement	-	4,671,885	-
Federal Sources	360,996	849,794	-
<u>Total Revenues</u>	<u>8,786,123</u>	<u>11,746,603</u>	<u>67,443</u>
EXPENDITURES			
Current			
Instruction	5,651,703	5,406,465	-
Support services	2,241,657	2,282,268	-
Community services	14,660	25,183	-
Payments to other gov't units	565,000	682,279	-
State on-behalf retirement	-	4,671,885	-
Provision for Contingencies	5,000	-	-
Capital Outlay	146,700	21,081	-
<u>Total Expenditures</u>	<u>8,624,720</u>	<u>13,089,161</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>161,403</u>	<u>(1,342,558)</u>	<u>67,443</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(6,483)	(1,000,000)
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>(6,483)</u>	<u>(1,000,000)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 161,403</u>	<u>(1,349,041)</u>	<u>(932,557)</u>
FUND BALANCE - BEGINNING OF YEAR - AS PREVIOUSLY REPORTED		<u>9,691,999</u>	<u>3,650,693</u>
PRIOR PERIOD ADJUSTMENT			
Student activities reclassification		<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR - AS RESTATED		<u>9,691,999</u>	<u>3,650,693</u>
FUND BALANCE - END OF YEAR		<u>\$ 8,342,958</u>	<u>\$ 2,718,136</u>

		(Restated) 2020
Total	Over (Under) Budget	Actual
\$ 5,574,763	\$ (2,146,114)	\$ 7,795,497
717,604	13,354	699,320
4,671,885	4,671,885	4,240,352
849,794	488,798	509,621
<u>11,814,046</u>	<u>3,027,923</u>	<u>13,244,790</u>
5,406,465	(245,238)	5,753,109
2,282,268	40,611	2,275,831
25,183	10,523	10,241
682,279	117,279	619,790
4,671,885	4,671,885	4,240,352
-	(5,000)	-
21,081	(125,619)	47,459
<u>13,089,161</u>	<u>4,464,441</u>	<u>12,946,782</u>
<u>(1,275,115)</u>	<u>(1,436,518)</u>	<u>298,008</u>
-	-	1,000,000
<u>(1,006,483)</u>	<u>(1,006,483)</u>	<u>(6,482)</u>
<u>(1,006,483)</u>	<u>(1,006,483)</u>	<u>993,518</u>
<u>(2,281,598)</u>	<u>\$ (2,443,001)</u>	<u>1,291,526</u>
<u>13,342,692</u>		<u>12,034,234</u>
<u>-</u>		<u>16,932</u>
<u>13,342,692</u>		<u>12,051,166</u>
<u>\$ 11,061,094</u>		<u>\$ 13,342,692</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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	2020
	Original and Final Budget	Actual		Actual
REVENUES				
Local Sources				
General levy	\$ 785,000	\$ 521,048	\$ (263,952)	\$ 844,802
Earnings on investments	60,000	31,401	(28,599)	63,568
Rentals	-	5,286	5,286	23,540
Refund of prior years' expenditures	20,000	15,908	(4,092)	881
Other	-	3,651	3,651	-
Total Local Sources	865,000	577,294	(287,706)	932,791
State Sources				
School maintenance grant	-	-	-	50,000
Total State Sources	-	-	-	50,000
Total Revenues	865,000	577,294	(287,706)	982,791
EXPENDITURES				
Support Services				
Operation and Maintenance of Plant Services				
Salaries	220,000	219,836	(164)	254,070
Employee benefits	61,080	51,787	(9,293)	56,136
Purchased services	210,000	180,582	(29,418)	201,100
Supplies and materials	170,400	149,288	(21,112)	160,676
Other objects	1,000	-	(1,000)	-
Total	662,480	601,493	(60,987)	671,982
Food Services				
Salaries	-	9,083	9,083	3,493
Total	-	9,083	9,083	3,493
Other Support Services				
Employee benefits	-	486	486	528
Purchased services	-	1,948	1,948	8,660
Total	-	2,434	2,434	9,188
Total Support Services	662,480	613,010	(49,470)	684,663

(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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	Original and Final Budget	2021 Actual	Over (Under) Budget	2020 Actual
EXPENDITURES				
Provision for Contingencies				
Other objects	\$ 5,000	\$ -	\$ (5,000)	\$ -
Total Provision for Contingencies	5,000	-	(5,000)	-
Capital Outlay				
Support Services				
Operation and Maintenance of Plant Services	248,500	61,273	(187,227)	434,984
Total Capital Outlay	248,500	61,273	(187,227)	434,984
Total Expenditures	915,980	674,283	(241,697)	1,119,647
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(50,980)	(96,989)	(46,009)	(136,856)
OTHER FINANCING (USES)				
Transfers out	-	-	-	(1,000,000)
Total Other Financing (Uses)	-	-	-	(1,000,000)
NET CHANGE IN FUND BALANCES	<u>\$ (50,980)</u>	(96,989)	<u>\$ (46,009)</u>	(1,136,856)
FUND BALANCE - BEGINNING OF YEAR		1,915,493		3,052,349
FUND BALANCE - END OF YEAR		<u>\$ 1,818,504</u>		<u>\$ 1,915,493</u>

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020	
	Original and Final Budget	Actual	Over (Under) Budget	Actual
REVENUES				
Local Sources				
General levy	\$ 358,000	\$ 230,946	\$ (127,054)	\$ 360,692
Earnings on investments	1,300	5,714	4,414	1,262
Other	-	103	103	-
Total Local Sources	359,300	236,763	(122,537)	361,954
State Sources				
Transportation - regular/vocational	18,000	5,715	(12,285)	4,515
Transportation - special education	73,000	84,689	11,689	73,573
Total State Sources	91,000	90,404	(596)	78,088
Total Revenues	450,300	327,167	(123,133)	440,042
EXPENDITURES				
Support Services				
Pupil Transportation Services				
Salaries	19,600	19,824	224	19,246
Employee benefits	5,700	5,090	(610)	4,914
Purchased services	335,000	160,144	(174,856)	296,408
Total Business	360,300	185,058	(175,242)	320,568
Total Support Services	360,300	185,058	(175,242)	320,568
Provision for Contingencies				
Other objects	5,000	-	(5,000)	-
Total Provision for Contingencies	5,000	-	(5,000)	-
Total Expenditures	365,300	185,058	(180,242)	320,568
NET CHANGE IN FUND BALANCES	\$ 85,000	142,109	\$ 57,109	119,474
FUND BALANCE - BEGINNING OF YEAR		234,491		115,017
FUND BALANCE - END OF YEAR		\$ 376,600		\$ 234,491

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Original and Final Budget	Actual	Over (Under) Budget	Actual
REVENUES				
Local Sources				
General levy	\$ 69,000	\$ 32,668	\$ (36,332)	\$ 63,981
FICA/Medicare levy	147,000	74,888	(72,112)	154,216
Personal property replacement taxes	-	2,500	2,500	2,500
Earnings on investments	5,500	12,887	7,387	18,504
Total Local Sources	221,500	122,943	(98,557)	239,201
Total Revenues	221,500	122,943	(98,557)	239,201
EXPENDITURES				
Employee Benefits				
Instruction				
Regular programs	47,500	42,697	(4,803)	42,315
Pre-K programs	-	1,235	1,235	319
Special education programs	31,900	24,855	(7,045)	28,572
Remedial and supplemental programs	9,000	4,157	(4,843)	8,142
Interscholastic programs	1,200	119	(1,081)	792
Summer school programs	800	1,781	981	432
Bilingual programs	4,200	2,660	(1,540)	2,608
Total Instruction	94,600	77,504	(17,096)	83,180
Support Services				
Attendance and social work services	1,200	1,112	(88)	1,066
Health services	1,500	909	(591)	903
Psychological services	1,000	1,006	6	976
Speech pathology and audiology services	2,000	1,318	(682)	1,243
Improvement of instruction services	500	279	(221)	11
Educational media services	8,000	4,939	(3,061)	4,762
Board of education services	1,000	397	(603)	355
Executive administration services	14,700	12,769	(1,931)	12,028
Office of the principal services	24,000	26,153	2,153	24,042
Fiscal services	11,200	100	(11,100)	8,431
Operation and maintenance of plant services	34,800	26,710	(8,090)	29,683
Pupil transportation services	300	314	14	306
Food services	11,500	13,376	1,876	11,405
Information processing services	10,500	13,613	3,113	11,204
Data processing services	3,500	-	(3,500)	-
Total Support Services	125,700	102,995	(22,705)	106,415

(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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	2020
	Original and Final Budget	Actual		Actual
EXPENDITURES				
Community Services	\$ 100	\$ -	\$ (100)	\$ -
<u>Total Expenditures</u>	<u>220,400</u>	<u>180,499</u>	<u>(39,901)</u>	<u>189,595</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,100</u>	<u>(57,556)</u>	<u>\$ (58,656)</u>	49,606
FUND BALANCE - BEGINNING OF YEAR		<u>846,169</u>		<u>796,563</u>
FUND BALANCE - END OF YEAR		<u>\$ 788,613</u>		<u>\$ 846,169</u>

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	2020
	Original and Final Budget	Actual		Actual
REVENUES				
Local Sources				
Earnings on investments	\$ -	\$ 10,239	\$ 10,239	\$ -
Total Local Sources	-	10,239	10,239	-
<u>Total Revenues</u>	-	10,239	10,239	-
EXPENDITURES				
Capital Outlay				
Support Services				
Operation and Maintenance of Plant Services	-	321,854	321,854	-
Total Capital Outlay	-	321,854	321,854	-
<u>Total Expenditures</u>	-	321,854	321,854	-
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	-	(311,615)	(311,615)	-
OTHER FINANCING SOURCES				
Transfers in	-	1,000,000	1,000,000	-
<u>Total Other Financing Sources</u>	-	1,000,000	1,000,000	-
NET CHANGE IN FUND BALANCES	\$ -	688,385	\$ 688,385	-
FUND BALANCE - BEGINNING OF YEAR		-		-
FUND BALANCE - END OF YEAR		\$ 688,385		\$ -

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NILES ELEMENTARY SCHOOL DISTRICT NO. 71
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

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

Changes of Assumptions

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 3.13 percent at June 30, 2019, to 2.45 percent at June 30, 2020. The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2019, projected plan cost for plan year end June 30, 2020, premium changes through plan year end 2021, and expectation of future trend increases after June 30, 2020. Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed. Per capita claim costs for plan year end June 30, 2020, were updated based on projected claims and enrollment experience through June 30, 2020, and updated premium rates through plan year 2021. Healthcare plan participation rates by plan were updated based on observed experience.

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 20, 2020.

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:

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.

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2021

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

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.

NOTE 4. EXPENDITURES IN EXCESS OF BUDGET

During the year ended June 30, 2021, actual expenditures disbursed exceeded budgeted expenditures in the following funds:

Account	Budgeted Expenditures	Actual Disbursed	Over Budget
General Fund (Educational Account)	\$ 8,624,720	\$ 13,089,161	\$ 4,464,441
Capital Projects Fund	-	321,854	321,854
Debt Service Fund	300	6,483	6,183

The General Fund (Educational Account) over expended its budget by \$4,464,441, due to un-budgeted on-behalf payments made by the state for \$4,671,885. The Capital Projects Fund over expended its budget by \$321,854, due to the establishment of the new capital projects fund. The Debt Service Fund over expended its budget by \$6,183 due to un-budgeted capital lease principal and interest payments transferred from the General Fund to the Debt Service Fund.

SUPPLEMENTARY INFORMATION

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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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	(Restated) 2020
	Original and Final Budget	Actual		Actual
REVENUES				
Local Sources				
General levy	\$ 6,780,000	\$ 4,690,284	\$ (2,089,716)	\$ 6,841,259
Special education levy	210,000	116,018	(93,982)	190,960
Personal property replacement taxes	320,000	453,886	133,886	325,058
Tuition	100	5,625	5,525	2,690
Earnings on investments	190,000	145,281	(44,719)	182,477
Food services	57,000	8,135	(48,865)	68,608
Admissions - other	-	3,414	3,414	17,201
Other activity revenue	13,500	2,777	(10,723)	6,350
Student activities	4,977	9,390	4,413	20,614
Rentals - regular textbooks	45,000	43,507	(1,493)	46,300
Rentals - other	1,000	-	(1,000)	650
Contributions and donations	-	-	-	1,456
Refund of prior years' expenditures	-	(26)	(26)	120
Other	35,000	29,029	(5,971)	28,162
Total Local Sources	7,656,577	5,507,320	(2,149,257)	7,731,905
State Sources				
Evidence based funding formula	560,000	553,676	(6,324)	553,676
Special education	500	16,640	16,140	-
State free lunch and breakfast	1,900	3,860	1,960	1,213
Early childhood - block grant	141,000	142,678	1,678	143,681
State on-behalf retirement	-	4,671,885	4,671,885	4,240,352
Other	850	750	(100)	750
Total State Sources	704,250	5,389,489	4,685,239	4,939,672
Federal Sources				
Food services	110,000	242,200	132,200	170,247
Title I - low income	200,000	206,387	6,387	255,774
Title IVA - student support and academic enrichment	10,000	15,694	5,694	7,692
Special education				
IDEA - preschool - flow-through	-	4,385	4,385	-
IDEA - flow-through	-	227,284	227,284	32,385
Title III - language instruction program limited English (LIPLEP)	20,996	21,984	988	17,759
Title II - teacher quality	20,000	25,307	5,307	25,764
Other	-	106,553	106,553	-
Total Federal Sources	360,996	849,794	488,798	509,621
Total Revenues	8,721,823	11,746,603	3,024,780	13,181,198

(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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	(Restated) 2020
	Original and Final Budget	Actual		Actual
EXPENDITURES				
Instruction				
Regular Programs				
Salaries	\$ 2,996,000	\$ 3,065,496	\$ 69,496	\$ 3,014,203
Employee benefits	423,648	465,527	41,879	401,318
State on-behalf retirement	-	4,671,885	4,671,885	4,240,352
Purchased services	47,600	35,177	(12,423)	42,252
Supplies and materials	138,300	118,887	(19,413)	224,909
Other objects	1,500	-	(1,500)	750
Total	<u>3,607,048</u>	<u>8,356,972</u>	<u>4,749,924</u>	<u>7,923,784</u>
Pre-K Programs				
Salaries	75,000	87,608	12,608	72,005
Employee benefits	22,000	10,013	(11,987)	9,483
Purchased services	1,000	-	(1,000)	680
Supplies and materials	12,000	31,920	19,920	18,545
Total	<u>110,000</u>	<u>129,541</u>	<u>19,541</u>	<u>100,713</u>
Special Education Programs				
Salaries	773,000	610,596	(162,404)	715,193
Employee benefits	143,300	140,424	(2,876)	138,356
Purchased services	3,000	3,022	22	1,936
Supplies and materials	16,000	6,176	(9,824)	20,640
Total	<u>935,300</u>	<u>760,218</u>	<u>(175,082)</u>	<u>876,125</u>
Remedial and Supplemental Programs				
Salaries	432,000	306,878	(125,122)	503,115
Employee benefits	97,700	59,226	(38,474)	94,672
Purchased services	1,000	-	(1,000)	4,920
Supplies and materials	86,200	123,546	37,346	78,401
Non-capitalized equipment	-	-	-	55,555
Total	<u>616,900</u>	<u>489,650</u>	<u>(127,250)</u>	<u>736,663</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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	(Restated) 2020
	Original and Final Budget	Actual		Actual
EXPENDITURES				
Interscholastic Programs				
Salaries	\$ 48,300	\$ 8,557	\$ (39,743)	\$ 42,644
Employee benefits	1,500	128	(1,372)	610
Purchased services	6,500	4,040	(2,460)	6,840
Supplies and materials	5,000	4,304	(696)	516
Total	<u>61,300</u>	<u>17,029</u>	<u>(44,271)</u>	<u>50,610</u>
Summer School Programs				
Salaries	35,000	34,406	(594)	29,839
Employee benefits	6,250	2,116	(4,134)	2,531
Supplies and materials	100	-	(100)	-
Total	<u>41,350</u>	<u>36,522</u>	<u>(4,828)</u>	<u>32,370</u>
Bilingual Programs				
Salaries	211,000	197,862	(13,138)	193,846
Employee benefits	40,850	40,706	(144)	39,528
Supplies and materials	9,800	3,664	(6,136)	8,440
Other objects	13,000	34,163	21,163	13,010
Total	<u>274,650</u>	<u>276,395</u>	<u>1,745</u>	<u>254,824</u>
Student Activities				
Other	5,155	12,023	6,868	18,372
Total	<u>5,155</u>	<u>12,023</u>	<u>6,868</u>	<u>18,372</u>
Total Instruction	<u>5,651,703</u>	<u>10,078,350</u>	<u>4,426,647</u>	<u>9,993,461</u>
Support Services				
Attendance and Social Work Services				
Salaries	82,500	83,582	1,082	81,148
Employee benefits	20,170	19,095	(1,075)	18,436
Supplies and materials	3,000	1,350	(1,650)	2,410
Total	<u>105,670</u>	<u>104,027</u>	<u>(1,643)</u>	<u>101,994</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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	(Restated) 2020
	Original and Final Budget	Actual		Actual
EXPENDITURES				
Health Services				
Salaries	\$ 68,000	\$ 66,102	\$ (1,898)	\$ 65,596
Employee benefits	9,685	9,691	6	9,382
Purchased services	100	114	14	69
Supplies and materials	4,000	4,317	317	4,043
Total	81,785	80,224	(1,561)	79,090
Psychological Services				
Salaries	83,000	81,316	(1,684)	78,948
Employee benefits	19,770	20,050	280	19,367
Purchased services	2,000	-	(2,000)	-
Supplies and materials	2,000	-	(2,000)	300
Total	106,770	101,366	(5,404)	98,615
Speech Pathology and Audiology Services				
Salaries	111,000	106,565	(4,435)	100,446
Employee benefits	16,850	12,956	(3,894)	12,550
Purchased services	1,500	24,967	23,467	1,846
Supplies and materials	2,000	200	(1,800)	378
Total	131,350	144,688	13,338	115,220
Improvement of Instruction Services				
Salaries	6,000	11,988	5,988	814
Employee benefits	2,400	168	(2,232)	14
Purchased services	38,500	17,450	(21,050)	28,729
Other objects	5,000	2,800	(2,200)	4,871
Total	51,900	32,406	(19,494)	34,428
Educational Media Services				
Salaries	83,000	84,302	1,302	80,734
Employee benefits	8,510	6,208	(2,302)	6,017
Purchased services	1,000	2,538	1,538	20,757
Supplies and materials	70,750	45,096	(25,654)	67,405
Non-capitalized equipment	-	48,835	48,835	37,940
Total	163,260	186,979	23,719	212,853

(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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	(Restated) 2020
	Original and Final Budget	Actual		Actual
EXPENDITURES				
Assessment and Testing Services				
Supplies and materials	\$ 1,000	\$ -	\$ (1,000)	\$ -
Total	1,000	-	(1,000)	-
Board of Education Services				
Salaries	3,500	2,792	(708)	2,603
Purchased services	162,750	177,255	14,505	143,252
Supplies and materials	20,000	5,626	(14,374)	4,292
Other objects	8,500	6,406	(2,094)	8,191
Total	194,750	192,079	(2,671)	158,338
Executive Administration Services				
Salaries	231,000	230,801	(199)	224,079
Employee benefits	52,900	53,964	1,064	51,291
Purchased services	6,600	-	(6,600)	3,707
Supplies and materials	1,000	-	(1,000)	26
Other objects	2,000	50	(1,950)	1,813
Total	293,500	284,815	(8,685)	280,916
Tort Immunity Services				
Employee benefits	18,000	7,928	(10,072)	7,767
Total	18,000	7,928	(10,072)	7,767
Office of the Principal Services				
Salaries	506,000	509,779	3,779	484,936
Employee benefits	107,400	115,302	7,902	102,022
Purchased services	3,500	274	(3,226)	1,397
Supplies and materials	2,000	-	(2,000)	165
Other objects	3,500	629	(2,871)	933
Total	622,400	625,984	3,584	589,453

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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			(Restated) 2020
	Original and Final Budget	Actual	Over (Under) Budget	Actual
EXPENDITURES				
Fiscal Services				
Salaries	\$ 13,000	\$ 6,094	\$ (6,906)	\$ 63,230
Employee benefits	2,072	-	(2,072)	18,728
Purchased services	60,500	52,804	(7,696)	61,921
Supplies and materials	1,000	20,134	19,134	467
Total	76,572	79,032	2,460	144,346
Operation and Maintenance of Plant Services				
Supplies and materials	5,000	-	(5,000)	-
Total	5,000	-	(5,000)	-
Pupil Transportation Services				
Purchased services	2,100	528	(1,572)	-
Total	2,100	528	(1,572)	-
Food Services				
Salaries	63,000	101,123	38,123	87,197
Employee benefits	3,950	2,162	(1,788)	2,128
Purchased services	35,000	33,492	(1,508)	63,086
Supplies and materials	135,000	132,611	(2,389)	145,500
Total	236,950	269,388	32,438	297,911
Information Services				
Salaries	72,000	95,424	23,424	81,142
Employee benefits	10,650	9,684	(966)	9,297
Purchased services	68,000	67,716	(284)	64,461
Total	150,650	172,824	22,174	154,900
Total Support Services	2,241,657	2,282,268	40,611	2,275,831
Community Services				
Salaries	560	-	(560)	-
Purchased services	12,000	10,304	(1,696)	9,779
Supplies and materials	1,600	14,879	13,279	462
Other objects	500	-	(500)	-
Total Community Services	14,660	25,183	10,523	10,241

(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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	(Restated) 2020
	Original and Final Budget	Actual		Actual
EXPENDITURES				
Payments to Other Gov't Units				
Payments for Special Education Programs				
Purchased services	\$ 5,000	\$ -	\$ (5,000)	\$ 449
Other objects	560,000	682,279	122,279	619,341
Total Payments to Other Gov't Units	565,000	682,279	117,279	619,790
Provision for Contingencies				
Other objects	5,000	-	(5,000)	-
Total Provision for Contingencies	5,000	-	(5,000)	-
Capital Outlay				
Instruction				
Regular Programs	4,700	15,479	10,779	1,000
Special Education Programs	3,000	-	(3,000)	2,095
Interscholastic Programs	1,000	-	(1,000)	-
Total Instruction	8,700	15,479	6,779	3,095
Support Services				
Speech Pathology and Audiology Services	3,000	-	(3,000)	-
Educational Media Services	126,000	5,602	(120,398)	44,364
Executive Administration Services	1,000	-	(1,000)	-
Office of the Principal Services	3,000	-	(3,000)	-
Food Services	5,000	-	(5,000)	-
Total Support Services	138,000	5,602	(132,398)	44,364
Total Capital Outlay	146,700	21,081	(125,619)	47,459
Total Expenditures	8,624,720	13,089,161	4,464,441	12,946,782
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	97,103	(1,342,558)	(1,439,661)	234,416
OTHER FINANCING (USES)				
Transfers out	-	(6,483)	(6,483)	(6,482)
Total Other Financing (Uses)	-	(6,483)	(6,483)	(6,482)
NET CHANGE IN FUND BALANCES	\$ 97,103	(1,349,041)	\$ (1,446,144)	227,934

(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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		(Restated) 2020
	Original and Final Budget	Actual	Over (Under) Budget Actual
FUND BALANCE - BEGINNING OF YEAR - AS PREVIOUSLY REPORTED		\$ 9,691,999	\$ 9,447,133
PRIOR PERIOD ADJUSTMENT Student activities reclassification		-	16,932
FUND BALANCE - BEGINNING OF YEAR - AS RESTATED		9,691,999	9,464,065
FUND BALANCE - END OF YEAR		\$ 8,342,958	\$ 9,691,999

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020	
	Original and Final Budget	Actual	Over (Under) Budget	Actual
REVENUES				
Local Sources				
General levy	\$ (700)	\$ 630	\$ 1,330	\$ 957
Earnings on investments	65,000	66,813	1,813	62,635
Total Local Sources	64,300	67,443	3,143	63,592
<u>Total Revenues</u>	64,300	67,443	3,143	63,592
EXPENDITURES	-	-	-	-
<u>Total Expenditures</u>	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	64,300	67,443	3,143	63,592
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,000,000
Transfers out	-	(1,000,000)	(1,000,000)	-
<u>Total Other Financing Sources (Uses)</u>	-	(1,000,000)	(1,000,000)	1,000,000
NET CHANGE IN FUND BALANCES	<u>\$ 64,300</u>	(932,557)	<u>\$ (996,857)</u>	1,063,592
FUND BALANCE - BEGINNING OF YEAR		3,650,693		2,587,101
FUND BALANCE - END OF YEAR		<u>\$ 2,718,136</u>		<u>\$ 3,650,693</u>

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Over (Under) Budget	2020
	Original and Final Budget	Actual		Actual
REVENUES				
Local Sources				
Earnings on investments	\$ 400	\$ 728	\$ 328	\$ 979
Total Local Sources	400	728	328	979
<u>Total Revenues</u>	400	728	328	979
EXPENDITURES				
Support Services				
Debt Service				
Interest	300	643	343	989
Principal	-	5,840	5,840	5,493
<u>Total Expenditures</u>	300	6,483	6,183	6,482
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	100	(5,755)	(5,855)	(5,503)
OTHER FINANCING SOURCES				
Transfers in	-	6,483	6,483	6,482
<u>Total Other Financing Sources</u>	-	6,483	6,483	6,482
NET CHANGE IN FUND BALANCES				
	\$ 100	728	\$ 628	979
FUND BALANCE - BEGINNING OF YEAR				
		41,406		40,427
FUND BALANCE - END OF YEAR				
		\$ 42,134		\$ 41,406

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, 2021

	Beginning Balance	Revenues	Expenditures	Ending Balance
Culver activity	\$ 1,333	\$ 4,080	\$ 4,430	\$ 983
Student council	3,540	1,094	-	4,634
Parents/8th grade	10,449	4,214	7,593	7,070
Scholarship fund	2,635	1	-	2,636
Fundraising	472	1	-	473
Breakfast club	745	-	-	745
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 19,174</u>	<u>\$ 9,390</u>	<u>\$ 12,023</u>	<u>\$ 16,541</u>

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS
 JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2020

	LEVY			
	2020		2019	
ASSESSED VALUATION	\$554,794,598		\$494,021,080	
TAX EXTENSIONS BY LEVY	RATE	AMOUNT	RATE	AMOUNT
Educational	1.4886	\$ 8,258,596	1.4605	\$ 7,214,958
Special education	0.0360	200,000	0.0407	200,844
Working cash	0.0002	1,000	0.0002	1,005
Operations and maintenance	0.1602	889,011	0.1829	903,798
Transportation	0.0721	400,000	0.0772	381,604
Municipal retirement	0.0108	60,000	0.0122	60,254
Social security	0.0252	140,000	0.0285	140,591
Total	<u>1.7931</u>	<u>\$ 9,948,607</u>	<u>1.8022</u>	<u>\$ 8,903,054</u>
TAX COLLECTIONS				
Year ended June 30,				
2020		\$ -		\$ 4,574,302
2021		<u>4,724,529</u>		<u>4,172,529</u>
Total		<u>\$ 4,724,529</u>		<u>\$ 8,746,831</u>
PERCENTAGE OF TOTAL LEVY COLLECTED THROUGH JUNE 30, 2021		<u>47.49%</u>		<u>98.25%</u>

NILES ELEMENTARY SCHOOL DISTRICT NO. 71
SCHEDULE OF OPERATING COSTS AND TUITION CHARGES
JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2020

	2021	2020
OPERATING COST PER PUPIL		
Average Daily Attendance (ADA):	567.90	603.90
Operating Costs:		
Educational	\$ 8,405,253	\$ 8,679,572
Operations and maintenance	674,283	1,119,647
Debt service	6,483	6,482
Transportation	185,058	320,568
Municipal retirement/social security	180,499	189,595
	9,451,576	10,315,864
Less Revenues/Expenditures of Non-regular Programs:		
Capital outlay	82,354	482,443
Community services	25,183	10,241
Debt principal retired	5,840	5,493
Non-capitalized equipment	48,835	93,495
Payments to other government units	682,279	619,790
Pre-K programs	130,776	101,032
Summer school programs	38,303	32,802
	1,013,570	1,345,296
Operating costs	8,438,006	8,970,568
Operating Cost Per Pupil - Based on ADA	\$ 14,858	\$ 14,854
TUITION CHARGE		
Operating Costs	\$ 8,438,006	\$ 8,970,568
Less:		
Offsetting receipts/revenues	1,129,190	1,009,396
Net Operating Expense for Tuition Computation	7,308,816	7,961,172
Add:		
Total Depreciation Allowance	476,040	472,165
Total Allowance for Tuition Computation	\$ 7,784,856	\$ 8,433,337
Tuition Charge Per Pupil - based on ADA	\$ 13,708	\$ 13,965

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