

SUNSET RIDGE SCHOOL DISTRICT NO. 29

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

September 28, 2021

Members of the Board of Education
Sunset Ridge School District No. 29
Northfield, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sunset Ridge School District No. 29, Illinois, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sunset Ridge School District No. 29, Illinois, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sunset Ridge School District No. 29, Illinois', basic financial statements. The other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Management's Discussion and Analysis For the Year Ended June 30, 2021

The discussion and analysis of Sunset Ridge School District No. 29's (the District) financial performance provides an overall review of the District's financial activities, for the year ended June 30, 2021. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

FINANCIAL HIGHLIGHTS

- During FY 21, the ongoing presence of COVID-19 made for a challenging school year. Fortunately, the District was able to offer a hybrid option of half day in-person and half day remote learning for much of the year before finally returning to full in-person after spring break. During in-person learning, the District followed strict protocols including wearing a face covering, respecting social distancing, and practicing good hygiene throughout the day. Furthermore, additional mitigation strategies including more frequent cleaning and disinfecting of areas throughout the schools were enacted by the District's custodial team. Fortunately, COVID-19 did not have a significant impact on the District's financials and in fact, the Elementary and Secondary School Emergency Relief Funds (ESSER) from the Federal Government helped to offset the District's COVID-19 related expenses throughout the year.
- During FY 21, the District did not issue any long-term debt.
- General revenues from property taxes, personal property replacement taxes, state aid, investment earnings and other sources accounted for \$14,854,317 or 71.6% of the District's total revenue of \$20,760,221. Program specific revenues in the form of charges for services, contributions, and grants were \$5,905,904, or 28.4% of total revenue.
- The District had \$19,542,447 in expenses related to governmental activities. However, only \$5,905,904 of these expenses was offset by program specific charges, contributions, and grants.
- The District's modified accrual fund financial statements also reflect a continued strong financial position with total governmental fund assets of \$19,783,194 and total governmental fund balances of \$12,459,294; \$12,144,385 of which is related to operating funds (General, Operations and Maintenance, Transportation, and Municipal Retirement/Social Security Funds).
- Among the major funds, the General Fund (which includes the Educational, Tort Immunity and Judgment, and Working Cash Accounts) had \$18,554,236 in revenues, primarily consisting of property taxes, state aid, and other local revenue, and \$16,667,282 in expenditures.
- The District continued to pay down the general obligation bonds and general obligation lease certificates by retiring \$1,035,000 in principal and paying \$765,275 in interest.
- The Board of Education Finance/Facilities Committee met quarterly throughout the year. Many topics were discussed including developing and reviewing the long-range capital improvement plan for the District, the 2020 levy, long-range financial projections, and quarterly review of the District's finances and investments. The Committee is continually informed about potential state or federal changes which could impact the District's financials. Despite the potential of these threats, the Committee with support from the Board of Education is committed to maintaining the District's strong financial status.

**Management's Discussion and Analysis
For the Year Ended June 30, 2021**

Overview of the Financial Statements

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

- a. Government-wide financial statements
- b. Fund financial statements
- c. Notes to the financial statements.

This report also contains required supplementary information, supplementary financial information, and other supplemental information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education, and other), supporting services, operations and maintenance of facilities, and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Management's Discussion and Analysis For the Year Ended June 30, 2021

Fund financial statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The District maintains the following governmental funds:

- General (includes Educational, Tort Immunity and Judgment, and Working Cash funds)
- Special Revenue (includes Operations and Maintenance, Transportation, Municipal Retirement/Social Security funds)
- Debt Service Fund
- Capital Projects Fund (includes Fire Prevention and Safety fund)

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide other post employment benefits and pension data related to the Illinois Municipal Retirement Fund and the Teacher's Retirement System.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Management's Discussion and Analysis
For the Year Ended June 30, 2021****Government-Wide Financial Analysis**

Net position: The District's combined net position was \$11,130,643 at June 30, 2021.

Table 1		
Condensed Statement of Net Position		
	Governmental Activities	
	2021	2020
Current Assets	\$ 19,783,194	18,508,835
Capital Assets	29,714,817	30,741,970
	97,491	—
Total Assets	49,595,502	49,250,805
Deferred Outflows	351,681	357,608
Total Assets/Deferred Outflows	49,947,183	49,608,413
Long-Term Debt	27,904,377	29,619,812
Other Liabilities	1,387,949	1,358,478
Total Liabilities	29,292,326	30,978,290
Deferred Inflows	9,524,214	8,745,962
Total Liabilities/Deferred Inflows	38,816,540	39,724,252
Net Position		
Net Investment in Capital Assets	8,193,157	8,131,656
Restricted	3,233,051	2,243,897
Unrestricted	(295,565)	(491,392)
Total Net Position	11,130,643	9,884,161

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Management's Discussion and Analysis
For the Year Ended June 30, 2021****Government-Wide Financial Analysis (Continued)**

Table 2		
Change in Net Position		
	Governmental Activities	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 6,584	182,432
Operating Grants/Contributions	5,899,320	5,301,311
General Revenues		
Taxes	14,043,566	13,719,187
State Aid-Formula Grants	498,775	473,537
Other General Revenues	311,976	646,653
Total Revenues	20,760,221	20,323,120
Expenses		
Instruction	14,038,110	13,602,035
Support Services		
Pupils and Instructional Staff	719,823	649,355
Administration and Business	1,820,959	2,100,382
Transportation	26,514	215,424
Operations and Maintenance	1,803,225	1,698,466
Central	410,690	343,160
Community Services	13,276	9,806
Interest and Fees	709,850	755,121
Total Expenses	19,542,447	19,373,749
Change in Net Position	1,217,774	949,371
Net Position - Beginning as Restated	9,912,869	8,934,790
Net Position - Ending	11,130,643	9,884,161

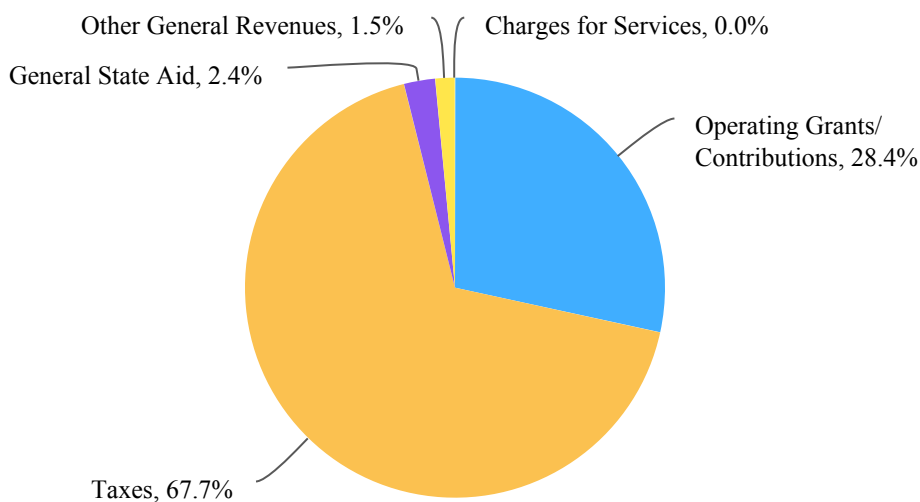
SUNSET RIDGE SCHOOL DISTRICT NO. 29

Management's Discussion and Analysis For the Year Ended June 30, 2021

Government-Wide Financial Analysis (Continued)

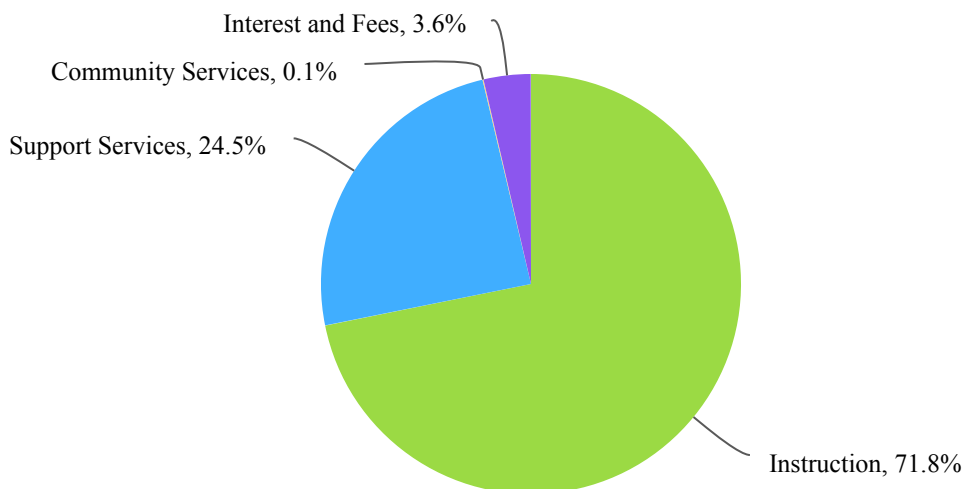
Revenues by Source: Property taxes accounted for the largest portion of the District's revenue, which is 67.7% of total revenues. The remainder of the District's revenue came from state and federal grants, contributions, and other sources.

District-Wide Revenues by Source



Expenses by Function: The total cost of all programs and services was \$19,542,447. The District's expenses are predominantly related to instruction, which makes up 71.8% of total expenses.

District-Wide Expenses by Function



SUNSET RIDGE SCHOOL DISTRICT NO. 29

Management's Discussion and Analysis For the Year Ended June 30, 2021

Financial Analysis of the District's Funds

The District's governmental funds' combined fund balance increased by \$955,503 from \$11,503,791 to \$12,459,294.

General Fund Budgetary Highlights

Over the course of the year, the District did not revise the annual operating budget.

The District's budget for the General Fund anticipated that revenues would exceed expenditures by \$137,919. The actual results for the year show the revenues exceeded expenditures by \$510,204.

Capital Assets and Debt Administration

Capital Assets

By the end of FY 2021, the District had compiled a total investment of \$29,714,817 (net of accumulated depreciation) in a broad range of capital assets including land, improvements other than buildings, buildings, and equipment. Total depreciation expense for the year was \$1,055,178.

More detailed information about capital assets can be found in Note 3 of the notes to the financial statements.

Table 3		
Capital Assets - Net of Depreciation		
	2021	2020
Land	\$ 76,885	76,885
Buildings	29,138,625	30,037,875
Improvements other than Buildings	31,902	34,715
Equipment	467,405	592,495
Total	29,714,817	30,741,970

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Management's Discussion and Analysis For the Year Ended June 30, 2021

Capital Assets and Debt Administration (Continued)

Long-term liabilities

During FY 2021, the District retired \$1,035,000 in general obligation bonds.

Table 4		
Long-Term Debt Outstanding		
	2021	2020
Compensated Absences	\$ 76,945	—
General Obligation Bonds	15,850,000	16,655,000
General Obligation Lease Certificates	4,870,000	5,100,000
Total OPEB Liability - Retiree Health Plan - RHP	75,926	80,889
Total OPEB Liability - THIS	6,692,889	6,937,933
IMRF Net Pension Liability	(97,491)	385,657
TRS Net Pension Liability	627,346	640,019
Bond Premium, Net	801,660	855,314
	<u>28,897,275</u>	<u>30,654,812</u>

More detailed information about long-term liabilities can be found in Note 3 of the notes to the financial statements.

Factors Bearing on the District's Future

Sunset Ridge School District 29 received a rating of State Financial Recognition in FY 2020 (the highest rating possible issued by the Illinois State Board of Education), yet the Board of Education continues to closely monitor uncertain financial challenges that may lie ahead for the District. The COVID-19 pandemic continues to create many different challenges for school districts worldwide. Although the extent of the impact of COVID-19 on the District's operations and financial position are yet to be known, the Finance/Facilities Committee along with the Board of Education will be carefully monitoring this situation in the coming months to ensure measures are in place to maintain fiscal stability.

As a result of the COVID-19 pandemic and to help ease the property tax financial burden for Cook County homeowners, the County delayed the property tax payment due dates by two months in both the Spring and Fall collection period. The immediate direct results from this is limited interest earnings from investing these funds for future expenditure needs. The long-term impact is yet to be seen especially if the County decides to continue this pattern of delays.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Management's Discussion and Analysis For the Year Ended June 30, 2021

Factors Bearing on the District's Future (Continued)

Over a year ago, Governor Pritzker appointed a Property Tax Task Force to study the entirety of the State's property tax system and look for ways to reduce local reliance on property taxes. The Governor also appointed the Illinois Pension Modernization Task force charged with recommending changes to modernize State pension benefit systems. Neither task force has yet to make a recommendation however, the Board of Education remains diligent in monitoring these potential financial challenges. Certainly the District's healthy operating fund balance and strong fiscal management will mitigate any near term operating pressure on the District's finances.

The District continues to utilize the operating fund surplus on an annual basis to cover the on-going cost of the general obligation lease certificates issued in FY 2015 and 2016 in the amount of \$24.4 million for the new Sunset Ridge School. Since the Board of Education chose not to go to referendum for this debt and there is no dedicated levy to pay it back, careful financial management by both the Finance/Facilities Committee and the Board of Education will be required to ensure the District maintains healthy surpluses to cover this debt payment.

For tax year 2020 payable in 2022, the District's equalized assessed value (EAV) for all real property within the District 29 boundaries increased approximately 1.8% from \$515.2 million to \$524.7 million. New property growth was \$4,004,355. The 2020 tax year rate was 2.751 as compared to 2.718 in 2019. Property tax cap legislation (PTELL) limited the 2020 levy extension increase to a total of 3.06% (2.3% which was the 2019 CPI plus new growth of 0.76%). The total 2020 levy extension was \$14,430,258 which is \$426,789 greater than the 2019 levy extension. Although the Cook County property tax payments have been delayed due to the pandemic, the District's revenues are forecasted to remain stable for the foreseeable future.

In FY 2022, the Finance/Facilities Committee will continue to review and prioritize projects on the long range capital improvement plan for the District. Highlights of the plan include the Middlefork Kindergarten playground rehabilitation project, replacing cafeteria equipment in the Middlefork kitchen, and continued safety and security enhancements at both schools.

The District experienced a 2.0% increase in enrollment to begin the 21-22 school year. This is the first increase the District has experienced in as many years. The Board of Education will need to closely monitor future enrollment growth in the District to carefully plan for staffing needs and capacity requirements.

The Board of Education, District Administration, and members of the Sunset Ridge Education Association (SREA) successfully negotiated a five-year contract during the Spring of 2019. The District has enjoyed a long history of educational excellence and this contract will continue to ensure the District's ability to attract and retain high quality teachers in a fiscally responsible manner, benefitting both our schools and community.

The District schools continue to be ranked among the top schools in the State for the past several years. District students continue to be among the highest performing in the region with the vast majority meeting or exceeding state and national academic standards. The community takes pride in the quality and value of the education students receive and staff provide in every grade from kindergarten through graduation. The District continues to cultivate a learning community that engages the hearts and minds of students, one child at a time. The tradition of educational excellence continues at Sunset Ridge School District 29.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Management's Discussion and Analysis For the Year Ended June 30, 2021

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Sunset Ridge School District No. 29
525 Sunset Ridge Road
Northfield, Illinois 60093

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Statement of Net Position

June 30, 2021

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Statement of Net Position****June 30, 2021**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 12,347,617
Receivables - Net of Allowances	
Property Taxes	7,088,628
Intergovernmental	327,259
Other	<u>19,690</u>
Total Current Assets	<u>19,783,194</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	76,885
Depreciable	37,312,136
Accumulated Depreciation	<u>(7,674,204)</u>
	29,714,817
Other Assets	
Net Pension Asset - IMRF	<u>97,491</u>
Total Noncurrent Assets	<u>29,812,308</u>
Total Assets	<u>49,595,502</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - RHP	54,169
Deferred Items - THIS	146,428
Deferred Items - TRS	73,601
Deferred Items - IMRF	<u>77,483</u>
Total Deferred Outflows of Resources	<u>351,681</u>
Total Assets and Deferred Outflows of Resources	<u>49,947,183</u>

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

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 103,000
Accrued Payroll	132,272
Accrued Interest Payable	62,288
Current Portion of Long-Term Debt	<u>1,090,389</u>
Total Current Liabilities	<u>1,387,949</u>
Noncurrent Liabilities	
Compensated Absences	61,556
Total OPEB Liability - RHP	75,926
Total OPEB Liability - THIS	6,692,889
Net Pension Liability - TRS	627,346
General Obligation Bonds and Lease Certificates - Net	<u>20,446,660</u>
Total Noncurrent Liabilities	<u>27,904,377</u>
Total Liabilities	<u>29,292,326</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	7,088,628
Deferred Items - RHP	20,128
Deferred Items - THIS	1,841,177
Deferred Items - TRS	112,206
Deferred Items - IMRF	<u>462,075</u>
Total Deferred Inflows of Resources	<u>9,524,214</u>
Total Liabilities and Deferred Inflows of Resources	<u>38,816,540</u>
NET POSITION	
Net Investment in Capital Assets	8,193,157
Restricted	
Tort Immunity	69,767
Student Activities	28,569
Operations and Maintenance	1,662,621
Student Transportation	483,982
Retirement Benefits	735,491
Debt Services	173,962
Fire Prevention and Life Safety	78,659
Unrestricted	<u>(295,565)</u>
Total Net Position	<u>11,130,643</u>

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Statement of Activities

For the Fiscal Year Ended June 30, 2021

		Program Revenues		(Expenses)/
		Charges	Operating	Revenues
	Expenses	for	Grants/	Governmental
		Services	Contributions	Activities
Governmental Activities				
Instruction	\$ 7,622,940		566,776	(7,056,164)
Support Services	4,781,211	6,584	19,160	(4,755,467)
Community Services	13,276	—	—	(13,276)
Payments to Other Districts/Govts.	1,101,786	—	—	(1,101,786)
Interest on Long-Term Debt	709,850	—	—	(709,850)
State Retirement Contributions	5,313,384	—	5,313,384	—
Total Governmental Activities	19,542,447	6,584	5,899,320	(13,636,543)
General Revenues				
Taxes				
Real Estate Taxes, Levied for General Purposes				13,176,202
Real Estate Taxes, Levied for Specific Purposes				263,762
Real Estate Taxes, Levied for Debt Services				443,983
Personal Property Replacement Taxes				159,619
State Aid-Formula Grants				498,775
Investment Income				51,049
Other General Revenues				260,927
				14,854,317
Change in Net Position				1,217,774
Net Position - Beginning as Restated				9,912,869
Net Position - Ending				11,130,643

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Balance Sheet - Governmental Funds

June 30, 2021

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Balance Sheet - Governmental Funds

June 30, 2021

	<u>General</u>
ASSETS	
Cash and Investments	\$ 9,541,856
Receivables - Net of Allowances	
Property Taxes	6,123,544
Intergovernmental	295,230
Other	<u>19,690</u>
Total Assets	<u><u>15,980,320</u></u>
LIABILITIES	
Accounts Payable	41,868
Payroll Deductions Payable	<u>116,326</u>
Total Liabilities	158,194
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>6,123,544</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>6,281,738</u></u>
FUND BALANCES	
Restricted	534,627
Unassigned	<u>9,163,955</u>
Total Fund Balances	<u><u>9,698,582</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>15,980,320</u></u>

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

Special Revenue		Municipal Retirement/ Social Security	Debt Service	Capital Projects	Totals
Operations and Maintenance	Transportation			Fire Prevention and Life Safety	
1,733,805	457,847	299,200	236,250	78,659	12,347,617
494,301	61,246	183,253	225,802	482	7,088,628
—	32,029	—	—	—	327,259
—	—	—	—	—	19,690
2,228,106	551,122	482,453	462,052	79,141	19,783,194
61,132	—	—	—	—	103,000
10,052	5,894	—	—	—	132,272
71,184	5,894	—	—	—	235,272
494,301	61,246	183,253	225,802	482	7,088,628
565,485	67,140	183,253	225,802	482	7,323,900
1,662,621	483,982	299,200	236,250	78,659	3,295,339
—	—	—	—	—	9,163,955
1,662,621	483,982	299,200	236,250	78,659	12,459,294
2,228,106	551,122	482,453	462,052	79,141	19,783,194

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2021

Total Governmental Fund Balances	\$ 12,459,294
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	29,714,817
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	97,491
Deferred Outflows/Inflows of Resources related to the retirement plans not reported in the funds.	
Deferred Items - Retiree Health Plan - RHP	34,041
Deferred Items - THIS	(1,694,749)
Deferred Items - TRS	(38,605)
Deferred Items - IMRF	(384,592)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(76,945)
Total OPEB Liability - Retiree Health Plan - RHP	(75,926)
Total OPEB Liability - THIS	(6,692,889)
Net Pension Liability - TRS	(627,346)
General Obligation Bonds Payable - Net	(21,521,660)
Accrued Interest Payable	(62,288)
Net Position of Governmental Activities	11,130,643

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2021**

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2021

	<u>General</u>
Revenues	
Local Sources	
Property Taxes	\$ 11,967,185
Personal Property Replacement Taxes	—
Investment Income	51,013
Other Revenue from Local Sources	267,349
State Aid	386,278
Federal Aid	569,027
On-Behalf Payments - State of Illinois	5,313,384
Total Revenues	<u>18,554,236</u>
Expenditures	
Current	
Instruction	
Regular Programs	5,542,358
Special Programs	1,540,775
Other Instructional Programs	341,574
Support Services	
Pupils	631,156
Instructional Staff	62,650
General Administration	702,727
School Administration	513,507
Business	493,399
Transportation	—
Operations and Maintenance	—
Central	410,690
Community Services	13,276
Payments to Other Districts and Govt. Units	1,101,786
Debt Service	—
Principal Retirement	—
Interest and Other	—
Capital Outlay	—
On-Behalf Expenditures	5,313,384
Total Expenditures	<u>16,667,282</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>1,886,954</u>
Other Financing Sources (Uses)	
Transfers In	—
Transfers Out	<u>(1,376,750)</u>
	<u>(1,376,750)</u>
Net Change in Fund Balances	510,204
Fund Balances - Beginning as Restated	<u>9,188,378</u>
Fund Balances - Ending	<u><u>9,698,582</u></u>

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

Special Revenue		Municipal Retirement/ Social Security	Debt Service	Capital Projects	Totals
Operations and Maintenance	Transportation			Fire Prevention and Life Safety	
1,011,533	115,792	344,474	443,983	980	13,883,947
159,619	—	—	—	—	159,619
16	1	12	7	—	51,049
162	—	—	—	—	267,511
—	129,406	—	—	—	515,684
—	—	—	—	—	569,027
—	—	—	—	—	5,313,384
1,171,330	245,199	344,486	443,990	980	20,760,221
—	—	96,359	—	—	5,638,717
—	—	81,415	—	—	1,622,190
—	—	12,556	—	—	354,130
—	—	26,017	—	—	657,173
—	—	—	—	—	62,650
—	—	13,612	—	—	716,339
—	—	22,639	—	—	536,146
—	—	75,075	—	—	568,474
—	26,514	—	—	—	26,514
970,155	—	—	—	—	970,155
—	—	—	—	—	410,690
—	—	—	—	—	13,276
—	—	—	—	—	1,101,786
—	—	—	1,035,000	—	1,035,000
—	—	—	766,475	—	766,475
11,619	—	—	—	—	11,619
—	—	—	—	—	5,313,384
981,774	26,514	327,673	1,801,475	—	19,804,718
189,556	218,685	16,813	(1,357,485)	980	955,503
—	—	—	1,376,750	—	1,376,750
—	—	—	—	—	(1,376,750)
—	—	—	1,376,750	—	—
189,556	218,685	16,813	19,265	980	955,503
1,473,065	265,297	282,387	216,985	77,679	11,503,791
1,662,621	483,982	299,200	236,250	78,659	12,459,294

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 955,503
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Amounts reported for Governmental Activities in the Statement of Activities
are different because:

Governmental Funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	28,025
Depreciation Expense	(1,055,178)

Deferred Outflows/(Inflows) of Resources related to pensions/OPEB plans
are not reported in the funds

Change in Deferred Items - Retiree Health Plan - RHP	(5,280)
Change in Deferred Items - THIS	(259,674)
Change in Deferred Items - TRS	20,643
Change in Deferred Items - IMRF	(226,773)

The issuance of long-term debt provides current financial resources to
Governmental Funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Compensated Absences	(76,945)
Changes in Total OPEB Liability - Retiree Health Plan - RHP	4,963
Changes in Total OPEB Liability - THIS	245,044
Changes in Net Pension Liability - TRS	12,673
Changes in Net Pension Liability - IMRF	483,148
Retirement of Long-Term Debt	1,035,000
Amortization of Bond Premium	53,654

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

2,971

Changes in Net Position of Governmental Activities

1,217,774

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sunset Ridge School District No. 29 (the “District”) is located in Cook County, Illinois and operates as a public-school system governed by an elected Board of Education (the Board.) The Board maintains final responsibility for all personnel, budgetary, taxing, and debt matters. The District is organized under the School Code of the State of Illinois, as amended.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District’s accounting policies established under GAAP and used by the District are described below.

REPORTING ENTITY

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34” and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District’s operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District’s functions (instruction, support services, community services, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, interest income, etc.). This government-wide focus is more on the sustainability of the District as an entity and the change in the District’s net position resulting from the current year’s activities.

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid. The General Fund is a major fund and is comprised of three subfunds, the Educational Accounts, the Tort Immunity and Judgment Accounts, and the Working Cash Accounts.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Fund. The District maintains three major special revenue funds. The Operations and Maintenance Fund is used to account for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes. The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants. The Municipal Retirement/Social Security Fund is used to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes.

Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service. The Debt Service Fund is treated as a major fund.

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds - Continued

Capital Projects Funds are used to account for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities. The Fire Prevention and Life Safety Fund, also a major fund, is used to account for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is used.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end, except for state aid. State aid payments received after 60 days are being considered as available as historically, state aid collected within 60 days has represented all state aid expected to be collected. The state is currently behind on payments to local government agencies, which is a highly unusual circumstance, resulting in current year state aid collections after 60 days of year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

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

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with a fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, and grants.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical costs based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	20 - 40 Years
Improvements Other Than Buildings	40 Years
Equipment	5 - 20 Years

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in the financial statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation leave will be made at rates in effect when the benefits are used. Accumulated vacation leave liabilities at June 30, 2021 are determined on the basis of current salary rates and include salary related payments. Upon termination or retirement, employees do not receive compensation for any unused sick leave; therefore, no liability is recorded at June 30, 2021.

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

Notes to the Financial Statements

June 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the General Fund, which does not budget for on-behalf pension payments from the State of Illinois. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level.

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 taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution 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 budget between the 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.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. The Budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 15, 2020.
7. All budget appropriations lapse at the end of the fiscal year.

During the fiscal year ended June 30, 2021, no supplemental budget appropriations were made.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
Operations and Maintenance	\$ 584

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS UNDER THE CUSTODY OF THE TOWNSHIP TREASURER

Under the Illinois Compiled Statutes, the Township 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 balances 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 Debt Service 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 Township 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.

The weighted average maturity of all marketable pooled investments held by the Treasurer was 6.41 years at June 30, 2021. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2021, the fair value of all investments held by the Treasurer's Office was \$12,319,048 and the fair value of the District's proportionate share of the pool was \$12,319,048.

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.

Deposits of the imprest 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	\$ 11,155,539	11,126,970

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS UNDER THE CUSTODY OF THE TOWNSHIP TREASURER - Continued

DISTRICT DEPOSITS AND INVESTMENTS

Under State law, limits are imposed as to investments in commercial paper, corporate bonds, and mutual funds in which the District may invest, as well as the Illinois School District Liquid Asset Fund Plus (ISDLAF+).

The ISDLAF+ is a non-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company. Investments are sold valued at share price, which is the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the District's deposits for governmental activities totaled \$11,155,539 and the bank balances totaled \$11,126,970. In addition, the District has \$1,192,078 invested in ISDLAF+ at year-end,

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District utilizes the Township Treasury's investment policy and considers that policy to be binding for the District. The District does not have a formal investment policy that limits investment maturities as means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - Deposits. 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 Township Treasurer's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2021, the bank balance of the District's deposits with financial institutions totaled \$12,319,048; this entire amount was insured through FDIC insurance.

Custodial Credit Risk - Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township Treasurer's investment policy does not address custodial credit risk for investments. At year end, the District investments in ISDLAF+ were not subject to custodial credit risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township Treasurer's investment policy does not address credit risk. At year-end, the District's investment in ISDLAF+ was rated AAAM by Standard & Poor's.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Township Treasurer's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from over concentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the Township Treasurer's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2020 levy resolution was approved during the December 8, 2020 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner to real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on or after August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2020 property tax levy is recognized as a receivable in the fiscal year 2021, net of estimated uncollectible amounts approximating 1% and less amounts already received. The District considers that the first installment of the 2020 levy is to be used to finance operations in fiscal year 2021. The District has determined that the second installment of the 2020 levy is to be used to finance operations in fiscal year 2021 and has included the corresponding receivable as a deferred inflow of resources.

PERSONAL PROPERTY REPLACEMENT TAXES

Personal property replacement taxes are first allocated to the Operations and Maintenance Fund, and the balance is allocated to the remaining funds at the discretion of the District.

JOINT AGREEMENTS

The District is a member of the North Suburban Special Education District (NSSD), a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****CAPITAL ASSETS****Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 76,885	—	—	76,885
Depreciable Capital Assets				
Buildings	35,822,117	11,619	—	35,833,736
Improvements Other than Buildings	272,650	—	—	272,650
Equipment	1,189,344	16,406	—	1,205,750
	37,284,111	28,025	—	37,312,136
Less Accumulated Depreciation				
Buildings	5,784,242	910,869	—	6,695,111
Improvements Other than Buildings	237,935	2,813	—	240,748
Equipment	596,849	141,496	—	738,345
	6,619,026	1,055,178	—	7,674,204
Total Net Depreciable Capital Assets	30,665,085	(1,027,153)	—	29,637,932
Total Net Capital Assets	30,741,970	(1,027,153)	—	29,714,817

Depreciation expense was charged to governmental activities as follows:

Regular Programs	\$ 182,910
Special Programs	39,198
Instructional Staff	76,313
General Administration	10,453
School Administration	10,453
Business	5,224
Operations and Maintenance	730,627
	<u>1,055,178</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT****General Obligation Bonds/Lease Certificates**

General Obligation bonds/lease certificates are direct obligations and pledge the full faith and credit of the District. General obligation bonds/lease certificates currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Lease Certificates of 2015 - Due in annual installments of \$210,000 to \$1,040,000 plus semi-annual interest at 3.00% to 5.00% through December 1, 2035.	9,540,000	—	—	9,540,000
General Obligation Lease Certificates of 2016A - Due in annual installments of \$120,000 to \$850,000 plus semi-annual interest at 2.00% to 3.50% through December 1, 2035.	7,115,000	—	805,000	6,310,000
General Obligation Limited Tax Refunding Bonds of 2018 - Due in annual installments of \$230,000 to \$350,000 plus semi-annual interest at 3.00% to 5.00% through December 1, 2037.	5,100,000	—	230,000	4,870,000
	21,755,000	—	1,035,000	20,720,000

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT - Continued****Long-Term Liabilities Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	—	153,890	76,945	76,945	15,389
Total OPEB Liability - RHP	\$ 80,889	—	4,963	75,926	—
Total OPEB Liability - THIS	6,937,933	—	245,044	6,692,889	—
Net Pension Liability - TRS	640,019	—	12,673	627,346	—
Net Pension Liability - IMRF	385,657	—	483,148	(97,491)	—
General Obligation Bonds	16,655,000	—	805,000	15,850,000	250,000
General Obligation Lease Certificates	5,100,000	—	230,000	4,870,000	825,000
Unamortized Premium	855,314	—	53,654	801,660	—
	<u>30,654,812</u>	<u>153,890</u>	<u>1,911,427</u>	<u>28,897,275</u>	<u>1,090,389</u>

The obligations for the total OPEB liability for the Retiree Health Plan (RHP), the total OPEB liability for THIS, and the net pension liability for TRS will be repaid from the General Fund (Educational Accounts). The net pension liability for IMRF is being liquidated by the District's Illinois Municipal Retirement Fund. The general obligation bonds/lease certificates are being liquidated by the Debt Service Fund.

Legal Debt Margin

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. At year-end the legal debt margin is as follows:

Assessed Valuation - 2020	<u>\$ 524,693,940</u>
Legal Debt Limit - 6.9% of Assessed Value	36,203,882
Amount of Debt Applicable to Limit	<u>(20,720,000)</u>
Legal Debt Margin	<u>15,483,882</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT - Continued****Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Limited Tax Bonds		General Obligation Lease Certificates	
	Principal	Interest	Principal	Interest
2022	\$ 250,000	181,525	825,000	547,300
2023	270,000	168,525	850,000	522,175
2024	290,000	154,525	880,000	494,125
2025	310,000	139,525	910,000	463,025
2026	230,000	126,025	940,000	431,575
2027	240,000	114,275	975,000	397,550
2028	255,000	103,175	1,010,000	364,025
2029	265,000	94,100	1,040,000	333,275
2030	270,000	86,075	1,070,000	301,625
2031	280,000	77,825	1,110,000	264,013
2032	285,000	69,350	1,155,000	220,013
2033	295,000	60,281	1,195,000	174,362
2034	305,000	50,531	1,250,000	126,875
2035	315,000	40,259	1,295,000	77,438
2036	325,000	29,459	1,345,000	26,137
2037	335,000	18,113	—	—
2038	350,000	6,125	—	—
Totals	4,870,000	1,519,693	15,850,000	4,743,513

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 29,714,817
Less: Capital Related Debt	
General Obligation Lease Certificate of 2015	(9,540,000)
General Obligation Lease Certificate of 2016A	(6,310,000)
General Obligation Limited Tax Refunding Bonds of 2018	(4,870,000)
Unamortized Premium	<u>(801,660)</u>
Net Investment in Capital Assets	<u>8,193,157</u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Education; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Education' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Education, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCES - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Minimum Fund Balance Policy. The District's fund balance policy states that the General Fund should maintain a minimum fund balance equal to 40% of the projected annual total revenues for the subsequent fiscal year.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue			Debt Service	Capital Projects	Totals
		Operations and Maintenance	Transportation	Municipal Retirement/ Social Security		Fire Prevention and Life Safety	
Fund Balances							
Restricted							
Tort Immunity	\$ 69,767	—	—	—	—	—	69,767
Student Activities	28,569	—	—	—	—	—	28,569
Operations and Maintenance	—	1,662,621	—	—	—	—	1,662,621
Student Transportation	—	—	483,982	—	—	—	483,982
Retirement Benefits	436,291	—	—	299,200	—	—	735,491
Debt Service	—	—	—	—	236,250	—	236,250
Fire Prevention and Life Safety	—	—	—	—	—	78,659	78,659
	534,627	1,662,621	483,982	299,200	236,250	78,659	3,295,339
Unassigned	9,163,955	—	—	—	—	—	9,163,955
Total Fund Balances	9,698,582	1,662,621	483,982	299,200	236,250	78,659	12,459,294

NET POSITION/FUND BALANCE RESTATEMENTS

Beginning net position/fund balance was restated due to implementing GASB 84. The following is a summary of the net position/fund balance as originally reported and as restated:

Net Position/Fund Balance	As Reported	As Restated	Increase
Governmental Activities	\$ 9,884,161	9,912,869	28,708
Education - General	9,159,670	9,188,378	28,708
Education Fund - Student Activity	9,027,379	9,056,087	28,708

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District purchased coverage against such risks and participates in the following public entity risk pool: The Collective Liability Insurance Cooperative (CLIC) for property damage, injury claims, and worker's compensation claims. The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provide that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pool. Settled claims has not exceeded coverage for the past three years.

Complete financial statements for CLIC can be obtained from its Treasurer, 624 Kenilworth, Grayslake, Illinois 60030. The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

CONTINGENT LIABILITIES

State and Federal Aid Contingencies

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. Management believes such disallowances, if any, would be immaterial.

Grantor Agencies

Federal and state grants-in-aid received by the District are subject to audit and adjustment by grantor agencies. If grant revenues collected are received for expenditures paid which are subsequently disallowed, the District may be required to repay the revenues collected. In the opinion of management, liabilities resulting from such disallowed expenditures paid, if any, will not be material.

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

Post-Retirement Health Plan

Plan Description

Plan Description. The District's defined benefit OPEB plan, Retiree Health Plan (RHP), provides OPEB for all permanent full-time general and public safety employees of the District. RHP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. The Retiree Health Plan (RHP) provides limited health care and life insurance coverage for its eligible retired employees. Such coverage is provided for retired employees until they reach age 65. The District does not issue a stand-alone report for the postretirement health plan.

Plan Membership. As of June 30, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1
Inactive Employee Entitled to but not yet Receiving Benefits	—
Active Employees	<u>31</u>
Total	<u><u>32</u></u>

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.50%
Discount Rate	2.18%
Healthcare Cost Trend Rates	
PPO	
Initial	5.50%
Ultimate	4.50%
HMO	
Initial	4.00%
Ultimate	N/A
Retirees' Share of Benefit-Related Costs	Same as Healthcare Cost Trend Rates
N/A - Not Applicable	

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Post-Retirement Health Plan - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued.

The discount rate was based on the S&P Municipal Bond 20-Year-High-Grade Rate Index as of June 30, 2021.

Mortality rates were based on the RP-2014 Combined Healthy Mortality Table for Males or Females with 2-dimensional, fully generational projection with Scale MP-2017.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2019	\$ 80,889
Changes for the Year:	
Service Cost	3,321
Interest on the Total OPEB Liability	1,995
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	1,471
Benefit Payments	(11,750)
Other Changes	—
Net Changes	<u>(4,963)</u>
Balance at June 30, 2020	<u>75,926</u>

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Post-Retirement Health Plan - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.18%, while the prior valuation used 2.66%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

		1% Decrease (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
Total OPEB Liability	\$	78,927	75,926	73,122

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using variable Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using variable Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

		1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$	71,888	75,926	80,654

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2021****NOTE 4 - OTHER INFORMATION - Continued****OTHER POST-EMPLOYMENT BENEFITS - Continued****Post-Retirement Health Plan - Continued****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the District recognized OPEB expense of \$12,067. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 6,201	(5,108)	1,093
Change in Assumptions	47,968	(15,020)	32,948
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	54,169	(20,128)	34,041

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

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ 6,751
2023	6,751
2024	6,751
2025	6,751
2026	6,751
Thereafter	286
Total	34,041

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. THIS health coverage includes provisions for medical, prescription drug, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2015, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Benefits Provided. The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS, who are not employees of the State, to contribute to the THIS Fund.

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

On Behalf Contributions to THIS Fund. 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 1.24 percent of pay during the year ended June 30, 2021. State of Illinois contributions were \$80,260, and the District recognized revenues and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2020 and June 30, 2019 were 1.24 and 1.24 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$78,530 and \$76,402, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2021. Contributions were 0.92 percent during the year ended June 30, 2020 and 2019, respectively. For the year ended June 30, 2021, 2020 and 2019 the District paid \$59,547, \$58,264 and \$56,685 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Plan Description - Continued

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

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:	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare Cost Trend Rates:	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitant, mortality rates were based on the RP-2014 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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values 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 bonds 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 fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.13 percent as of June 30, 2019, and 2.45 percent as of June 30, 2020.

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (1.45)%	Current Discount Rate (2.45)%	1% Increase (3.45)%
Employer's Proportionate Share of the OPEB Liability	\$ 8,054,724	6,692,889	5,630,107

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the District's proportionate share of the collective net OPEB liability, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's Proportionate Share of the OPEB Liability	\$ 5,390,362	6,692,889	8,474,832

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

At June 30, 2021, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2020, the District's proportion was 0.025067 percent, which was an increase of 0.000034 from its proportion measured as of June 30, 2019. 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 follow:

Employer's Proportionate Share of the Net OPEB Liability	\$ 6,692,889
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>9,066,983</u>
Total	<u><u>15,759,872</u></u>

For the year ending June 30, 2021, the District recognized OPEB revenue and expense of \$80,260 for support provided by the State. For the year ending June 30, 2021, the District recognized OPEB expense of \$74,177. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ —	(177,823)	(177,823)
Net Difference Between Projected and Actual Earnings on Pension Investments	2,266	(1,103,984)	(1,101,718)
Changes of Assumptions	—	(191)	(191)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	84,615	(559,179)	(474,564)
Total Pension Expense to be Recognized in Future Periods	86,881	(1,841,177)	(1,754,296)
Employer Contributions Subsequent to the Measurement Date	59,547	—	59,547
Totals	<u>146,428</u>	<u>(1,841,177)</u>	<u>(1,694,749)</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

For the fiscal year ended, \$59,547 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (354,269)
2023	(354,244)
2024	(354,193)
2025	(273,982)
2026	(153,122)
Thereafter	<u>(264,486)</u>
Total	<u><u>(1,754,296)</u></u>

RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois 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.

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS)

Plan Descriptions, Provisions and Funding Policies

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active 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 only be made by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for TRS's administration. TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2020>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

Benefits Provided

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

Tier 2 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 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement beginning January 1 following the attainment of age 61 or on January 1 following the members' first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of 3 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 members' first anniversary in retirement, whichever is later.

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Benefits Provided - Continued

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 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, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment 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 will begin in 2019 and will be funded by bonds issued by the State of Illinois.

Contributions

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

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

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2021, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$5,233,124 in pension contributions from the State.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021 were \$37,541 and are deferred because they were paid after the June 30, 2020 measurement date.

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

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Contributions - Continued

For the fiscal year ended June 30, 2021, the employer pension contribution was 9.41 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from those funds. For the fiscal year ended June 30, 2021, salaries totaling \$83,351 were paid from federal and special trust funds that required employer contributions of \$8,677. These contributions are deferred because they were paid after the June 30, 2020 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 employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$16,821 for salary increases in excess of 3 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2020, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's Proportionate Share of the Net Pension Liability	\$ 627,346
State's Proportionate Share of the Net Pension Liability Associated with the Employer	49,137,018
Total	<u>49,764,364</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the employer's proportion was 0.00070 percent, which was a decrease of 0.00080 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the employer recognized pension expense of \$5,233,124 and revenue of \$5,233,124 for support provided by the state. At June 30, 2021, the employer reported deferred outflows of resources and deterred inflows of resources related to pension from the following sources:

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2021****NOTE 4 - OTHER INFORMATION - Continued****RETIREMENT SYSTEMS - Continued****Teachers' Retirement System (TRS) - Continued****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 6,080	(167)	5,913
Net Difference Between Projected and Actual Earnings on Pension Investments	18,732	—	18,732
Changes of Assumptions	2,571	(6,582)	(4,011)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	—	(105,457)	(105,457)
Total Pension Expense to be Recognized in Future Periods	27,383	(112,206)	(84,823)
Employer Contributions Subsequent to the Measurement Date	46,218	—	46,218
Totals	73,601	(112,206)	(38,605)

\$46,218 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (42,577)
2023	(18,625)
2024	(12,328)
2025	(7,499)
2026	(3,796)
Thereafter	—
Total	(84,825)

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions

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

Inflation: 2.50 Percent

Salary Increases: Varies by Amount of Service Credit

Investment Rate of Return: 7.00 Percent, Net of Pension Plan Investment Expense, Including Inflation

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

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

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions - Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	16.5%	6.1%
U.S. Small/Mid Cap	2.3%	7.2%
International Equities Developed	12.2%	7.0%
Emerging Market Equities	3.0%	9.4%
U.S. Bonds Core	7.0%	2.2%
U.S. Bonds High Yield	2.5%	4.1%
International Debt Developed	3.1%	1.5%
Emerging International Debt	3.2%	4.5%
Real Estate	16.0%	5.7%
Real Return	5.2%	6.3%
Absolute Return	10.0%	4.3%
Private Equity	15.0%	10.5%
Infrastructure	4.0%	6.2%
Total	100.0%	

Discount Rate

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2020 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 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.

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

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

	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Employer's Proportionate Share of the OPEB Liability	\$ 781,484	627,346	5,156,912

TRS Fiduciary Net Position

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

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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).

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. 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.

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	56
Inactive Plan Members Entitled to but not yet Receiving Benefits	219
Active Plan Members	<u>35</u>
Total	<u><u>310</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended June 30, 2021, the District's contribution was 9.86% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

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

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:

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 531,116	(97,491)	(572,539)

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2021****NOTE 4 - OTHER INFORMATION - Continued****RETIREMENT SYSTEMS - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 6,109,616	5,723,959	385,657
Changes for the Year:			
Service Cost	120,953	—	120,953
Interest on the Total Pension Liability	436,138	—	436,138
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	5,798	—	5,798
Changes of Assumptions	(47,044)	—	(47,044)
Contributions - Employer	—	126,411	(126,411)
Contributions - Employees	—	60,566	(60,566)
Net Investment Income	—	784,851	(784,851)
Benefit Payments, Including Refunds of Employee Contributions	(308,782)	(308,782)	—
Other (Net Transfer)	—	27,165	(27,165)
Net Changes	207,063	690,211	(483,148)
Balances at December 31, 2020	6,316,679	6,414,170	(97,491)

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

For the year ended June 30, 2021, the District recognized pension revenue of \$120,497. At June 30, 2021, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2021****NOTE 4 - OTHER INFORMATION - Continued****RETIREMENT SYSTEMS - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 446	—	446
Changes of Assumptions	—	(3,617)	(3,617)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(458,458)	(458,458)
Total Pension Expense to be Recognized in Future Periods	446	(462,075)	(461,629)
Pension Contributions Made Subsequent to the Measurement Date	77,037	—	77,037
Total Deferred Amounts Related to IMRF	77,483	(462,075)	(384,592)

\$77,037 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (148,332)
2023	(54,889)
2024	(183,749)
2025	(74,659)
2026	—
Thereafter	—
Total	(461,629)

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in the Employer's Total OPEB Liability
Post-Retirement Health Plan
- Schedule Employer Contributions
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
Teachers' Retirement System
- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund
Operations and Maintenance - Special Revenue Fund
Transportation - Special Revenue Fund
Municipal Retirement/Social Security - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Post-Retirement Health Plan****Schedule of Changes in the Employer's Total OPEB Liability****June 30, 2021**

	6/30/18	6/30/19	6/30/20	6/30/21
Total OPEB Liability				
Service Cost	\$ 1,345	2,542	3,135	3,322
Interest	1,585	3,861	2,663	1,995
Changes in Benefit Terms	—	—	—	—
Differences Between Expected and Actual				
Experience	10,775	—	(6,664)	—
Change of Assumptions or Other Inputs	(2,585)	2,673	(3,146)	1,471
Benefit Payments	(30,688)	(14,863)	(11,112)	(11,750)
Other	74,840	(7,928)	(4,936)	—
Net Change in Total OPEB Liability	55,272	(13,715)	(20,060)	(4,962)
Total OPEB Liability - Beginning	59,392	114,664	100,949	80,889
Total OPEB Liability - Ending	114,664	100,949	80,889	75,927
Covered Payroll	\$ 1,100,827	1,100,827	1,179,271	1,179,271
Total OPEB Liability as a Percentage of Covered Payroll	10.42%	9.17%	6.86%	6.44%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018 through 2021.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Teacher's Health Insurance Security Fund
Schedule of Employer Contributions
June 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 53,564	\$ 53,564	\$ —	\$ 6,086,866	0.88%
2019	56,685	56,685	—	6,161,441	0.92%
2020	58,264	58,264	—	6,333,036	0.92%
2021	59,547	59,547	—	6,472,545	0.92%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Teacher's Health Insurance Security Fund Schedule of Employer Contributions - Continued June 30, 2021

Notes to the Schedule of Employer Contributions

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Sponsor's Fiscal Year End	June 30, 2021

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you-go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2020, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018 actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Teacher's Health Insurance Security Fund****Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability****June 30, 2021**

	6/30/18	6/30/19	6/30/20	6/30/21
Employer's Proportion of the Net OPEB Liability	0.025191%	0.025678%	0.025067%	0.025067%
Employer's Proportionate Share of the Net OPEB Liability	\$ 6,536,911	6,764,985	6,937,933	6,692,889
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	8,584,518	9,083,853	8,878,411	9,066,983
Total	15,121,429	15,848,838	15,816,344	15,759,872
Employer's Covered Payroll	\$ 6,086,866	6,161,441	6,333,036	6,472,545
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered Payroll	107.39%	109.80%	109.55%	103.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.17%)	(0.07%)	0.25%	0.70%

Notes:

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

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Teachers' Retirement System

**Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
June 30, 2021**

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Teachers' Retirement System****Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
June 30, 2021**

	6/30/15	6/30/16
Employer's Proportion of the Net Pension Liability	0.0011%	0.0011%
Employer's Proportionate Share of the Net Pension Liability	\$ 647,749	735,170
State's Proportionate Share of the Net Pension Liability Associated with the Employer	37,719,807	42,302,280
Total	38,367,556	43,037,450
Employer's Covered Payroll	\$ 6,113,904	6,533,238
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	10.59%	11.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.95%	41.47%
Contractually-Required Contribution	\$ 37,975	39,320
Contributions in Relation to the Contractually Required Contribution	37,975	39,320
Contribution Deficiency (Excess)	—	—
Employer's Covered Payroll	\$ 6,533,238	6,610,563
Contributions as a % of Covered Payroll	0.58%	0.59%

Notes:

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

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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 and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

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

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

6/30/17	6/30/18	6/30/19	6/30/20	6/30/21
0.0010%	0.0009%	0.0008%	0.0008%	0.0007%
818,489	674,443	662,273	640,019	627,346
52,471,098	42,905,233	45,368,464	45,549,441	49,137,018
53,289,587	43,579,676	46,030,737	46,189,460	49,764,364
6,610,563	6,086,866	6,161,440	6,333,036	6,472,545
12.38%	11.08%	10.75%	10.11%	9.69%
36.44%	39.26%	40.00%	39.60%	37.80%
40,156	35,795	36,391	37,233	46,218
40,156	35,795	36,451	35,973	46,212
—	—	(60)	1,260	6
6,610,563	6,086,866	6,161,440	6,333,036	6,472,545
0.61%	0.59%	0.59%	0.59%	0.71%

SUNSET RIDGE SCHOOL DISTRICT NO. 29
Illinois Municipal Retirement Fund
Schedule of Employer Contributions
June 30, 2021

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 107,748	\$ 107,748	\$ —	\$ 1,258,738	8.56%
2016	110,330	110,330	—	1,227,254	8.99%
2017	119,180	119,495	315	1,183,520	10.10%
2018	117,210	117,210	—	1,154,409	10.15%
2019	114,588	114,588	—	1,190,187	9.63%
2020	119,445	119,445	—	1,258,927	9.49%
2021	135,878	135,878	—	1,377,793	9.86%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability

June 30, 2021

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Illinois Municipal Retirement Fund****Schedule of Changes in the Employer's Net Pension Liability****June 30, 2021**

	<u>12/31/14</u>
Total Pension Liability	
Service Cost	\$ 144,367
Interest	320,706
Differences Between Expected and Actual Experience	160,103
Change of Assumptions	214,972
Benefit Payments, Including Refunds of Member Contributions	(175,512)
Net Change in Total Pension Liability	664,636
Total Pension Liability - Beginning	4,291,659
Total Pension Liability - Ending	<u>4,956,295</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 107,748
Contributions - Members	56,644
Net Investment Income	266,282
Benefit Payments, Including Refunds of Member Contributions	(175,512)
Other (Net Transfer)	24,522
Net Change in Plan Fiduciary Net Position	279,684
Plan Net Position - Beginning	4,370,838
Plan Net Position - Ending	<u>4,650,522</u>
Employer's Net Pension Liability	<u>\$ 305,773</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.83%
Covered Payroll	\$ 1,258,759
Employer's Net Pension Liability as a Percentage of Covered Payroll	24.29%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
130,393	134,370	122,304	108,344	117,768	120,953
368,717	382,319	401,499	411,459	420,528	436,138
(102,146)	(9,794)	47,345	(53,712)	(18,441)	5,798
11,553	(11,449)	(149,993)	139,504	—	(47,044)
(210,532)	(220,492)	(274,144)	(288,597)	(303,482)	(308,782)
197,985	274,954	147,011	316,998	216,373	207,063
4,956,295	5,154,280	5,429,234	5,576,245	5,893,243	6,109,616
5,154,280	5,429,234	5,576,245	5,893,243	6,109,616	6,316,679
110,330	119,495	115,146	120,069	110,639	126,411
55,227	53,400	51,558	52,765	54,651	60,566
23,140	296,900	794,396	(250,940)	901,165	784,851
(210,532)	(220,492)	(274,144)	(288,597)	(303,482)	(308,782)
(199,321)	14,506	(131,484)	108,077	(29,035)	27,165
(221,156)	263,809	555,472	(258,626)	733,938	690,211
4,650,522	4,429,366	4,693,175	5,248,647	4,990,021	5,723,959
4,429,366	4,693,175	5,248,647	4,990,021	5,723,959	6,414,170
724,914	736,059	327,598	903,222	385,657	(97,491)
85.94%	86.44%	94.13%	84.67%	93.69%	101.54%
1,227,254	1,183,520	1,145,734	1,172,542	1,214,466	1,289,910
59.07%	62.19%	28.59%	77.03%	31.76%	(7.56%)

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 11,871,542	11,871,542	11,894,121	22,579
Tort Immunity	80,396	80,396	73,064	(7,332)
Investment Income	135,014	135,014	51,013	(84,001)
Sales to Pupils - Lunch	210,000	210,000	(1,390)	(211,390)
Admissions - Other	3,000	3,000	456	(2,544)
Fees	11,500	11,500	7,974	(3,526)
Private Sources	200,000	200,000	195,788	(4,212)
Other Local Fees	51,600	51,600	64,521	12,921
Total Local Sources	12,563,052	12,563,052	12,285,547	(277,505)
State Sources				
General State Aid	369,370	369,370	369,369	(1)
Special Education				
Private Facility Tuition	—	—	16,149	16,149
State Free Lunch and Breakfast	10	10	10	—
Other State Sources	750	750	750	—
Total State Sources	370,130	370,130	386,278	16,148
Federal Sources				
Special Milk Program	3,000	3,000	—	(3,000)
Title I - Low Income	56,740	56,740	76,044	19,304
Title IV - Safe and Drug Free School	—	—	226	226
Federal - Special Education				
Preschool Flow-Through	1,161	1,161	1,285	124
Federal - Special Education				
IDEA Flow-Through	151,126	151,126	160,552	9,426
IDEA Room and Board	110,000	110,000	129,099	19,099
Title II - Teacher Quality	22,893	22,893	19,150	(3,743)
Other Federal Resources	55,633	55,633	182,671	127,038
Total Federal Sources	400,553	400,553	569,027	168,474
Total Direct Revenues	13,333,735	13,333,735	13,240,852	(92,883)
On-Behalf Payments	—	—	5,313,384	5,313,384
Total Revenues	13,333,735	13,333,735	18,554,236	5,220,501

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures				
Instruction				
Regular Programs				
Salaries	\$ 4,612,682	4,612,682	4,428,992	183,690
Employee Benefits	746,473	746,473	704,693	41,780
Purchased Services	119,100	119,100	92,026	27,074
Supplies and Materials	255,670	255,670	263,491	(7,821)
Capital Outlay	—	—	10,421	(10,421)
Non-Capitalized Equipment	63,000	63,000	42,735	20,265
	<u>5,796,925</u>	<u>5,796,925</u>	<u>5,542,358</u>	<u>254,567</u>
Special Education Programs				
Salaries	1,262,708	1,262,708	1,229,335	33,373
Employee Benefits	314,895	314,895	296,573	18,322
Purchased Services	10,000	10,000	8,847	1,153
Supplies and Materials	12,500	12,500	6,020	6,480
	<u>1,600,103</u>	<u>1,600,103</u>	<u>1,540,775</u>	<u>59,328</u>
Gifted Programs				
Salaries	174,071	174,071	173,694	377
Employee Benefits	36,572	36,572	35,978	594
Supplies and Materials	1,500	1,500	1,323	177
	<u>212,143</u>	<u>212,143</u>	<u>210,995</u>	<u>1,148</u>
Bilingual Programs				
Salaries	102,620	102,620	100,787	1,833
Employee Benefits	29,350	29,350	28,991	359
Supplies and Materials	500	500	293	207
	<u>132,470</u>	<u>132,470</u>	<u>130,071</u>	<u>2,399</u>
Student Activities				
Other Objects	—	—	508	(508)
Total Instruction	<u>7,741,641</u>	<u>7,741,641</u>	<u>7,424,707</u>	<u>316,934</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services				
Pupils				
Guidance Services				
Salaries	\$ 77,000	77,000	76,999	1
Employee Benefits	12,653	12,653	12,536	117
	89,653	89,653	89,535	118
Health Services				
Salaries	157,792	157,792	155,626	2,166
Employee Benefits	25,720	25,720	29,986	(4,266)
Purchased Services	1,500	1,500	980	520
Supplies and Materials	5,300	5,300	3,897	1,403
Non-Capitalized Equipment	—	—	620	(620)
	190,312	190,312	191,109	(797)
Psychological Services				
Salaries	108,107	108,107	107,803	304
Employee Benefits	24,477	24,477	24,220	257
	132,584	132,584	132,023	561
Speech Pathology and Audiology Services				
Salaries	173,830	173,830	164,703	9,127
Employee Benefits	30,342	30,342	30,092	250
Supplies and Materials	500	500	79	421
	204,672	204,672	194,874	9,798
Other Support Services				
Purchased Services	30,000	30,000	23,615	6,385
Total Pupils	647,221	647,221	631,156	16,065

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Instructional Staff				
Improvement of Instructional Services				
Purchased Services	\$ 66,027	66,027	50,604	15,423
Supplies and Materials	500	500	244	256
Capital Outlay	6,000	6,000	—	6,000
	<u>72,527</u>	<u>72,527</u>	<u>50,848</u>	<u>21,679</u>
Assessment and Testing				
Supplies and Materials	<u>12,250</u>	<u>12,250</u>	<u>11,802</u>	<u>448</u>
Total Instructional Staff	<u>84,777</u>	<u>84,777</u>	<u>62,650</u>	<u>22,127</u>
General Administration				
Board of Education Services				
Purchased Services	124,463	124,463	96,027	28,436
Other Objects	80,000	80,000	38,414	41,586
	<u>204,463</u>	<u>204,463</u>	<u>134,441</u>	<u>70,022</u>
Executive Administration Services				
Salaries	286,756	286,756	286,756	—
Employee Benefits	54,266	54,266	54,265	1
Purchased Services	10,000	10,000	4,357	5,643
Supplies and Materials	5,250	5,250	1,365	3,885
Other Objects	15,000	15,000	4,627	10,373
	<u>371,272</u>	<u>371,272</u>	<u>351,370</u>	<u>19,902</u>
Special Area Administration Services				
Salaries	134,993	134,993	134,993	—
Employee Benefits	7,203	7,203	7,202	1
	<u>142,196</u>	<u>142,196</u>	<u>142,195</u>	<u>1</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
General Administration - Continued				
Tort Immunity Services				
Purchased Services	\$ 78,994	78,994	74,721	4,273
Total General Administration	796,925	796,925	702,727	94,198
School Administration				
Office of the Principal Services				
Salaries	408,705	408,705	427,654	(18,949)
Employee Benefits	84,347	84,347	84,340	7
Purchased Services	3,000	3,000	997	2,003
Supplies and Materials	1,400	1,400	516	884
Other Objects	650	650	—	650
Total School Administration	498,102	498,102	513,507	(15,405)
Business				
Direction of Business Support Services				
Salaries	180,990	180,990	180,990	—
Employee Benefits	38,413	38,413	38,409	4
	219,403	219,403	219,399	4
Fiscal Services				
Salaries	169,280	169,280	169,280	—
Employee Benefits	14,157	14,157	14,157	—
Purchased Services	44,500	44,500	41,841	2,659
Supplies and Materials	50,000	50,000	39,360	10,640
	277,937	277,937	264,638	13,299
Operations and Maintenance of Plant Services				
Purchased Services	3,000	3,000	3,000	—

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Business - Continued				
Food Services				
Purchased Services	\$ 225,000	225,000	—	225,000
Supplies and Materials	500	500	121	379
Non-Capitalized Equipment	8,000	8,000	6,241	1,759
	233,500	233,500	6,362	227,138
Total Business	733,840	733,840	493,399	240,441
Central				
Information Services				
Purchased Services	7,500	7,500	1,544	5,956
Data Processing Services				
Supplies and Materials	161,750	161,750	221,742	(59,992)
Capital Outlay	—	—	5,985	(5,985)
Non-Capitalized Equipment	214,000	214,000	181,419	32,581
	375,750	375,750	409,146	(33,396)
Total Central	383,250	383,250	410,690	(27,440)
Total Support Services	3,144,115	3,144,115	2,814,129	329,986
Community Services				
Salaries	9,124	9,124	9,125	(1)
Employee Benefits	950	950	950	—
Purchased Services	7,866	7,866	3,201	4,665
Total Community Services	17,940	17,940	13,276	4,664

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Payments to Other Districts and Governmental Units				
Payments for Regular Programs				
Other Objects	\$ 6,000	6,000	8,101	(2,101)
Payments for Special Education Programs				
Purchased Services	139,369	139,369	140,700	(1,331)
Other Objects	770,000	770,000	952,985	(182,985)
	909,369	909,369	1,093,685	(184,316)
Total Payments to Other Districts and Governmental Units	915,369	915,369	1,101,786	(186,417)
Total Direct Expenditures	11,819,065	11,819,065	11,353,898	465,167
On Behalf Payments	—	—	5,313,384	(5,313,384)
Total Expenditures	11,819,065	11,819,065	16,667,282	(4,848,217)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,514,670	1,514,670	1,886,954	372,284
Other Financing Sources (Uses)				
Transfers Out	(1,376,751)	(1,376,751)	(1,376,750)	1
Net Change in Fund Balance	137,919	137,919	510,204	372,285
Fund Balance - Beginning as Restated			9,188,378	
Fund Balance - Ending			9,698,582	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Operations and Maintenance Account - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 1,202,555	1,202,555	1,011,533	(191,022)
Personal Property Replacement Taxes	103,890	103,890	159,619	55,729
Investment Income	220	220	16	(204)
Rentals	1,000	1,000	150	(850)
Private Sources	—	—	12	12
Total Revenues	1,307,665	1,307,665	1,171,330	(136,335)
Expenditures				
Support Services				
Business				
Operation and Maintenance of Plant Services				
Salaries	243,680	243,680	236,130	7,550
Employee Benefits	52,110	52,110	52,107	3
Purchased Services	541,450	541,450	541,282	168
Supplies and Materials	46,550	46,550	85,284	(38,734)
Capital Outlay	65,000	65,000	11,619	53,381
Non-Capitalized Equipment	32,400	32,400	55,352	(22,952)
Total Expenditures	981,190	981,190	981,774	(584)
Net Change in Fund Balance	326,475	326,475	189,556	(136,919)
Fund Balance - Beginning			1,473,065	
Fund Balance - Ending			1,662,621	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Transportation - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 115,267	115,267	115,792	525
Investment Income	22	22	1	(21)
Total Local Sources	115,289	115,289	115,793	504
State Sources				
Transportation - Special Education	124,485	124,485	129,406	4,921
Total Revenues	239,774	239,774	245,199	5,425
Expenditures				
Support Services				
Business				
Pupil Transport Services				
Purchased Services	208,950	208,950	26,514	182,436
Net Change in Fund Balance	30,824	30,824	218,685	187,861
Fund Balance - Beginning			265,297	
Fund Balance - Ending			483,982	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Illinois Municipal Retirement - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 169,994	169,994	154,756	(15,238)
Social Security/Medicare Only Levy	169,994	169,994	189,718	19,724
Investment Income	56	56	12	(44)
Total Revenues	340,044	340,044	344,486	4,442
Expenditures				
Instruction				
Regular Programs	113,097	113,097	96,359	16,738
Special Education Programs	88,892	88,892	81,415	7,477
Gifted Programs	6,928	6,928	6,412	516
Bilingual Programs	6,736	6,736	6,144	592
Total Instruction	215,653	215,653	190,330	25,323
Support Services				
Pupils				
Guidance Services	1,117	1,117	1,110	7
Health Services	20,761	20,761	20,376	385
Psychological Services	2,374	2,374	2,207	167
Speech Pathology and Audiology Services	2,522	2,522	2,324	198
Total Pupils	26,774	26,774	26,017	757
General Administration				
Executive Administration Services	11,747	11,747	11,635	112
Special Area Administration Services	1,979	1,979	1,977	2
Total General Administration	13,726	13,726	13,612	114
School Administration				
Office of the Principal Services	23,317	23,317	22,639	678

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Illinois Municipal Retirement - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Business				
Direction of Business Support Services	\$ 2,908	2,908	2,842	66
Fiscal Services	29,634	29,634	29,074	560
Operations and Maintenance of				
Plant Services	42,922	42,922	43,159	(237)
Total Business	72,556	72,556	72,233	323
Total Support Services	139,281	139,281	137,343	1,938
Total Expenditures	354,934	354,934	327,673	27,261
Net Change in Fund Balance	(14,890)	(14,890)	16,813	31,703
Fund Balance - Beginning			282,387	
Fund Balance - Ending			299,200	

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - General Fund Subfunds
- Budgetary Comparison Schedules - General Fund Subfunds
- Schedule of Changes in Assets and Liabilities - Agency Fund
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes the Educational Accounts, Tort Immunity and Judgment Accounts, and the Working Cash Accounts.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Operations and Maintenance Fund

The Operations and Maintenance Fund is used to account for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund

The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund

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

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

INDIVIDUAL FUND DESCRIPTIONS

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Fire Prevention and Life Safety Fund

The Fire Prevention and Life Safety Fund is used to account for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

SUNSET RIDGE SCHOOL DISTRICT NO. 29
General Fund - by Accounts
Combining Balance Sheet
June 30, 2021

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Totals
ASSETS				
Cash and Investments	\$ 9,406,561	69,767	65,528	9,541,856
Receivables - Net of Allowances				
Property Taxes	6,083,518	37,615	2,411	6,123,544
Intergovernmental	295,230	—	—	295,230
Other	19,690	—	—	19,690
Total Assets	15,804,999	107,382	67,939	15,980,320
LIABILITIES				
Accounts Payable	41,868	—	—	41,868
Payroll Deductions Payable	116,326	—	—	116,326
Total Liabilities	158,194	—	—	158,194
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	6,083,518	37,615	2,411	6,123,544
Total Liabilities and Deferred Inflows of Resources	6,241,712	37,615	2,411	6,281,738
FUND BALANCES				
Restricted	464,860	69,767	—	534,627
Unassigned	9,098,427	—	65,528	9,163,955
Total Fund Balances	9,563,287	69,767	65,528	9,698,582
Total Liabilities, Deferred Inflows of Resources and Fund Balances	15,804,999	107,382	67,939	15,980,320

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund - by Accounts****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****For the Fiscal Year Ended June 30, 2021**

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Totals
Revenues				
Local Sources				
Property Taxes	\$ 11,889,462	73,064	4,659	11,967,185
Earnings on Investments	51,011	2	—	51,013
Other	267,349	—	—	267,349
State Sources	386,278	—	—	386,278
Federal Sources	569,027	—	—	569,027
On-Behalf Payments	5,313,384	—	—	5,313,384
Total Revenues	18,476,511	73,066	4,659	18,554,236
Expenditures				
Current				
Instruction				
Regular Programs	5,542,358	—	—	5,542,358
Special Programs	1,540,775	—	—	1,540,775
Other Instructional Programs	341,574	—	—	341,574
Support Services				
Pupils	631,156	—	—	631,156
Instructional Staff	62,650	—	—	62,650
General Administration	628,006	74,721	—	702,727
School Administration	513,507	—	—	513,507
Business	493,399	—	—	493,399
Central	410,690	—	—	410,690
Community Services	13,276	—	—	13,276
Payments to Other Districts and Government Units	1,101,786	—	—	1,101,786
Capital Outlay	—	—	—	—
On-Behalf Expenditures	5,313,384	—	—	5,313,384
Total Expenditures	16,592,561	74,721	—	16,667,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,883,950	(1,655)	4,659	1,886,954
Other Financing (Uses)				
Transfers Out	(1,376,750)	—	—	(1,376,750)
Net Change in Fund Balance	507,200	(1,655)	4,659	510,204
Fund Balances - Beginning as Restated	9,056,087	71,422	60,869	9,188,378
Fund Balances - Ending	9,563,287	69,767	65,528	9,698,582

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 11,866,699	11,866,699	11,889,462	22,763
Investment Income	135,000	135,000	51,011	(83,989)
Sales to Pupils - Lunch	210,000	210,000	(1,390)	(211,390)
Admissions - Other	3,000	3,000	456	(2,544)
Fees	11,500	11,500	7,974	(3,526)
Private Sources	200,000	200,000	195,788	(4,212)
Other Local Fees	51,600	51,600	64,521	12,921
Total Local Sources	12,477,799	12,477,799	12,207,822	(269,977)
State Sources				
General State Aid	369,370	369,370	369,369	(1)
State Free Lunch and Breakfast	10	10	10	—
Special Education				
Private Facility Tuition	—	—	16,149	
Other State Sources	750	750	750	—
Total State Sources	370,130	370,130	386,278	(1)
Federal Sources				
Special Milk Program	3,000	3,000	—	(3,000)
Title I - Low Income	56,740	56,740	76,044	19,304
Title IV - Safe and Drug Free School	—	—	226	226
Federal - Special Education				
Preschool Flow-Through	1,161	1,161	1,285	124
Federal - Special Education				
IDEA Flow-Through	151,126	151,126	160,552	9,426
IDEA Room and Board	110,000	110,000	129,099	19,099
Title II - Teacher Quality	22,893	22,893	19,150	(3,743)
Other Federal Sources	55,633	55,633	182,671	127,038
Total Federal Sources	400,553	400,553	569,027	168,474
Total Direct Revenues	13,248,482	13,248,482	13,163,127	(101,504)
On-Behalf Payments	—	—	5,313,384	5,313,384
Total Revenues	13,248,482	13,248,482	18,476,511	5,211,880

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures				
Instruction				
Regular Programs				
Salaries	\$ 4,612,682	4,612,682	4,428,992	183,690
Employee Benefits	746,473	746,473	704,693	41,780
Purchased Services	119,100	119,100	92,026	27,074
Supplies and Materials	255,670	255,670	263,491	(7,821)
Capital Outlay	—	—	10,421	(10,421)
Non-Capitalized Equipment	63,000	63,000	42,735	20,265
	<u>5,796,925</u>	<u>5,796,925</u>	<u>5,542,358</u>	<u>254,567</u>
Special Education Programs				
Salaries	1,262,708	1,262,708	1,229,335	33,373
Employee Benefits	314,895	314,895	296,573	18,322
Purchased Services	10,000	10,000	8,847	1,153
Supplies and Materials	12,500	12,500	6,020	6,480
	<u>1,600,103</u>	<u>1,600,103</u>	<u>1,540,775</u>	<u>59,328</u>
Gifted Programs				
Salaries	174,071	174,071	173,694	377
Employee Benefits	36,572	36,572	35,978	594
Supplies and Materials	1,500	1,500	1,323	177
	<u>212,143</u>	<u>212,143</u>	<u>210,995</u>	<u>1,148</u>
Bilingual Programs				
Salaries	102,620	102,620	100,787	1,833
Employee Benefits	29,350	29,350	28,991	359
Supplies and Materials	500	500	293	207
	<u>132,470</u>	<u>132,470</u>	<u>130,071</u>	<u>2,399</u>
Student Activities				
Other Objects	—	—	508	(508)
Total Instruction	<u>7,741,641</u>	<u>7,741,641</u>	<u>7,424,707</u>	<u>316,934</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services				
Pupils				
Guidance Services				
Salaries	\$ 77,000	77,000	76,999	1
Employee Benefits	12,653	12,653	12,536	117
	89,653	89,653	89,535	118
Health Services				
Salaries	157,792	157,792	155,626	2,166
Employee Benefits	25,720	25,720	29,986	(4,266)
Purchased Services	1,500	1,500	980	520
Supplies and Materials	5,300	5,300	3,897	1,403
Non-Capitalized Equipment	—	—	620	(620)
	190,312	190,312	191,109	(797)
Psychological Services				
Salaries	108,107	108,107	107,803	304
Employee Benefits	24,477	24,477	24,220	257
	132,584	132,584	132,023	561
Speech Pathology and Audiology Services				
Salaries	173,830	173,830	164,703	9,127
Employee Benefits	30,342	30,342	30,092	250
Supplies and Materials	500	500	79	421
	204,672	204,672	194,874	9,798
Other Support Services				
Purchased Services	30,000	30,000	23,615	6,385
Total Pupils	647,221	647,221	631,156	16,065

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Instructional Staff				
Improvement of Instructional Services				
Purchased Services	\$ 66,027	66,027	50,604	15,423
Supplies and Materials	500	500	244	256
Capital Outlay	6,000	6,000	—	6,000
	<u>72,527</u>	<u>72,527</u>	<u>50,848</u>	<u>21,679</u>
Assessment and Testing				
Supplies and Materials	<u>12,250</u>	<u>12,250</u>	<u>11,802</u>	<u>448</u>
Total Instructional Staff	<u>84,777</u>	<u>84,777</u>	<u>62,650</u>	<u>22,127</u>
General Administration				
Board of Education Services				
Purchased Services	124,463	124,463	96,027	28,436
Other Objects	80,000	80,000	38,414	41,586
	<u>204,463</u>	<u>204,463</u>	<u>134,441</u>	<u>70,022</u>
Executive Administration Services				
Salaries	286,756	286,756	286,756	—
Employee Benefits	54,266	54,266	54,265	1
Purchased Services	10,000	10,000	4,357	5,643
Supplies and Materials	5,250	5,250	1,365	3,885
Other Objects	15,000	15,000	4,627	10,373
	<u>371,272</u>	<u>371,272</u>	<u>351,370</u>	<u>19,902</u>
Special Area Administration Services				
Salaries	134,993	134,993	134,993	—
Employee Benefits	7,203	7,203	7,202	1
	<u>142,196</u>	<u>142,196</u>	<u>142,195</u>	<u>1</u>
Total General Administration	<u>717,931</u>	<u>717,931</u>	<u>628,006</u>	<u>89,925</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
School Administration				
Office of the Principal Services				
Salaries	\$ 408,705	408,705	427,654	(18,949)
Employee Benefits	84,347	84,347	84,340	7
Purchased Services	3,000	3,000	997	2,003
Supplies and Materials	1,400	1,400	516	884
Other Objects	650	650	—	650
Total School Administration	498,102	498,102	513,507	(15,405)
Business				
Direction of Business Support Services				
Salaries	180,990	180,990	180,990	—
Employee Benefits	38,413	38,413	38,409	4
	219,403	219,403	219,399	4
Fiscal Services				
Salaries	169,280	169,280	169,280	—
Employee Benefits	14,157	14,157	14,157	—
Purchased Services	44,500	44,500	41,841	2,659
Supplies and Materials	50,000	50,000	39,360	10,640
	277,937	277,937	264,638	13,299
Operations and Maintenance of Plant Services				
Purchased Services	3,000	3,000	3,000	—
Food Services				
Purchased Services	225,000	225,000	—	225,000
Supplies and Materials	500	500	121	379
Non-Capitalized Equipment	8,000	8,000	6,241	1,759
	233,500	233,500	6,362	227,138
Total Business	733,840	733,840	493,399	240,441

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Central				
Information Services				
Purchased Services	\$ 7,500	7,500	1,544	5,956
Data Processing Services				
Supplies and Materials	161,750	161,750	221,742	(59,992)
Capital Outlay	—	—	5,985	(5,985)
Non-Capitalized Equipment	214,000	214,000	181,419	32,581
	375,750	375,750	409,146	(33,396)
Total Central	383,250	383,250	410,690	(27,440)
Total Support Services	3,065,121	3,065,121	2,739,408	325,713
Community Services				
Salaries	9,124	9,124	9,125	(1)
Employee Benefits	950	950	950	—
Purchased Services	7,866	7,866	3,201	4,665
Total Community Services	17,940	17,940	13,276	4,664
Payments to Other Districts and Governmental Units				
Payments for Regular Programs				
Other Objects	6,000	6,000	8,101	(2,101)
Payments for Special Education Programs				
Purchased Services	139,369	139,369	140,700	(1,331)
Other Objects	770,000	770,000	952,985	(182,985)
	909,369	909,369	1,093,685	(184,316)
Total Payments to Other Districts and Governmental Units	915,369	915,369	1,101,786	(186,417)
Total Direct Expenditures	11,740,071	11,740,071	11,279,177	460,894

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
On Behalf Payments	\$ —	—	5,313,384	(5,313,384)
Total Expenditures	11,740,071	11,740,071	16,592,561	(4,852,490)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,508,411	1,508,411	1,883,950	359,390
Other Financing (Uses) Transfers Out	(1,376,751)	(1,376,751)	(1,376,750)	1
Net Change in Fund Balance	131,660	131,660	507,200	359,391
Fund Balance - Beginning as Restated			9,056,087	
Fund Balance - Ending			9,563,287	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Tort Immunity - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 80,396	80,396	73,064	(7,332)
Investment Income	12	12	2	(10)
Total Revenues	80,408	80,408	73,066	(7,342)
Expenditures				
Support Services				
Workers' Compensation Insurance				
Purchased Services	26,674	26,674	26,674	—
Unemployment Insurance				
Purchased Services	15,000	15,000	10,727	4,273
Insurance Payments				
Purchased Services	37,320	37,320	37,320	—
Total Expenditures	78,994	78,994	74,721	4,273
Net Change in Fund Balance	1,414	1,414	(1,655)	(3,069)
Fund Balance - Beginning			71,422	
Fund Balance - Ending			69,767	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Working Cash Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 4,843	4,843	4,659	(184)
Investment Income	2	2	—	(2)
Total Revenues	4,845	4,845	4,659	(186)
Expenditures	—	—	—	—
Net Change in Fund Balance	4,845	4,845	4,659	(186)
Fund Balance - Beginning			60,869	
Fund Balance - Ending			65,528	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 428,751	428,751	443,983	15,232
Investment Income	80	80	7	(73)
Total Revenues	428,831	428,831	443,990	15,159
Expenditures				
Debt Service				
Payments on Long Term Debt				
Principal Retirement	1,035,000	1,035,000	1,035,000	—
Interest and Other	766,577	766,577	766,475	102
Total Expenditures	1,801,577	1,801,577	1,801,475	102
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,372,746)	(1,372,746)	(1,357,485)	15,261
Other Financing Sources				
Transfers In	1,376,751	1,376,751	1,376,750	1
Net Change in Fund Balance	4,005	4,005	19,265	15,260
Fund Balance - Beginning			216,985	
Fund Balance - Ending			236,250	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Fire Prevention and Life Safety - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 968	968	980	12
Earnings on Investments	1	1	—	(1)
Total Revenues	969	969	980	11
Expenditures				
Support Services				
Business				
Operations and Maintenance of Plant Services				
Capital Outlay	—	—	—	—
Net Change in Fund Balance	969	969	980	11
Fund Balance - Beginning			77,679	
Fund Balance - Ending			78,659	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Consolidated Year-End Financial Report****June 30, 2021**

CSFA #	Program Name	State	Federal	Other	Totals
586-44-0414	Title I - Low Income	—	76,044	—	76,044
586-44-1588	Title IVA Student Support and Academic Enrichment	—	226	—	226
586-57-0420	Fed. - Sp. Ed. - Pre-School Flow Through	—	1,285	—	1,285
586-64-0417	Fed. - Sp. Ed. - IDEA - Flow Through	—	160,552	—	160,552
586-85-1466	Fed. - Sp. Ed. - IDEA - Room & Board	—	129,099	—	129,099
586-70-2237	Title II - Teacher Quality	—	19,150	—	19,150
	Other Grant Programs and Activities	—	182,671	—	182,671
	All Other Costs Not Allocated	—	—	18,973,420	18,973,420
	Totals	—	569,027	18,973,420	19,542,447



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

September 28, 2021

Members of the Board of Education
Sunset Ridge School District No. 29
Northfield, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sunset Ridge School District No. 29, Illinois, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. According, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Summary of Assessed Valuations, Tax Rates and Extensions - Last Five Tax Levy Years
June 30, 2021**

		2016	2017	2018	2019	2020
Assessed Valuation	\$	469,250,265	488,339,675	471,462,419	515,234,662	524,693,940
Tax Rates						
Educational		2.3529	2.3213	2.4502	2.3209	2.3603
Tort Immunity and Judgment		0.0185	0.0174	0.0166	0.0142	0.0146
Operations and Maintenance		0.2153	0.2156	0.2483	0.2080	0.1918
Debt Service		0.0803	0.0779	0.0948	0.0875	0.0876
Transportation		0.0259	0.0300	0.0238	0.0218	0.0238
Municipal Retirement		0.0323	0.0313	0.0351	0.0322	0.0290
Social Security		0.0323	0.0313	0.0351	0.0322	0.0421
Working Cash		0.0019	0.0018	0.0010	0.0009	0.0009
Fire Prevention and Safety		0.0019	0.0002	0.0002	0.0002	0.0002
Total Tax Rates		2.7613	2.7268	2.9051	2.7179	2.7503
Tax Extensions						
Educational	\$	11,040,989	11,335,828	11,551,772	11,958,081	12,384,162
Tort Immunity and Judgment		86,811	84,971	78,262	73,163	76,573
Operations and Maintenance		1,010,295	1,052,860	1,170,641	1,071,688	1,006,244
Debt Service		376,912	380,581	447,148	450,739	459,664
Transportation		121,535	146,501	112,208	112,431	124,677
Municipal Retirement		151,567	152,850	165,483	165,000	152,164
Social Security		151,567	152,850	165,483	165,000	220,883
Working Cash		8,915	8,790	4,714	4,637	4,909
Fire Prevention and Safety		8,915	976	942	1,030	982
Total Tax Extensions		12,957,506	13,316,207	13,696,653	14,001,769	14,430,258
Total Tax Collections	\$	12,582,942	12,863,975	12,642,920	13,601,090	7,341,629
Percentage Collected		97.11 %	96.60 %	92.31 %	97.14 %	50.88 %

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Operating Costs and Tuition Charge - Current Fiscal Year and Prior Fiscal Year
June 30, 2021 and June 30, 2020**

	2021	2020
Average Daily Attendance (ADA):	450	437
Operating Costs		
Educational	\$ 11,278,669	10,936,234
Operations and Maintenance	981,774	2,193,236
Debt Service	1,801,475	1,744,425
Transportation	26,514	215,424
Municipal Retirement/Social Security	327,673	300,281
Tort Immunity and Judgment	74,721	65,516
Subtotal	14,490,826	15,455,116
Less Revenues/Expenditures of Nonregular Programs		
Total Payments to Other Districts and Governmental Units	1,101,786	980,787
Community Services	13,276	9,806
Non-Capitalized Equipment	286,367	269,385
Capital Outlay	28,025	1,285,539
Debt Principal Retired	1,035,000	950,000
Subtotal	2,464,454	3,495,517
Operating Costs	12,026,372	11,959,599
Operating Costs Per Pupil - Based on ADA	26,725	27,380
Operating Costs	12,026,372	11,959,599
Less Revenues from Specific Programs, Such as Special Education or Lunch Programs	502,511	813,682
Net Operating Costs	11,523,861	11,145,917
Depreciation Allowance	1,083,815	1,067,334
Allowable Tuition Costs	12,607,676	12,213,251
Tuition Charge Per Pupil - Based on ADA	28,017	27,961

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Long-Term Debt Requirements****General Obligation Lease Certificates of 2015****June 30, 2021**

Date of Issue	December 7, 2015
Date of Maturity	December 1, 2035
Authorized Issue	\$9,540,000
Interest Rates	3.00% - 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zion First National Bank, Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ —	361,950	361,950
2023	—	361,950	361,950
2024	210,000	356,700	566,700
2025	215,000	346,075	561,075
2026	310,000	334,500	644,500
2027	750,000	313,300	1,063,300
2028	775,000	286,675	1,061,675
2029	795,000	263,125	1,058,125
2030	820,000	238,900	1,058,900
2031	855,000	209,500	1,064,500
2032	890,000	174,600	1,064,600
2033	920,000	138,400	1,058,400
2034	960,000	100,800	1,060,800
2035	1,000,000	61,600	1,061,600
2036	1,040,000	20,800	1,060,800
	<u>9,540,000</u>	<u>3,568,875</u>	<u>13,108,875</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Long-Term Debt Requirements

General Obligation Lease Certificates of 2016A

June 30, 2021

Date of Issue	March 14, 2016
Date of Maturity	December 1, 2035
Authorized Issue	\$9,140,000
Interest Rates	2.00% - 3.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zion First National Bank, Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ 825,000	185,350	1,010,350
2023	850,000	160,225	1,010,225
2024	670,000	137,425	807,425
2025	695,000	116,950	811,950
2026	630,000	97,075	727,075
2027	225,000	84,250	309,250
2028	235,000	77,350	312,350
2029	245,000	70,150	315,150
2030	250,000	62,725	312,725
2031	255,000	54,513	309,513
2032	265,000	45,413	310,413
2033	275,000	35,962	310,962
2034	290,000	26,075	316,075
2035	295,000	15,838	310,838
2036	305,000	5,337	310,337
	6,310,000	1,174,638	7,484,638

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Long-Term Debt Requirements

General Obligation Limited Tax Refunding Bonds of 2018

June 30, 2021

Date of Issue	September 25, 2018
Date of Maturity	December 1, 2037
Authorized Issue	\$5,100,000
Interest Rates	3.00% - 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zion First National Bank, Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ 250,000	181,525	431,525
2023	270,000	168,525	438,525
2024	290,000	154,525	444,525
2025	310,000	139,525	449,525
2026	230,000	126,025	356,025
2027	240,000	114,275	354,275
2028	255,000	103,175	358,175
2029	265,000	94,100	359,100
2030	270,000	86,075	356,075
2031	280,000	77,825	357,825
2032	285,000	69,350.00	354,350
2033	295,000	60,281.00	355,281
2034	305,000	50,531.00	355,531
2035	315,000	40,259.00	355,259
2036	325,000	29,459.00	354,459
2037	335,000	18,113.00	353,113
2038	350,000	6,125.00	356,125
	4,870,000	1,519,693	6,389,693