Pennoyer School District 79

Norridge, IL

Annual Financial Report

Year Ended June 30, 2022

WIPFLI

Pennoyer School District 79

Year Ended June 30, 2022

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WIPFLI

Independent Auditor's Report

Board of Education
Pennoyer School District 79
Norridge, IL

Report on the Audit of the Financial Statements

We have audited the accompanying modified cash basis financial statements of Pennoyer School District 79 (the "District"), which comprise the statement of assets, liabilities, and fund balances - modified cash basis - all fund types and account groups as of June 30, 2022, and the related statement of revenues received and expenditures disbursed and changes in fund balances - modified cash basis - all governmental funds, the statement of revenues received - modified cash basis - all governmental funds and the statement of expenditures disbursed - modified cash basis - budget and actual for the year then ended, and the related notes to the financial statements.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements do not present fairly, the financial position of Pennoyer School District No. 79 as of June 30, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

Unmodified Opinion on the Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Pennoyer School District No. 79 as of June 30, 2022, and the changes in financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1 and with the financial reporting provisions prescribed by the Illinois State Board of Education, as described in Note 1.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

Matter Giving Rise to Adverse Opinions on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the District on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States, although not reasonably determinable, are presumed to be material.

We conducted our audit in accordance with auditing standards generally accepted in the United States (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Union Ridge School District No. 86 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and adverse audit opinions.

Emphasis of Matter

Basis of Accounting

We draw attention to Note 1 of the basic financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting and the financial reporting provisions prescribed by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and the financial reporting provisions prescribed by the Illinois State Board of Education described in Note 1, and for determining that the cash basis of accounting and the financial reporting provisions prescribed by the Illinois State Board of Education is an acceptable basis for the preparation of the basic fianncial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic fiancial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concernfor a reasonable period of time.

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information section has not been subjected to auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Wipfli LLP

Aurora, Illinois
November 16, 2022

Basic Financial Statements

Pennoyer School District 79

Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis
All Fund Types and Account Groups

June 30, 2022	Educational Fund	Operations & Maintenance Fund	Bond & Interest Fund	Transportation Fund	IMRF/Social Security Fund
Assets					
Cash and investments	$ 42,888	$ 260,759	$ 144,367	$ 79,607	$ 85,607
Interfund receivable	-	300,000	-	-	-
Amount available in debt service fund	-	-	-	-	-
Amount to be provided for payment of debt	-	-	-	-	-
Land, building, and equipment	-	-	-	-	-
Total assets	$ 42,888	$ 560,759	$ 144,367	$ 79,607	$ 85,607
Liabilities and fund balancess					
Liabilities					
Interfund payable	$ 300,000	$ -	$ -	$ -	$ -
Payroll deductions payable	1,116	1,407	-	-	2,058
Bonds and notes payable	-	-	-	-	-
Other payables	(4,835)	-	-	-	-
Deferred revenues and other current liabilities	88	-	-	-	-
Total liabilities	296,369	1,407	-	-	2,058
Fund balances					
Investment in general fixed assets	-	-	-	-	-
Unreserved	(253,481)	559,352	144,367	79,607	83,549
Total fund balances	(253,481)	559,352	144,367	79,607	83,549
Total liabilities, fund balances, and other credits	$ 42,888	$ 560,759	$ 144,367	$ 79,607	$ 85,607

See accompanying notes to financial statements.

Capital Projects Fund	Working Cash Fund	Fire Prevention & Safety Fund	Account Groups: General Fixed Asset Account Group	Account Groups: General Long-Term Debt	Total
$ 2,591,246	$ 256,654	$ 411,717	$ -	$ -	$ 3,872,845
-	-	-	-	-	300,000
-	-	-	-	144,367	144,367
-	-	-	-	4,075,633	4,075,633
-	-	-	9,465,965	-	9,465,965
$ 2,591,246	$ 256,654	$ 411,717	$ 9,465,965	$ 4,220,000	$ 17,858,810
$ -	$ -	$ -	$ -	$ -	$ 300,000
-	-	-	-	-	4,581
-	-	-	-	4,220,000	4,220,000
-	-	-	-	-	(4,835)
-	-	-	-	-	88
-	-	-	-	4,220,000	4,519,834
-	-	-	9,465,965	-	9,465,965
2,591,246	256,654	411,717	-	-	3,873,011
2,591,246	256,654	411,717	9,465,965	-	13,338,976
$ 2,591,246	$ 256,654	$ 411,717	$ 9,465,965	$ 4,220,000	$ 17,858,810

Pennoyer School District 79

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances-Modified Cash Basis
All Governmental Fund Types

June 30, 2022	**Educational Fund**	**Operations & Maintenance Fund**	**Bond & Interest Fund**	**Transportation Fund**
Revenues Received				
Local sources	$ 3,600,098	$ 851,161	$ 263,564	$ 31,197
State sources	1,974,061	-	-	17,535
Federal sources	776,014	-	-	-
Total revenues	6,350,173	851,161	263,564	48,732
Expenditures Disbursed				
Current operating				
Instruction	4,257,695	-	-	-
Support Services	2,369,475	725,345	-	66,853
Non-programmed charges	214,728	-	-	-
Debt Service				
Payments of principal on long-term debt	-	-	165,000	-
Debt services - Interest and fees	-	-	139,155	-
Total expenditures	6,841,898	725,345	304,155	66,853
Excess (deficiency) of revenues received over (under) expenditures disbursed	(491,725)	125,816	(40,591)	(18,121)
Other sources and uses of funds				
Transfers in	100,000	-	-	-
Transfers out	(120,000)	-	-	(100,000)
Total other sources and uses of funds	(20,000)	-	-	(100,000)
Net change in fund balance	(511,725)	125,816	(40,591)	(118,121)
Fund balances, beginning of year	258,244	433,536	184,958	197,728
Fund balances, end of year	$ (253,481)	$ 559,352	$ 144,367	$ 79,607

See accompanying notes to financial statements.

IMRF/Social Security Fund	Capital Projects Fund	Working Cash Fund	Fire Prevention & Safety Fund	Total
$ 105,114	$ 3,390	$ 24,795	$ 3,542	$ 4,882,861
-	-	-	-	1,991,596
-	-	-	-	776,014
105,114	3,390	24,795	3,542	7,650,471
60,614	-	-	-	4,318,309
81,116	185,865	-	-	3,428,654
-	-	-	-	214,728
-	-	-	-	165,000
-	-	-	-	139,155
141,730	185,865	-	-	8,265,846
(36,616)	(182,475)	24,795	3,542	(615,375)
120,000	-	-	-	220,000
-	-	-	-	(220,000)
120,000	-	-	-	-
83,384	(182,475)	24,795	3,542	(615,375)
165	2,773,721	231,859	408,175	4,488,386
$ 83,549	$ 2,591,246	$ 256,654	$ 411,717	$ 3,873,011

Pennoyer School District 79

Statement of Revenues Received

All Governmental Fund Types-Modified Cash Basis

June 30, 2022	Educational Fund	Operations & Maintenance Fund	Bond & Interest Fund	Transportation Fund
Revenues Received				
Local sources				
Property taxes	$ 3,121,562	$ 798,192	$ 263,463	$ 29,669
Corporate personal property replacement taxes	143,235	-	-	-
Other Payments in Lieu of Taxes	52,523	-	-	-
Earnings on investments	279	1,704	101	1,528
Textbooks	121,737	-	-	-
Other	160,762	51,265	-	-
Total local sources	3,600,098	851,161	263,564	31,197
State sources				
Unrestricted				
Evidence based funding formula	532,218	-	-	-
Special education private facility	42,430	-	-	-
Special education transportation	-	-	-	17,535
State free lunch & breakfast	645	-	-	-
Early childhood	149,812	-	-	-
On behalf payments - State of Illinois	1,248,956	-	-	-
Total state sources	1,974,061	-	-	17,535
Federal sources				
Restricted				
Low income	118,027	-	-	-
Title II - Teacher quality	12,968	-	-	-
IDEA - Flow through	99,801	-	-	-
Medicaid - Administrative outreach	13,760	-	-	-
Medicaid - Fee for service	12,070	-	-	-
National school lunch program	84,892	-	-	-
IDEA - Preschool flow-through	664	-	-	-
Title III - Language instruction program - Limited english	13,811	-	-	-
Other restricted revenue from federal sources	420,021	-	-	-
Total federal sources	776,014	-	-	-
Total revenues received	$ 6,350,173	$ 851,161	$ 263,564	$ 48,732

See accompanying notes to financial statements.

IMRF/Social Security Fund	Capital Projects Fund	Working Cash Fund	Fire Prevention & Safety Fund	Total (Memorandum Only)
$ 102,614	$ -	$ 22,220	$ -	$ 4,337,720
2,500	-	-	-	145,735
-	-	-	-	52,523
-	3,390	2,575	3,542	13,119
-	-	-	-	121,737
-	-	-	-	212,027
105,114	3,390	24,795	3,542	4,882,861
-	-	-	-	532,218
-	-	-	-	42,430
-	-	-	-	17,535
-	-	-	-	645
-	-	-	-	149,812
-	-	-	-	1,248,956
-	-	-	-	1,991,596
-	-	-	-	118,027
-	-	-	-	12,968
-	-	-	-	99,801
-	-	-	-	13,760
-	-	-	-	12,070
-	-	-	-	84,892
-	-	-	-	664
-	-	-	-	13,811
-	-	-	-	420,021
-	-	-	-	776,014
$ 105,114	$ 3,390	$ 24,795	$ 3,542	$ 7,650,471

Pennoyer School District 79

Statement of Expenditures Disbursed
Budget to Actual-Modified Cash Basis

Year Ended June 30, 2022	Educational Fund 2022 Final Budget	Educational Fund 2022 Actual
Expenditures		
Current operating		
Instruction		
Regular programs		
Salaries	$ 1,348,986	$ 1,389,679
Employee benefits	198,013	233,311
On behalf payments- state of Illinois	-	1,248,956
Purchased services	21,000	14,047
Supplies and materials	166,000	258,570
Other objects	-	309
Total	1,733,999	3,144,872
Pre-K programs		
Salaries	96,908	96,907
Employee benefits	23,082	20,996
Purchased services	8,250	2,506
Supplies and materials	30,238	44,700
Total	158,478	165,109
Special education programs		
Salaries	-	535,431
Employee benefits	-	106,257
Purchased services	-	8,116
Supplies and materials	-	5,007
Other objects	-	33,188
Total	-	687,999
Special education programs Pre-K		
Salaries	504,630	-
Employee benefits	121,630	-
Purchased services	20,250	-
Supplies and materials	2,000	-
Other objects	33,949	-
Total	682,459	-
Educationally deprived/remedial programs		
Salaries	68,931	68,931
Employee benefits	10,546	10,373
Purchased services	-	7,873
Supplies and materials	7,873	-
Total	87,350	87,177
Interscholastic programs		
Salaries	35,000	32,926
Employee benefits	525	387
Supplies and materials	3,000	-
Other objects	-	5,838
Total	38,525	39,151

Pennoyer School District 79

Statement of Expenditures Disbursed
Budget to Actual-Modified Cash Basis

Year Ended June 30, 2022	Educational Fund 2022 Final Budget	Educational Fund 2022 Actual
Bilingual programs		
Salaries	$ 85,177	$ 85,177
Employee benefits	15,395	15,176
Purchased services	2,577	1,612
Supplies and materials	4,470	7,847
Total	107,619	109,812
Student activity funds		
Other objects	-	23,575
Total instruction	2,808,430	4,257,695
Support services		
Pupils		
Attendance and social work		
Salaries	55,591	55,591
Employee benefits	2,834	2,803
Total	58,425	58,394
Health services		
Salaries	52,071	52,384
Employee benefits	13,081	13,082
Purchased services	-	696
Supplies and materials	2,000	1,986
Total	67,152	68,148
Speech pathology and audiology services		
Salaries	56,005	56,005
Employee benefits	9,251	9,140
Total	65,256	65,145
Other support services		
Salaries	70,921	-
Employee benefits	9,305	-
Purchased services	150,000	-
Supplies and materials	19,103	-
Total	249,329	-
Total pupils	440,162	191,687
Instructional staff		
Improvement of instruction services		
Salaries	30,000	29,601
Employee benefits	450	373
Purchased services	70,000	151,975
Total	100,450	181,949

Pennoyer School District 79

Statement of Expenditures Disbursed
Budget to Actual-Modified Cash Basis

Year Ended June 30, 2022	Educational Fund 2022 Final Budget	Educational Fund 2022 Actual
Educational media services		
Salaries	$ 145,262	$ 146,955
Employee benefits	45,792	44,923
Purchased services	180,142	177,872
Supplies and materials	96,375	98,660
Capital outlay	164,250	154,753
Total	631,821	623,163
Assessment and training		
Supplies and materials	2,000	40
Total instructional staff	734,271	805,152
General administration		
Board of education		
Employee benefits	4,085	3,709
Purchased services	114,510	104,919
Supplies and materials	400	66
Other objects	10,500	13,274
Total	129,495	121,968
Executive administration		
Salaries	166,261	166,261
Employee benefits	57,643	57,300
Purchased services	900	825
Supplies and materials	500	72
Other objects	5,000	2,439
Total	230,304	226,897
Total general administration	359,799	348,865
School administration		
Office of the principal		
Salaries	219,764	219,764
Employee benefits	59,521	53,028
Purchased services	5,000	6,557
Supplies and materials	5,000	3,250
Other objects	1,000	409
Total	290,285	283,008
Total school administration	290,285	283,008

Pennoyer School District 79

Statement of Expenditures Disbursed
Budget to Actual-Modified Cash Basis

Year Ended June 30, 2022	Educational Fund 2022 Final Budget	Educational Fund 2022 Actual
Business		
Fiscal services		
Salaries	$ 68,560	$ 68,560
Employee benefits	80	79
Purchased services	27,000	22,000
Supplies and materials	2,000	555
Other objects	200	-
Total	97,840	91,194
Operation and maintenance of plant services		
Purchased services	144,512	154,205
Supplies and materials	-	435,361
Total	144,512	589,566
Food services		
Purchased services	30,000	60,003
Total business	272,352	740,763
Total support services	2,096,869	2,369,475
Payments for special education programs		
Other	218,396	214,728
Total educational fund	$ 5,123,695	$ 6,841,898

See accompanying notes to financial statements.

Pennoyer School District 79

Statement of Expenditures Disbursed
Budget to Actual-Modified Cash Basis

June 30, 2022	Final Budget	Actual
Operations and Maintenance Fund		
Current operating		
Support services		
Direction of business support services		
Purchased services	$ 24,250	$ -
Supplies and materials	2,600	-
Capital outlay	11,197	-
Total	38,047	-
Facilities acquisition and consultation services		
Capital outlay	50,000	31,234
Operations and maintenance of plant services		
Salaries	205,766	206,642
Employee benefits	57,696	55,621
Purchased services	137,200	143,639
Supplies and materials	166,000	158,836
Capital outlay	82,400	87,892
Total	649,062	652,630
Other support services		
Purchased services	-	23,588
Capital outlay	-	17,893
Total	-	41,481
Total operations and maintenance fund	$ 737,109	$ 725,345
Debt Service Fund		
Principal retirement	$ -	$ 165,000
Interest and fees	248,305	138,205
Other	-	950
Total debt service fund	$ 248,305	$ 304,155
Transportation Fund		
Current operating		
Support services		
Pupil transportation services		
Purchased services	$ 50,000	$ 66,853

Pennoyer School District 79

Statement of Expenditures Disbursed
Budget to Actual-Modified Cash Basis

June 30, 2022	Final Budget	Actual
Municipal Retirement/Social Security Fund		
Current operating		
Instruction		
Regular programs	$ 19,748	$ 25,370
Instruction - Pre-K programs	4,566	4,061
Special education programs	24,249	28,073
Remedial and support programs	1,000	961
Instruction - Interscholastic programs	448	739
Instruction - Bilingual programs	1,235	1,410
Total instruction	51,246	60,614
Support services		
Pupils		
Attendance and social work services	806	806
Health services	8,323	7,833
Speech pathology and audiology services	812	812
Supporting services - other - pupils	3,105	-
Instructional staff		
Improvement of instruction services	600	427
Educational media services	13,601	13,732
General administration		
Executive administration services	2,411	2,540
School administration		
Office of the principal services	-	19,699
Other support services school administration	19,982	-
Business		
Fiscal services	10,440	10,227
Operation and maintenance of plant services	24,339	25,040
Total support services	84,419	81,116
Total municipal retirement/social security fund	$ 135,665	$ 141,730
Capital Projects Fund		
Current operating		
Support services		
Facilities acquisition & construction services		
Capital outlay	$ 60,000	$ 185,865

Note 1: Summary of Significant Accounting Policies

Pennoyer School District 79 (the District) accounting policies conform to the modified cash basis of accounting as defined by the Illinois State Board of Education. The financial statements are prepared to comply with regulatory provisions prescribed by the Illinois State Board of Education. The provisions are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts.

a. Reporting Entity

The District includes all funds and account groups of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds and account groups of the District as there are no other organizations for which it has financial accountability.

b. Basis Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Each fund is a separate accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. District resources are allocated to and accounted for in individual funds as required by the State of Illinois based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements. The following summarizes the fund types and account groups used by the District:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. GASB statement No. 54 refined the definitions of various governmental funds. These updated definitions are incorporated into the following fund descriptions. The following are the District's governmental funds:

Educational Fund – The Educational Fund is the general operating fund of the District. It is used to account for all financial resources except those accounted for in another fund.

Operations and Maintenance Fund –The Operations and Maintenance Fund is also a general operating fund of the District. It is used to account for cost of maintaining school buildings.

Bond & Interest Fund –The Bond & Interest Fund accounts for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

Note 1: Summary of Significant Accounting Policies (Continued)

b. Basis Presentation - Fund Accounting (Continued)

Transportation Fund – The Transportation Fund accounts for the costs of transporting pupils to and from school and school activities.

Municipal Retirement/Social Security – The Municipal Retirement/Social Security Fund is used to pay the District's share of municipal retirement benefits for covered employees. The District's share of Social Security and Medicare expense is also paid from this fund if a separate tax is levied for that purpose.

Working Cash - The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to any other fund for which taxes are levied.

Fire Preventions and Safety Fund – The Fire Prevention and Safety is used to account for financial resources to be used for the acquisition or additions related to qualifying fire prevention and safety projects.

Governmental Funds – Measurement Focus

The financial statements of all Governmental Funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position and not with measurement of results of operations.

Note 1: Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the financial statements. The District maintains its accounting records for all funds and account groups on the modified cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, results from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

d. Budgets and Budgetary Accounting

Annual budgets for all Governmental Funds are adopted on the cash basis of accounting.

For each fund, total fund expenditures may not legally exceed the budgeted amounts.
The Board of Education 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 taxpayers comments.

3. Prior to September 30, the budget is legally adopted through passage of an ordinance. By the last Tuesday in December each year, a tax levy ordinance is filed with the county clerk to obtain tax revenues.

4. Management is authorized to transfer budget amounts provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after following the public hearing process mandated by law. There were no supplemental appropriations during the year.

5. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

6. Budgeted amounts for the governmental funds are adopted on a basis consistent with the modified cash basis of accounting. Governmental Fund budgets are adopted on the modified cash basis. The level of budgetary control is established by function and activity within an individual fund.

7. Appropriations lapse at the end of the fiscal year.

Note 1: Summary of Significant Accounting Policies (Continued)

d. Budgets and Budgetary Accounting (Continued)

8. The budget was adopted by the Board of Education on September 8, 2021 and was amended on April 13, 2022.

The following funds had an excess of expenditures over budget as of June 30, 2022:

	Budget	Actual	Excess
Educational Fund	$ 5,123,695	$ 6,841,898	$ 1,718,203
Transportation Fund	50,000	66,853	16,853
Debt Service Fund	248,305	304,155	55,850
Municipal Retirement/Social Security	135,665	141,730	6,065
Capital Projects Fund	60,000	185,865	125,865
Total	$ 6,354,774	$ 8,265,846	$ 1,911,072

The expenditures disbursed variances were sufficiently absorbed by the additional revenues received by the District. Under the State Budget Act, expenditures disbursed may exceed the budget if additional resources are available to finance such expenditures. The School District does not budget for the on-behalf employer pension contributions made by the State of Illinois directly to TRS and THIS Fund. For the year ended June 30, 2022, the School District recorded these contributions as a revenue and expenditure in the Educational Fund amounting to $1,248,956, creating an excess budget overrun.

e. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are reordered in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds.

All encumbrances are cancelled at year end, and if necessary, are reinstated at the beginning of the subsequent fiscal year.

f. Investments

Investments are stated at fair value. Gains or losses on the sale of investments are recognized upon realization. In accordance with the District cash and investment management policy, the institutions in which investments are made must be approved by the Board of Education.

g. Personal Property Replacement Taxes

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

Note 1: Summary of Significant Accounting Policies (Continued)

h. General Fixed Assets

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Asset Account Group. Contributed fixed assets are recorded as general fixed assets at estimated fair market value at the time received. The estimated useful lives of the buildings, improvements, educational equipment and transportation equipment are 50, 20, 10 and 5 years respectively. Assets with a cost of $1,500 or more and with a useful life of greater than one year are capitalized.

Depreciation of general fixed assets is not charged to the operations of the District in accordance with reporting standards for governments of this type.

i. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense for note disclosure purposes, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Investments are reported at fair value. The amounts disclosed in accordance with GASB Statement No. 68 are not reported in the financial statements due to reporting on the basis of accounting described above.

j. Total Memorandum Only

Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles.

Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2: Property Tax Rates

The owner of real property on January 1, in any year is liable for taxes of that year and collected the following year. The District filed its tax levy resolution on December 8, 2021. The District's property tax is levied each year on all taxable real property located in the District.

The Cook County Assessor is responsible for the assessment of all taxable real property within Cook County except for certain railroad property, which is assessed directly by the State. The Assessor reassesses the county every three years.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the State. Each year the Illinois Department of Revenue furnishes the County Clerk with an adjustment factor to equalize the level of assessment between counties at one third of market value. This factor (the "Equalization Factor") is then applied to the assessed valuation to compute the valuation of property to which a tax rate will be applied (the "Equalized Assessed Valuation").

The County Clerk adds the Equalized Valuation of all real property in the county to the valuation of property assessed directly by the State (to which the Equalization Factor is not applied) to arrive at the base amount (the "Assessment Base") used in calculating the annual tax rates, as described above. The Equalized Valuation in Cook County for the extension of the 2021 tax levy was $173,183,680.

The County Clerk computes the annual tax rate by dividing the levy into the Assessment Base of the Unit. The clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that particular parcel. He enters that tax in the books, which he prepares for the County Collector along with the Assessed Valuation and Equalized Valuation described in the preceding paragraphs. These books are the Collector's authority for the collection of taxes and are used by the Collector as the basis for issuing tax bills to all taxpayers in the county.

Property taxes are collected by the Cook County Collector/Treasurer who remits to the School Treasurer. Taxes levied in one year become due and payable in two installments on approximately March 1 and approximately September 1 during the following year. The first installment is an estimated bill, and is 55% 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. The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per $100 of assessed valuation:

	Limit	2021 Levy	2020 Levy
Educational	No Limit	1.7833	1.6251
Tort Immunity	No Limit	0.0006	0.0005
Special Education	0.4000	0.0237	0.0196
Operations and Maintenance	0.5500	0.4916	0.3920
Transportation	No Limit	0.0119	0.0209
Municipal Retirement/ Social Security	No Limit	0.0640	0.0496
Working Cash	0.0500	0.0132	0.0114
Debt Service	No Limit	0.1545	0.1371
Levy Adjustment	No Limit	0.0020	0.0000
Total		$ 2.5448	$ 2.2562

Note 3: Special Tax Levies and Restricted Equity

a. **Tort Immunity** – Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. Cumulative expenditures disbursed have equaled cumulative revenues received, leaving a zero balance as of June 30, 2022.

b. **Special Education** – Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. Cumulative expenditures disbursed exceeded cumulative revenues received, therefore, there is no restriction of these funds in accordance with the Illinois Compiled Statutes.

Note 4: Cash and Investments

c. Cash & Investments under the custody of the Township Treasurer

Under the Illinois Compiled Statutes, the Maine Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently 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 in 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 convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Bond and Interest Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Maine Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The Treasurer's Office operates as a non-rated, 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.

As of June 30, 2022, the fair value of all cash and investments held by the Treasurer's office was $593,134,973 and the fair value of the District's proportionate share of the pool was $3,872,845.

Because all cash and investments are pooled by a separate legal governmental agency (Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

Note 4: Cash and Investments (Continued)

b. Cash in the custody of the District

Deposits of the student activity and imprest accounts (recorded in the Educational Fund), which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	Carrying Value	Bank Balance
Deposits with financial institutions	$ 11,878	$ 11,878

Custodial Credit Risk
With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy states that the Treasurer shall maintain funds only in financial institutions that collateralize all funds in excess of FDIC or insurable limits.

Note 5: Employee Retirement Systems

The retirement plans of the District include the Teachers' Retirement System of the State of IL (TRS) and the IL Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

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

Plan Description

The District participates in the TRS. TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at https://www.trsil.org/financial/acfrs/fy2021; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Note 5: Employee Retirement Systems (Continued)

Benefits Provided

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

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

Essentially all Tier I retirees receive an annual 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 1 members to receive a partial lump-sum in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began 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% 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, 2021, was 9.0% 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 District. For the year ended June 30, 2022, State of IL contributions recognized by the District were based on the State’s proportionate share of the pension expense associated with the District, and the District recognized revenue and expenditures of $1,226,458 in pension contributions from the State of IL.

Note 5: Employee Retirement Systems (Continued)

2.2 formula contributions. The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2022 were $14,176, and are deferred because they were paid after the June 30, 2021 measurement date.

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

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

For the year ended June 30, 2022, the employer pension contribution was 10.31% of salaries paid from federal and special trust funds. For the year ended June 30, 2022, no salaries were paid from the federal and special trust funds and there were no required employer contributions. These contributions are deferred because they were paid after the June 30, 2021 measurement date.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the District made no payment to TRS for employer contributions due on salary increases of 6 percent and made no payments for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	$ 203,425
State's proportionate share of the net pension liability associated with the District	17,049,153
Total	$ 17,252,578

Note 5: Employee Retirement Systems (Continued)

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation June 30, 2021. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2021, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2021, the employer's proportion was 0.000261%, which was an increase of (0.000025)% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of $1,226,958 and revenue of $1,226,958 for support provided by the state. At June 30, 2022, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, which are not reported due to the regulatory basis of accounting:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 1,167	$ 839
Changes in assumptions	90	1,005
Net difference between projected and actual earnings in OPEB plan investments	-	13,645
Changes in proportion and differences between District contributions and proportionate share of contributions	17,793	81,184
Total deferred amounts to be recognized in OPEB expense in future periods	19,050	96,673
District's contributions subsequent to the measurement date	14,176	-
Total	$ 33,226	$ 96,673

$14,176 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2023	$ (42,462)
2024	(22,285)
2025	(9,187)
2026	(5,595)
2027	1,906
Total	$ (77,623)

Note 5: Employee Retirement Systems (Continued)

Actuarial Assumptions

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

Inflation	2.25%
Salary increases	varies by amount of service credit
Investment rate of return	7.00% net of pension plan investment expense, including inflation

In the June 30, 2021 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for the TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. In the June 30, 2020 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2017.

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

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

Note 5: Employee Retirement Systems (Continued)

Discount Rate

At June 30, 2021, the discount rate used to measure the total pension liability was 7.0%, which was the same as the June 30, 2020 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

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

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

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

	1% Decrease (6.00%	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net Pension liability	$ 251,937	$ 203,425	$ 163,129

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

b. Illinois Municipal Retirement Fund (IMRF)

Plan Description and Benefits

Plan description – The District'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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Note 5: Employee Retirement Systems (Continued)

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

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

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

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

Employees Covered by the Benefit Terms - At the December 31, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	39
Active employees	20
Total	73

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 contribution rate for calendar year 2021 was 8.55%. For the fiscal year ended June 30, 2022, the employer contributed $60,584 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The employer's Net Pension Liability was measured as of December 31, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Note 5: Employee Retirement Systems (Continued)

Actuarial assumptions – The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

Actuarial cost method	Entry Age Normal
Asset valuation method	Fair Value of Assets
Inflation	2.25%
Salary increases	2.89% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projeced using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality imiprovements projected using scale MP-2020.
Other information: Notes	There were no benefit changes during the year.

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	39.0 %	1.90 %
International equities	15.0 %	3.15 %
Fixed income	25.0 %	(0.60)%
Real estate	10.0 %	3.30 %
Alternatives	10.0 %	1.70-5.50 %
Cash	1.0 %	(0.90)%
Total	100.0 %	

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:

Note 5: Employee Retirement Systems (Continued)

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

1. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the plan's net pension liability, calculated using the single discount rate of 7.25 percent, 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%)
Net pension liability	$ 187,743	$ (44,351)	$ (232,180)

Due to the District preparing its financial statements on the basis of the financial reporting provisions of the Illinois State Board of Education, pension liabilities and deferred inflows and outflows referred to throughout the note disclosure are not recognized in the actual financial statements.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	$ 1,607,405	$ 1,613,038	$ (5,633)
Changes for the year:			
Service cost	57,876	-	57,876
Interest on the total pension liability	116,046	-	116,046
Differences between expected and actual experience of the total pension liability	16,108	-	16,108
Contributions - employer	-	64,053	(64,053)
Contributions - employees	-	41,323	(41,323)
Net investment income	-	269,962	(269,962)
Benefit payments, including refunds of employee contributions	(71,425)	(71,425)	-
Other (net transfer)	-	(146,590)	146,590
Net changes	118,605	157,323	(38,718)
Balances at December 31, 2021	$ 1,726,010	$ 1,770,361	$ (44,351)

Note 5: Employee Retirement Systems (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For year ended June 30, 2022, the District recognized pension expense of $85,855. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources which are not reported due to the financial reporting provisions of the Illinois State Board of Education.

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 10,352	$ 8,384
Changes in assumptions	-	3,871
Net difference between projected and actual earnings on pension plan investments	-	211,310
Total deferred amounts to be recognized in OPEB expense in future periods	10,352	223,565
District's contributions subsequent to the measurement date	27,307	-
Total	$ 37,659	$ 223,565

$27,307 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2023	$ (54,406)
2024	(76,115)
2025	(51,272)
2026	(31,420)
Total	$ (213,213)

Aggregate Pension Amounts - At June 30, 2022, the District disclosed the following from all pension plans:

	TRS	IMRF	Total
Net pension liability/(asset)	$ 203,425	$ (44,351)	$ 159,074
Deferred outflows of resources	33,226	37,659	70,885
Deferred inflows of resources	96,673	223,565	320,238
Pension expense	(52,555)	85,855	33,300

Note 6: Other Postemployment Benefits

a. Teacher Health Insurance Security (THIS)

Plan Description. The District participates in the THIS. The THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. THIS members are retirees of public schools who were certified educators or administrators. Eligibility is currently limited to former full-time employees, and others who were not full-time employees that meet certain requirements, and their dependents. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) (SEGIA) establishes the eligibility and benefit provisions of the plan.

The THIS issues a publicly available financial report that can be obtained at the website of the Illinois Auditor General: https://www.auditor.illinois.gov/Audit-Report/ABC-List.asp. The current reports are listed under “Central Management Services”; prior reports are available under “Healthcare and Family Services”.

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 were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Amendments to the plan can be made only by legislative action with the Governor’s approval. Effective July 1, 2012, 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.

Contributions

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher’s salary. Additionally, the SEGIA requires the State to match the employees’ contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The SEGIA requires that the Department’s Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

Note 6: Other Postemployment Benefits (Continued)

On-behalf contributions to THIS. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90% of pay during the year ended June 30, 2022. State of Illinois contributions were $21,998, and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.67% during the year ended June 30, 2022. For the year ended June 30, 2022, the District paid $16,376 to the THIS Fund, which was 100 percent of the required contribution.

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

At June 30, 2022, the District's reported a liability for its proportionate share of the net OPEB liability. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	$ 1,990,347
State's proportionate share of the net OPEB liability associated with the District	2,698,620
Total	$ 4,688,967

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to June 30, 2021. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2021, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2021, the District's proportion was 0.009024%, which was an increase of 0.000492% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized the following OPEB expense/expenditure and revenue pertaining to the District's employees, which are not reported due to the regulatory basis of accounting:

State on-behalf contributions	Educational Fund
State On Behalf Contributions - OPEB revenue and expense/expenditure	$ 21,998
District OPEB expense/expenditure	16,376
Total OPEB expense/expenditure	$ 38,374

Note 6: Other Postemployment Benefits (Continued)

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 93,106
Changes in assumptions	687	745,295
Net difference between projected and actual earnings in OPEB plan investments	-	7
Changes in proportion and differences between District contributions and proportionate share of contributions	162,341	159,906
Total deferred amounts to be recognized in OPEB expense in future periods	163,028	$ 998,314
District's contributions subsequent to the measurement date	16,376	-
Total	$ 179,404	$ 998,314

$16,376 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Net Deferred Inflows of Resources
2022	$ (168,381)
2023	(168,367)
2024	(138,482)
2025	(101,348)
2026	(96,217)
Thereafter	(162,491)
Total	$ (835,286)

Note 6: Other Postemployment Benefits (Continued)

Actuarial Valuation Method

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.

Actuarial Assumptions.

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

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years
Healthcare cost trend rates	Trend for fiscal year 2022 based on expected increases used to develop average costs. For fiscal years after 2023, trend starts at 8.25% for non-Medicare and Medicare costs, and gradually decreases to an ultimate trend of 4.25%.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants 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 assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

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 OPEB plan investments (to the extent that the plan's 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 the 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 2.45% as of June 30, 2020, and 1.92% as of June 30, 2021. The decrease in the single discount rate from 2.45% to 1.92% caused the total OPEB liability to increase by approximately $1,965 million from 2020 to 2021.

Note 6: Other Postemployment Benefits (Continued)

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate

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

	1% Decrease 0.92%	Current Discount Rate 1.92%	1% Increase 2.92%
District's proportionate share of the net OPEB liability	$ 2,390,993	$ 1,990,347	$ 1,672,780

The following presents the District's proportionate share of the net OPEB liability would be if it were calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate. They key trend rates are 8.00% in 2023 decreasing to an ultimate trend rate of 4.25% in 2038:

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	$ 1,593,373	$ 1,990,347	$ 2,529,607

a) One percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate trend rate of 3.25% in 2038.

b) One percentage point increase in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2038.

Note 7: Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance 6/30/2021	Additions	Retirement	Balance 6/30/2022
Land	$ 1,020,619	$ -	$ -	$ 1,020,619
Buildings and improvements	4,990,299	2,637,139	(41,394)	7,586,044
Equipment	1,061,274	-	(201,972)	859,302
Total	$ 7,072,192	$ 2,637,139	$ (243,366)	$ 9,465,965

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the General Fixed Assets Account Group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not included in the General Fixed Assets Account Group.

Note 8: Long-Term Debt

During the year ended June 30, 2022, the following changes occurred in liabilities that were reported in the General Long-Term Debt Account Group:

	Balance July 01, 2021	Additions	Reductions	Balance June 30, 2022	Amount due in one year
General Obligation Bonds Payable:					
General Obligation School Bonds Series 2011	$ 125,000	$ -	$ 125,000	$ -	$ -
General Obligation Limited Tax Refunding School Bonds Series 2021A	1,720,000	-	40,000	1,680,000	145,000
General Obligation Limited Tax School Bonds Series 2021B	2,540,000	-	-	2,540,000	-
Total Long-Term Debt	$ 4,385,000	$ -	$ 165,000	$ 4,220,000	$ 145,000

Note 8: Long-Term Debt (Continued)

Long Term Debt at June 30, 2022 is comprised of the following:

a. General Obligation Bonds

Bonds dated December 29, 2011 were issued by the District in the amount of $2,035,000. Principal payments are due December 1 through 2021. Interest payments at rates from 3.00% to 5.00% are due June 1 and December 1.

Bonds dated March 9, 2021 were issued by the District in the amount of $1,720,000. Principal payments are due December 1 through 2031. Interest payments at a rate of 2.00% are due June 1 and December 1.

Bonds dated March 9, 2021 were issued by the District in the amount of $2,540,000. Principal payments are due December 1 through 2040. Interest payments at a rate of 3.00% are due June 1 and December 1.

At June 30, 2022, the annual cash flow requirements of all bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 145,000	$ 108,350	$ 253,350
2024	150,000	105,400	255,400
2025	160,000	102,300	262,300
2026	165,000	99,050	264,050
2027	175,000	95,650	270,650
2028-2032	985,000	421,450	1,406,450
2033-2037	1,230,000	277,050	1,507,050
2038-2041	1,210,000	74,850	1,284,850
Total	$ 4,220,000	$ 1,284,100	$ 5,504,100

The District is subject to the Illinois Compiled Statutes which limits the amount of bond indebtedness, to 6.90% of the most recent available equalized assessed valuation of the District. As of June 30, 2022, the statutory debt limit for the District was $11,949,674 providing a debt margin of $7,874,674 after taking into account amounts available in the Debt Service Fund.

Note 9: Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a)

Note 9: Fund Balance Reporting (Continued)

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 amounts. Due to the cash basis nature of the district all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and 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 also fall into these categories:

1. Special Education

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

2. State and Federal Grants

Proceeds from state and federal grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2022, expenditures exceeded revenue from state grants, resulting in no restricted balances.

3. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenues exceeded expenditures for this purpose, resulting in a restricted fund balance of $41,774. The remaining balance is restricted for Municipal Retirement purposes.

Note 9: Fund Balance Reporting (Continued)

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (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 those amounts.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, and Working Cash Funds.

F. Reconciliation of Fund Balance Reporting

	Generally Accepted Accounting Principles				Regulatory Basis	
	Nonspendable	Restricted	Committed & Assigned	Unassigned	Reserved	Unreserved
Educational	$ -	$ -	$ -	$ (253,481)	$ 11,878	$ (265,359)
Operations & Maintenance	-	-	-	559,352	-	559,352
Debt Service	-	144,367	-	-	-	144,367
Transportation	-	79,607	-	-	-	79,607
Municipal Retirement/SS	-	83,549	-	-	41,774	41,775
Capital Projects	-	2,591,246	-	-	-	2,591,246
Working Cash	-	-	-	256,654	-	256,654
Fire Prevention and Safety	-	411,717	-	-	-	411,717
Total	$ -	$ 3,310,486	$ -	$ 562,525	$ 53,652	$ 3,819,359

Note 9: Fund Balance Reporting (Continued)

G. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next 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.

The District does not have a formal fund balance policy.

Note 10: Risk Management

The District has purchased insurance from private insurance companies. Risks covered include general liability, workers compensation and others. Premiums have been displayed as expenditures in appropriate funds. No material decreases in insurance coverages have occurred nor have any insurance claims in excess of insurance coverages been paid or reported during the last three years.

Note 11: School Employees Loss Fund (SELF)

The District is a member of SELF, which has been formed to reduce local school districts' workers' compensation costs. SELF is controlled by a Board of Directors which is composed of representatives designated by each school district. The day-to-day operations of SELF are managed through an Executive Board elected by the Board of Directors. Each member district has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage. Complete financial statements for SELF can be obtained from their accountant at Two Pierce Place, Itasca, IL 60143.

Note 12: Educational School Insurance Cooperative (ESIC)

The District is a member of ESIC, which has been formed to provide casualty, property and liability protections and to administer some or all insurance coverages and protection other than health, life and accident coverages procured by the member districts. It is intended, by the creation of ESIC to allow a member District to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual Districts covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during any fiscal year, the funds on hand in the account of ESIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to ESIC. Complete financial statements for ESIC can be obtained from its administrator, Two Pierce Place, Itasca, IL 60143.

Note 13: Interfund Transfers

Transfer From	Transfer to	Amount
Transportation Fund	Educational Fund	$ 100,000
Educational Fund	IMRF/Social Security Fund	$ 120,000

Transfers from the Educational Fund to the Bond & Interest Fund were made to fund principal and interest payments on capital leases.

Note 14: Contingencies

Revenues received from federal and state governments in the current and prior years are subject to audits by the granting agencies. The Board believes that adjustments which may arise from these audits, if any will not be significant.

Note 15: Interfund Receivables and Payables

The composition of interfund balances at June 30, 2022 were as follows:

Receivable Fund	**Payable Fund**	**Amount**
Operations & Maintenance Fund	Educational Fund	$ 300,000

The amount payable to the Operations & Maintenance Fund relate to loans to the Educational Fund in order to fund operations as a result of the delayed property tax distributions from Cook County.

Note 16: Subsequent Event

On November 10, 2022, the District issued $725,000 of tax anticipation warrants for cash flow purposes due to the delay of property tax distributions from Cook County. The interest rate on the warrants is 4.95% and the maturity date is May 15, 2023.

Pennoyer School District 79
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund
Last Eight Calendar Years

	2021	2020	2019	2018
Total Pension Liability				
Service cost	$ 57,876	$ 63,840	$ 59,633	$ 59,848
Interest	116,046	111,461	105,543	95,385
Differences between expected and actual experience	16,108	(25,630)	(9,192)	71,291
Changes of assumption	-	(11,835)	-	38,120
Benefit payments, including refunds of member contributions	(71,425)	(71,814)	(81,091)	(80,069)
Net change in total pension liability	118,605	66,022	74,893	184,575
Total pension liability, beginning	1,607,405	1,541,383	1,466,490	1,281,915
Total pension liability - ending	$ 1,726,010	$ 1,607,405	$ 1,541,383	$ 1,466,490
Plan Fiduciary Net Position				
Contributions - employer	$ 64,053	$ 60,400	$ 47,800	$ 56,045
Contributions - member	41,323	30,851	28,377	27,930
Net investment income	269,962	200,601	232,046	(70,925)
Benefit payments, including refunds of member contributions	(71,425)	(71,814)	(81,091)	(80,069)
Administrative expense	(146,590)	9,712	(33,078)	33,950
Net change in plan fiduciary net position	157,323	229,750	194,054	(33,069)
Plan net position, beginning	1,613,038	1,383,288	1,189,234	1,222,303
Plan net position, ending	$ 1,770,361	$ 1,613,038	$ 1,383,288	$ 1,189,234
Employer's net pension liability (asset)	$ (44,351)	$ (5,633)	$ 158,095	$ 277,256
Plan fiduciary net position as a percentage of the total pension liability	102.57 %	100.35 %	89.74 %	81.09 %
Covered payroll	$ 749,160	$ 685,580	$ 630,608	$ 620,659
Employer's net pension liability as a percentage of covered payroll	(5.92)%	(0.82)%	25.07 %	44.67 %

2017	2016	2015	2014
$ 50,795	$ 48,672	$ 48,327	$ 53,513
97,283	89,319	84,900	77,787
(61,981)	33,351	(28,573)	(53,045)
(32,593)	(1,460)	1,412	56,166
(86,604	(46,085)	(45,379)	(28,575)
(33,100)	123,797	60,687	105,846
1,315,015	1,191,218	1,130,531	1,024,685
$ 1,281,915	$ 1,315,015	$ 1,191,218	$ 1,130,531
$ 44,741	$ 41,965	$ 41,311	$ 43,321
22,370	20,047	18,721	19,321
198,120	69,943	5,488	61,296
(86,604)	(46,085)	(45,379)	(28,575)
(122,161)	(1,935)	(28,448)	7,020
56,466	83,935	(8,307)	102,383
1,165,837	1,081,902	1,090,209	987,826
$ 1,222,303	$ 1,165,837	$ 1,081,902	$ 1,090,209
$ 59,612	$ 149,178	$ 109,316	$ 40,322
95.35 %	90.82 %	96.43 %	96.43 %
$ 497,114	$ 445,482	$ 416,024	$ 410,095
11.99 %	33.49 %	26.28 %	9.83 %

Pennoyer School District 79

Schedule of Employer Contributions

Illinois Municipal Retirement Fund

Last Eight Fiscal Years

Year Ending June 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 60,584	$ 60,584	$ -	$ 802,952	7.55 %
2021	60,942	60,942	-	702,359	8.68 %
2020	54,167	54,167	-	658,913	8.22 %
2019	52,121	52,121	-	627,759	8.30 %
2018	51,871	51,871	-	575,314	9.02 %
2017	42,933	42,933	-	466,022	9.21 %
2016	40,656	40,656	-	420,178	9.68 %
2015	41,379	43,321	(1,942)	410,095	10.56 %

Notes to Schedule

Valuation date:	Actuarially determined contribution rates are calculated as of December 31 of 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 contribution 2021 rate

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	22-year closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational 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 adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See Independent Audit Report on Supplementary Information.

Pennoyer School District 79
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Retirement System
Last Eight Fiscal Years

	2022*	2021*	2020*	2019*
District's proportion of the net pension liability	0.000261 %	0.000236 %	0.000303 %	0.000299 %
District's proportion share of the net pension liability	$ 203,425	$ 203,811	$ 245,508	$ 233,320
State's proportionate share of the net pension liability associated with the District	17,049,153	15,963,546	17,472,552	15,983,414
Total	$ 17,252,578	$ 16,167,357	$ 17,718,060	$ 16,216,734
District's covered payroll	$ 2,302,998	$ 2,204,075	$ 2,178,528	$ 2,139,723
District's proportionate share of the net pension liability as a percentage of covered payroll	8.83 %	9.25 %	11.27 %	10.90 %
Plan fiduciary net position as a percentage of the total pension liability	45.10 %	37.80 %	39.60 %	40.00 %

Notes to Schedule

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

For the 2020-2016 measurement years, the assumed investment rate of return was of 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. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively. .

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 analysis for the three-year period ending June 30, 2014.

* The amounts presented were determined as of the prior fiscal-year end.
The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See Independent Audit Report on Supplementary Information.

2018*	2017*	2016*	2015*
0.000529 %	0.000703 %	0.000960 %	0.001100 %
$ 404,423	$ 555,272	$ 627,321	$ 667,028
15,096,462	17,288,641	14,426,254	14,938,137
$ 15,500,885	$ 17,843,913	$ 15,053,575	$ 15,605,165
$ 2,038,937	$ 2,178,077	$ 2,254,145	$ 2,402,415
19.83 %	25.49 %	27.83 %	27.76 %
39.30 %	36.40 %	41.50 %	43.00 %

Pennoyer School District 79
Schedule of Employer Contributions
Teacher's Retirement System
Last Eight Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 14,176	$ 14,176	$ -	$ 2,444,215	0.58 %
2020	13,357	13,357	-	2,302,998	0.58 %
2020	12,784	12,784	-	2,204,075	0.58 %
2019	12,635	12,635	-	2,178,528	0.58 %
2018	12,410	12,410	-	2,139,723	0.58 %
2017	11,826	11,826	-	2,038,937	0.58 %
2016	27,242	27,242	-	2,178,077	1.25 %
2015	34,608	34,608	-	2,254,145	1.54 %

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See Independent Audit Report on Supplementary Information.

Pennoyer School District 79

Schedule of the District's Proportionate Share of the Net OPEB Liability
Teacher's Health Insurance Security Fund

Last Five Fiscal Years

	2022*	2021*	2020*	2019*
District's proportion of the net OPEB liability	0.009024 %	0.008532 %	0.008887 %	0.009044 %
District's proportion share of the net OPEB liability	$ 1,990,347	$ 2,281,159	$ 2,459,733	$ 2,382,817
State's proportionate share of the net OPEB liability associated with the District	2,698,620	3,090,350	3,330,793	3,199,480
	$ 4,688,967	$ 5,371,509	$ 5,790,526	$ 5,582,297
District's covered payroll	$ 2,444,215	$ 2,302,998	$ 2,178,528	$ 2,139,723
District's proportionate share of the net OPEB liability as a percentage of covered payroll	81.43 %	99.05 %	112.91 %	111.36 %
Plan fiduciary net position as a percentage of the total OPEB liability	1.40 %	0.70 %	(0.22)%	(0.07)%

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

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

See Independent Audit Report on Supplementary Information.

2018*
0.008139 %
$ 2,112,076
2,299,967
$ 4,412,043
$ 2,038,937
103.59 %
(0.17)%

Schedule of Employer Contributions
Teacher's Health Insurance Security Fund

Last Five Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 16,376	$ 16,376	$ -	$ 2,444,215	0.67 %
2021	21,188	21,188	-	2,302,998	0.92 %
2020	20,777	20,777	-	2,204,075	0.94 %
2019	20,042	20,042	-	2,178,528	0.92 %
2018	18,830	18,830	-	2,139,723	0.88 %

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

See Independent Audit Report on Supplementary Information.

Pennoyer School District 79

Schedule of General Obligation Bonds and Loans Payable

	March 9, 2021, Series A $1,720,000 Interest of 2.00%		March 9, 2021, Series B $2,540,000 Interest of 3.00%		
	Principal	Interest	Principal	Interest	Total
2023	$ 145,000	$ 32,150	$ -	$ 76,200	$ 253,350
2024	150,000	29,200	-	76,200	255,400
2025	160,000	26,100	-	76,200	262,300
2026	165,000	22,850	-	76,200	264,050
2027	175,000	19,450	-	76,200	270,650
2028	180,000	15,900	-	76,200	272,100
2029	190,000	12,200	-	76,200	278,400
2030	195,000	8,350	-	76,200	279,550
2031	205,000	4,350	-	76,200	285,550
2032	115,000	1,150	100,000	74,700	290,850
2033	-	-	225,000	69,825	294,825
2034	-	-	235,000	62,925	297,925
2035	-	-	245,000	55,725	300,725
2036	-	-	255,000	48,225	303,225
2037	-	-	270,000	40,350	310,350
2038	-	-	280,000	32,100	312,100
2039	-	-	295,000	23,475	318,475
2040	-	-	310,000	14,400	324,400
2041	-	-	325,000	4,875	329,875
Totals	$ 1,680,000	$ 171,700	$ 2,540,000	$ 1,112,400	$ 5,504,100

Pennoyer School District 79

Operating Expenditures Per Pupil

Year Ended June 30, 2022 and 2021	2022	2021
Expenditures		
Educational fund	5,569,367	4,482,347
Operations and maintenance fund	725,345	1,111,085
Municipal retirement/social security fund	141,730	127,744
Transportation fund	66,853	9,649
Debt service fund	304,155	300,614
Total Expenditures	6,807,450	6,031,439
Less revenues/expenditures not applicable to operating expense of regular programs		
Special education Pre-K	169,170	123,373
Tuition	214,728	218,396
Capital outlay	291,772	761,647
Bond principal retired	165,000	134,336
Subtotal	840,670	1,237,752
Operating Expenditures	5,966,780	4,793,687
Average daily attendance	372.6	408.8
Operating expenditures per student	$ 16,014	$ 11,726

Pennoyer School District 79

Schedule of Assessed Valuations, Tax Rates and Extensions

Last Eight Tax Levy Years

	2021	2020	2019	2018
ASSESSED VALUATION	$ 173,183,680	$ 192,268,536	$ 195,400,473	$ 158,439,287
TAX RATES				
Educational	1.7833	1.6251	1.6116	1.8466
Liability insurance	0.0006	0.0005	0.0163	0.0244
Special education	0.0237	0.0196	0.0132	0.0197
Operations and maintenance	0.4916	0.3920	0.3383	0.4875
Bond and interest	0.1545	0.1371	0.1145	0.1421
Transportation	0.0119	0.0209	0.0211	0.0315
Municipal retirement	0.0403	0.0300	0.0140	0.0157
Social security	0.0237	0.0196	0.0105	0.0157
Working cash	0.0132	0.0114	0.0116	0.0173
Levy adjustment	0.0020	-	-	-
Total	2.5448	2.2562	2.1511	2.6005
TAX EXTENSIONS				
Educational	$ 3,088,421	$ 3,124,555	$ 3,149,000	$ 2,925,697
Liability insurance	1,005	961	31,876	38,644
Special education	40,991	37,684	25,701	31,168
Operations and maintenance	851,351	753,692	661,006	772,399
Bond and interest	267,540	263,673	223,781	225,173
Transportation	20,600	40,184	41,133	49,855
Municipal retirement	69,734	57,680	27,266	24,928
Social security	40,990	37,684	20,554	24,928
Working cash	22,925	21,918	22,615	27,430
Levy adjustment	3,392	-	-	-
Total	$ 4,406,949	$ 4,338,031	$ 4,202,932	$ 4,120,222

2017	2016	2015	2014
$ 154,148,629	$ 150,875,204	$ 132,364,947	$ 136,265,768
1.9943	1.8834	2.1249	2.0447
0.0236	0.0363	0.0409	0.0393
0.0190	0.0196	0.0221	0.0213
0.2543	0.2421	0.2731	0.2556
0.1468	0.1468	0.1676	0.1631
0.0304	0.0670	0.0756	0.0655
0.0152	0.0403	0.0454	0.0510
0.0152	0.0403	0.0454	0.0510
0.0167	0.0196	0.0221	0.0213
-	-	-	-
2.5155	2.4954	2.8171	2.7128
$ 3,074,120	$ 2,841,583	$ 2,812,622	$ 2,786,226
36,323	54,767	54,137	53,552
29,296	29,571	29,252	29,024
392,000	365,268	361,488	348,295
226,275	221,550	221,786	222,206
46,862	101,086	100,067	89,254
23,431	60,802	60,093	69,495
23,431	60,802	60,093	69,495
25,783	29,571	29,252	29,024
-	-	-	-
$ 3,877,521	$ 3,765,000	$ 3,728,790	$ 3,696,571