

SUNSET RIDGE SCHOOL DISTRICT 29
525 SUNSET RIDGE ROAD
NORTHFIELD, ILLINOIS 60093

Tuesday, October 13, 2020

Finance/Facilities Committee Meeting – 6:00 p.m.



SUNSET RIDGE SCHOOL DISTRICT 29

525 Sunset Ridge Road • Northfield, Illinois • 60093

847 881 9400 • Fax: 847 446 6388 • www.sunsetridge29.org

Cultivating a learning community that engages the hearts and minds of students, one child at a time

**BOARD OF EDUCATION
SUNSET RIDGE SCHOOL DISTRICT 29
525 SUNSET RIDGE ROAD
NORTHFIELD, ILLINOIS 60093
FINANCE & FACILITIES COMMITTEE MEETING
October 13, 2020
6:00 p.m.**

The meeting will include an opportunity for public comment. Any member of the public that would like to make a public comment, can appear in person or submit their public comment via email to D29_board@sunsetridge29.org by 4:55 PM on October 13, 2020. Public comments submitted via email will be announced during the public comment portion of the meeting. Please note the duration of public comment is limited and the Board does not respond to public comments.

**A live stream of the Finance & Facilities Committee meeting can be accessed at
https://sunsetridge29.org/board_of_education/livestream**

AGENDA

1. ROLL CALL:

2. APPROVAL OF MINUTES:

2.1. July 14, 2020

3. PUBLIC COMMENT

4. OLD BUSINESS:

4.1. COVID PPE Equipment Update and Other Related Matters

5. NEW BUSINESS:

5.1. Fiscal Year 2019-2020 Audit Presentation

5.2. Landscaping at Sunset Ridge

5.3. Long Range Capital Improvement Plan

Finance & Facilities Committee Meeting
October 13, 2020
Page 2

- 5.4. 2020 Levy Overview
- 5.5. Investment Portfolio

6. NEXT MEETING:

- 6.1. January 12, 2021 - 6:00 p.m.

7. ADJOURNMENT

**BOARD OF EDUCATION
525 SUNSET RIDGE ROAD
NORTHFIELD, ILLINOIS 60093
FINANCE & FACILITIES COMMITTEE MEETING
July 14, 2020
6:00 p.m.**

MINUTES

ROLL CALL: (6:06) p.m.

Ms. Alpert Knight called the meeting to order at 6:06 p.m. and upon roll call, the following were present:

Present: Mr. Welch, Ms. Alpert Knight

Absent: Mr. Subeck (arrived at 6:26 p.m.)

Also Present: Mrs. Peterson, Mr. Spaan, Mrs. Detlefsen, Mr. Beerheide, Mr. Dreher, Mrs. Kiedaisch, Dr. Sukenik, Mrs. Styczen, Dr. Stange

APPROVAL OF MINUTES:

2.1 Finance/Facilities Committee Meeting – January 14, 2020

Ms. Alpert Knight moved to approve the minutes of the January 14, 2020 Finance/Facilities Committee meeting. Mr. Welch seconded the motion. All were in favor. The Motion was approved.

OLD BUSINESS:

No items were discussed.

NEW BUSINESS:

4.1. GDI Custodial Services Transition Update

Mr. Beerheide noted that he and Mr. Dreher were interviewing candidates for the new custodial service.

4.2. Summer Cleaning/Project Update

Mr. Dreher provided an overview and update on the progress relative to summer cleaning and maintenance projects.

4.3. Middlefork Roller Shades – Potential Project

Mr. Beerheide noted that the District received information regarding a significant reduction in cost, due to the COVID-19 Pandemic, to replace the window shades at Middlefork School. He noted that several of the shades had already been replaced during the recent renovation project and recommended completing the job by replacing all of the shades. The committee indicated their approval moving forward as recommended.

4.4. COVID – 19 PPE Equipment Update and Other Related Matters

Mr. Dreher review the District's status relative to acquiring PPE and new equipment related to the COVID-19 Pandemic and the reopening of school in the fall.

4.5. Proposed Referee Rate of Pay Increase for Basketball, Soccer, and Volleyball

Mr. Beerheide reviewed comparative data relative to the pay rates for athletic referees and recommended a pay rate increase. The committee indicated their approval of the recommendation as presented.

4.6. Review Fiscal 2019-2020 Actual Results (Pre-Audit)

Mr. Beerheide reviewed the District's pre-audited financial data noting that the District ended the year with a budget surplus.

4.7. 2020-2021 Budget/Levy Calendar

Mr. Beerheide reviewed the 2020-2021 Budget and Levy Calendars.

4.8. 2020-2021 Tentative Budget

Mr. Beerheide reviewed the tentative budget for 2020-2021 indicating a predicted budget surplus. He noted that unexpected costs related to the COVID-19 Pandemic would likely have a nominal impact on the 2020-2021 budget.

4.9. Investment Portfolio

This item was deferred.

NEXT MEETING:

5.1 Next Meeting: October 13, 2020 – 6:00 p.m.

ADJOURNMENT: It was moved by Ms. Alpert Knight and seconded by Mr. Welch to adjourn the meeting at 7:09 p.m. All were in favor.

_____ Chairperson, Finance/Facilities Committee

_____ Secretary, Board of Education

Approved _____, 2020



SUNSET RIDGE SCHOOL DISTRICT 29

525 Sunset Ridge Road • Northfield, Illinois • 60093

847 881 9400 • Fax: 847 446 6388 • www.sunsetridge29.net

Cultivating a learning community that engages the hearts and minds of students, one child at a time

TO: Finance and Facilities Committee

FROM: Corey Dreher, Director of Buildings & Grounds
CD

DATE: October 13, 2020

SUBJECT: Facilities and PPE update

As we are now more than 6 weeks into the school year we would like to provide an update on what the Buildings and Grounds personnel are currently working on in both buildings.

- The daytime and nighttime cleaning procedures are going well. For the most part the staff is able to complete all required cleaning and disinfecting within their shifts. The occasional deficiencies are being dealt with as soon as discovered.
- Cleaning and disinfecting supplies are well stocked and remain readily available for reorder.
- GDI is still struggling to fill the 2 remaining positions due to an apparent lack of available candidates. More interviews are scheduled for the week of October 5th. We will update verbally on this outcome.
- Social distancing floor signage has been added in both schools.
- Touchless paper towel dispensers have arrived and are being installed as time permits.
- At Middlefork, the chiller was shut down and boilers were started up on October 2nd. The control system is programmed so that the boilers will not run if the outdoor temperature is above 65 to conserve energy.
- The 2 backordered electrostatic sprayers have arrived and are being put to use daily.
- Installation of the new roller shades throughout Middlefork was completed September 25-28.

We continue to scour the market for PPE supplies, balancing best value with availability. The current status of our PPE supplies is as follows:

- Reusable face masks – 1,500 in stock, readily available
- Disposable face masks – 2,800 in stock, readily available
- N95 masks – 180 in stock, readily available
- KN95 masks – 150 in stock, readily available
- Disposable gloves (S, M, L, XL) – 3,300 in stock, limited availability

- Gel hand sanitizer, gallon – 36 in stock, readily available
- Foaming hand sanitizer refills, 1 liter – 75 in stock, limited availability
- Disinfecting wipes, 80 pk – 102 in stock, limited availability
- Alcohol wipes, 50 pk – 91 in stock, readily available



SUNSET RIDGE SCHOOL DISTRICT 29

525 Sunset Ridge Road • Northfield, Illinois • 60093
847 881 9400 • Fax: 847 446 6388 • www.sunsetridge29.org

Cultivating a learning community that engages the hearts and minds of students, one child at a time

TO: Dr. Ed Stange, Superintendent
Finance/Facilities Committee

FROM: Tom Beerheide, Chief School Business Official

DATE: October 13, 2020 ^{TRB}

SUBJECT: 2019-2020 Audited Financial Statements

Enclosed in the Board of Education packet are the 2019-2020 Financial Statements along with the Communications from Auditor to Management.

Representatives from Lauterbach & Amen, LLP will be present to review the audit and answer any questions at the Finance/Facilities Committee meeting on Tuesday, October 13, 2020 beginning at 6:00 PM.

**SUNSET RIDGE SCHOOL DISTRICT No. 29
NORTHFIELD, ILLINOIS**

MANAGEMENT LETTER

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

October 5, 2020

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

In planning and performing our audit of the financial statements of the Sunset Ridge School District No. 29 (the District), Northfield, Illinois, for the year ended June 30, 2020, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board, Superintendent, and senior management of Sunset Ridge School District No. 29, Northfield, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire District staff.

LAUTERBACH & AMEN, LLP

PRIOR RECOMMENDATIONS

1. FUNDS OVER BUDGET

Comment

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	6/30/20	6/30/19
Operations and Maintenance	\$ -	237,454
Transportation	51,474	64,377
Debt Service	-	69,413
Fire Prevention and Life Safety	-	4,396

Recommendation

We recommended the District investigate the causes of the funds over budget and adopt appropriate future funding measures.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.

2. GASB STATEMENT NO. 84 FIDUCIARY ACTIVITIES

Comment

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*, which provides guidance regarding the identification of fiduciary activities, with criteria related to the control of the assets of the fiduciary activity and the relationship with the beneficiaries of the activity. Qualifying fiduciary activities are then required to be reported in four fiduciary fund types: 1) pension (and other employee benefit) trust funds, 2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The custodial funds category will be the focus for School Districts, as this category replaces the current agency fund reporting category with more defined criteria. In applying these new criteria, it is likely that the student activity funds for School Districts will not meet the criteria to be reported as a custodial fund under GASB Statement No. 84, and will instead need to be incorporated in to the School District's operating funds. GASB Statement No. 84 is applicable to the District's financial statements for the year ended June 30, 2020.

PRIOR RECOMMENDATIONS - Continued

2. GASB STATEMENT NO. 84 FIDUCIARY ACTIVITIES - Continued

Recommendation

Lauterbach & Amen, LLP will work directly with the District to review the new custodial fund criteria in conjunction with the District's current student activity funds to determine the appropriate financial reporting for these activities under GASB Statement No. 84.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.

DRAFT

October 5, 2020

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sunset Ridge School District No. 29 (the District), Illinois for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 5, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2020. We noted no transactions entered into by the Sunset Ridge School District No. 29 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the governmental activities' financial statements was:

Management's estimate of the depreciation expense on capital assets is based on assumed useful lives of the underlying capital assets. We evaluated the key factors and assumptions used to develop the depreciation expense estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Significant Audit Findings – Continued

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Any material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 5, 2020.

Management Consultations with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters – Continued

We were engaged to report on the other supplementary information and supplemental schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the Board of Education and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to express our gratitude to the Board of Education and staff (in particular the Finance Department) of the Sunset Ridge School District No. 29, Illinois for their valuable cooperation throughout the audit engagement.

LAUTERBACH & AMEN, LLP

SUNSET RIDGE SCHOOL DISTRICT NO. 29

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

SUNSET RIDGE SCHOOL DISTRICT NO. 29

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 12
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	13 - 14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16 - 17
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19 - 20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	21
Statement of Fiduciary Assets and Liabilities – Agency Fund	22
Notes to Financial Statements	23 - 66
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Employer's Total OPEB Liability Post-Retirement Health Plan	67
Schedule of Employer Contributions Teacher's Health Insurance Security Fund	68 - 69
Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability and Employer Contributions Teacher's Health Insurance Security Fund	70
Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions Teachers' Retirement System	71 - 72
Schedule of Employer Contributions Illinois Municipal Retirement Fund	73
Schedule of Changes in the Employer's Net Pension Liability Illinois Municipal Retirement Fund	74 - 75

SUNSET RIDGE SCHOOL DISTRICT NO. 29

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

REQUIRED SUPPLEMENTARY INFORMATION – Continued

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	76 - 82
Operations and Maintenance – Special Revenue Fund	83
Transportation – Special Revenue Fund	84
Municipal Retirement/Social Security – Special Revenue Fund	85 - 86

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Balance Sheet – General Fund – by Accounts	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
General Fund – by Accounts	88
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Educational Accounts – General Fund	89 - 95
Tort Immunity and Judgment Accounts – General Fund	96
Working Cash Accounts – General Fund	97
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Debt Service Fund	98
Capital Projects Fund	99
Fire Prevention and Life Safety – Capital Projects Fund	100
Schedule of Changes in Assets and Liabilities	
Student Activity, Convenience Accounts, and Other Agency Funds – Agency Fund	101
Consolidated Year-End Financial Report	102
Report on Internal Control over Financial Reporting and on Compliance and Other Matters	
Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	103 - 104

SUPPLEMENTAL SCHEDULES

Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections	105
Last Five Tax Levy Years	
Operating Costs and Tuition Charge - Current Fiscal Year and Prior Fiscal Year	106
Long-Term Debt Requirements	
General Obligation Lease Certificates of 2015	107
General Obligation Lease Certificates of 2016A	108
General Obligation Limited Tax Refunding Bonds of 2018	109

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.

DRAFT

INDEPENDENT AUDITORS' REPORT

October 5, 2020

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, 2020, 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, 2020, 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 and supplemental schedules 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2020, 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2020

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, 2020. 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 20, the capital improvement project at Middlefork School was completed. The renovations included a complete overhaul of the learning center with a new state-of-the-art "maker space/stem lab", a new main entrance and front office with enhanced security features, three new small group collaboration rooms, all new domestic water pipes and faucets, new flooring and ceiling tile in the lobby and main hallway, and various other smaller improvements. In 2015, the Board of Education committed \$2 million of available fund balance to capital improvements and safety enhancements at Middlefork. The project was finished on time and on budget.
- During FY 2020, 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 \$14,839,377 or 73.0% of the District's total revenue of \$20,323,120. Program specific revenues in the form of charges for services, contributions, and grants were \$5,483,743, or 27.0% of total revenue.
- The District had \$19,373,749 in expenses related to governmental activities. However, only \$5,483,743 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 \$18,508,835 and total governmental fund balances of \$11,475,083; \$11,180,419 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 \$18,056,620 in revenues, primarily consisting of property taxes, state aid, and other local revenue, and \$16,025,814 in expenditures.
- The District continued to pay down the capital lease certificates by retiring \$675,000 in principal and \$593,950 in interest.
- The Board of Education Finance/Facilities Committee met quarterly throughout the year. Many topics were discussed including reviewing the long-range capital improvement plan for the District, the 2019 levy, and quarterly review of the District's finances and investments. The Committee is continually informed about potential changes to state and federal funding, legislation for a property tax freeze, school consolidation, and proposed legislation for pension reform cost shifts. Lately, the financial effects of COVID-19 are impacting schools across the country and this will be an on-going topic at future committee meetings. 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.

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2020

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:

- Government-wide financial statements
- Fund financial statements
- 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 can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2020

Fund financial statements (Continued)

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 Capital Projects and Fire Prevention and Safety funds)

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.

Fiduciary (agency) funds are used to account for resources held for the benefit of students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

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 postemployment 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, 2020

Government-Wide Financial Analysis

Net position: The District's combined net position was \$9,884,161 at June 30, 2020.

Table 1		
Condensed Statement of Net Position		
	Governmental Activities	
	2020	2019
Current/Other Assets	\$ 18,508,835	19,866,342
Capital Assets	30,741,970	30,393,664
Total Assets	49,250,805	50,260,006
Deferred Outflows	357,608	739,679
Total Assets/Deferred Outflows	49,608,413	50,999,685
Long-Term Debt	29,619,812	31,095,397
Other Liabilities	1,358,478	1,734,852
Total Liabilities	30,978,290	32,830,249
Deferred Inflows	8,745,962	9,234,646
Total Liabilities/Deferred Inflows	39,724,252	42,064,895
Net Position		
Investment in Capital Assets	8,131,656	6,787,869
Restricted	2,738,992	3,384,196
Unrestricted	(986,487)	(1,237,275)
Total Net Position	9,884,161	8,934,790

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2020

Government-Wide Financial Analysis (Continued)

Table 2		
Change in Net Position		
	Governmental Activities	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 182,432	241,314
Operating Grants/Contrib.	5,301,311	4,544,485
General Revenues		
Taxes	13,719,187	13,244,640
State Aid-Formula Grants	473,537	408,207
Other General Revenues	646,653	911,491
Total Revenues	20,323,120	19,350,137
Expenses		
Instruction	13,602,035	12,611,452
Support Services		
Pupils and Instructional Staff	724,655	696,818
Administration and Business	2,088,427	1,998,655
Transportation	215,424	204,027
Operations and Maintenance	1,635,121	1,675,966
Central	343,160	392,301
Community Services	9,806	9,170
Interest and Fees	755,121	652,431
Total Expenses	19,373,749	18,240,820
Change in Net Position	949,371	1,109,317
Net Position - Beginning	8,934,790	7,825,473
Net Position - Ending	9,884,161	8,934,790

Sunset Ridge School District No. 29

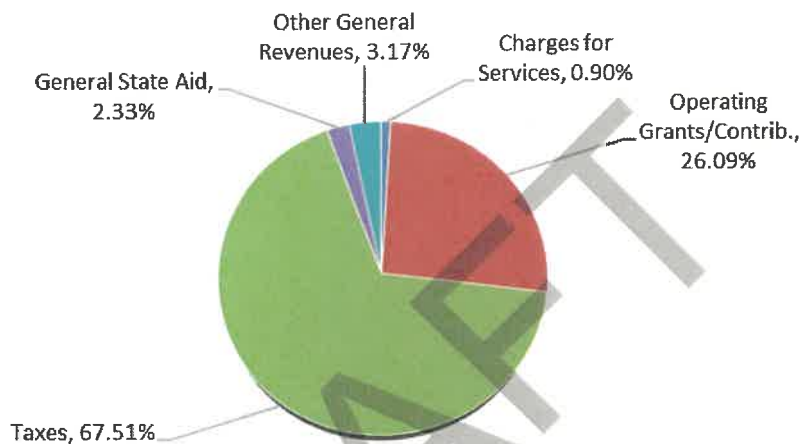
Management's Discussion and Analysis

For the Year Ended June 30, 2020

Government-Wide Financial Analysis (Continued)

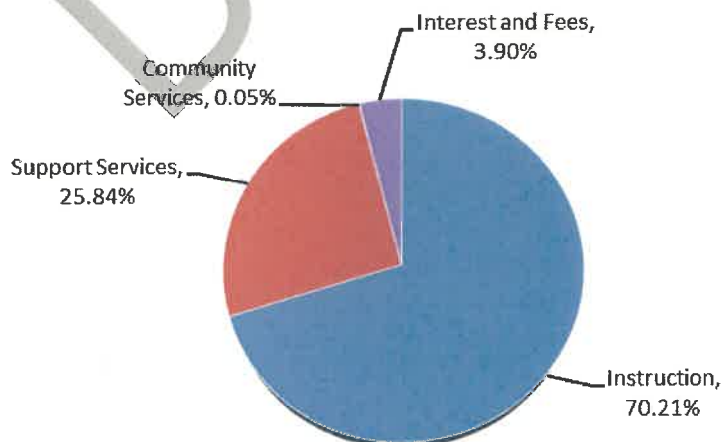
Revenues by Source: Property taxes accounted for the largest portion of the District's revenue, contributing 67.5 cents of every dollar raised. The remainder of the District's revenue came from state and federal grants, contributions, and other sources.

District-Wide Revenues by Source



Expenses by Function: The total cost of all programs and services was \$19,373,749. The District's expenses are predominantly related to instruction, which makes up 70.21% 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, 2020

Financial Analysis of the District's Funds

The District's governmental funds' combined fund balance decreased by \$228,757 from \$11,703,840 to \$11,475,083.

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 \$299,207. The actual results for the year show the revenues exceeded expenditures by \$2,030,806, prior to net transfers of (\$1,194,722).

Capital Assets and Debt Administration

Capital Assets

By the end of FY2020, the District had compiled a total investment of \$30,741,970 (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 \$1,041,176.

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		
	2020	2019
Land	\$ 76,885	76,885
Construction in Progress	-	513,521
Buildings	30,037,875	29,043,540
Improvements other than Buildings	34,715	38,204
Equipment	592,495	721,514
Total	30,741,970	30,393,664

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2020

Capital Assets and Debt Administration (Continued)

Long-term liabilities

During FY 2020, the District retired \$1,003,654 in general obligation bonds. The District also recognized \$8,173 of accretion on capital appreciation bonds in FY 2020. The carrying amount of these capital appreciation bonds, on June 30, 2020, is \$0 and was paid off in FY 2020.

Table 4		
Long-Term Debt Outstanding		
	2020	2019
General obligation bonds	\$ 5,100,000	5,366,827
General obligation lease certificates	16,655,000	17,330,000
Total OPEB Liability – Retiree Health Plan - RHP	80,889	100,949
Total OPEB Liability – THIS	6,937,933	6,764,985
IMRF net pension liability	385,657	903,222
TRS net pension liability	640,019	662,273
Bond premium, net	855,314	908,968
Property Tax Assessment	-	-
	30,654,812	32,037,224

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 2019 (the highest rating possible issued by the Illinois State Board of Education), yet the Board of Education is closely monitoring uncertain financial challenges that may lie ahead for the District. In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency thus creating 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. Other challenges that may impact the District in the future include a property tax freeze and a pension cost shift to school districts. Last fall, 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.

Sunset Ridge School District No. 29

Management's Discussion and Analysis

For the Year Ended June 30, 2020

Factors Bearing on the District's Future (Continued)

The District (and New Trier) met with representatives from Medline in the summer of 2019 and reached a settlement agreement on a new 3-year assessed value of their property for tax years 2020, 2021, and 2022. This settlement agreement helps to avoid any property tax appeals from Medline for the next three years thus reducing potential legal costs and eliminating property tax refunds to Medline in future years. The District is hopeful the parties will continue to maintain a strong partnership in the years to come by engaging in on-going discussions regarding future assessed values of the Medline property.

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 2019 payable in 2021, the District's equalized assessed value (EAV) for all real property within the District 29 boundaries increased approximately 9.3% from \$471.5 million to \$515.2 million. New property growth was \$1,885,806. As the EAV goes up, the tax rate decreases because of the inverse relationship. The 2019 tax year rate was 2.718 as compared to 2.906 in 2018. Property tax cap legislation (PTELL) limited the 2019 levy extension increase to a total of 2.27% (1.90% which was the 2018 CPI plus new growth of 0.37%). The total 2019 levy extension was \$14,003,469 which is \$306,816 greater than the 2018 levy extension. Due to the uncertainty of the COVID-19 pandemic, the District's revenues are forecasted to remain stable for the foreseeable future.

In FY 2021, the Finance/Facilities Committee will continue to review the long range capital improvement plan for the District. Areas of up for discussion will include continued improvements at Middlefork including upgrades to classroom lighting, flooring, ceiling fixtures, and painting. Further discussion will take place regarding replacing the roof and boiler systems at Middlefork in the coming years. Additional safety enhancements at both schools will be also be considered and implemented as necessary.

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. District 29 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.

District 29 schools continue to be ranked among the top schools in the State for the past several years. District 29 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. District 29 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.

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

Fiduciary Fund

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, 2020**

See Following Page

DRAFT

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Statement of Net Position****June 30, 2020**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 11,559,731
Receivables - Net of Allowances	
Property Taxes	6,775,533
Intergovernmental	<u>173,571</u>
Total Current Assets	<u>18,508,835</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	76,885
Depreciable	37,284,111
Accumulated Depreciation	<u>(6,619,026)</u>
Total Noncurrent Assets	<u>30,741,970</u>
Total Assets	<u>49,250,805</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - Retiree Health Plan - RHP	62,484
Deferred Items - THIS	164,471
Deferred Items - TRS	63,083
Deferred Items - IMRF	<u>67,570</u>
Total Deferred Outflows of Resources	<u>357,608</u>
Total Assets and Deferred Outflows of Resources	<u>49,608,413</u>

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

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 57,997
Payroll Deductions Payable	199,005
Accrued Interest Payable	65,259
Other Payables	1,217
Current Portion of Long-Term Debt	1,035,000
Total Current Liabilities	<u>1,358,478</u>
Noncurrent Liabilities	
Total OPEB Liability - Retiree Health Plan - RHP	80,889
Total OPEB Liability - THIS	6,937,933
Net Pension Liability - TRS	640,019
Net Pension Liability - IMRF	385,657
General Obligation Bonds and Lease Certificates - Net	21,575,314
Total Noncurrent Liabilities	<u>29,619,812</u>
Total Liabilities	<u>30,978,290</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	6,775,533
Deferred Items - Retiree Health Plan - RHP	23,163
Deferred Items - THIS	1,599,546
Deferred Items - TRS	122,331
Deferred Items - IMRF	225,389
Total Deferred Inflows of Resources	<u>8,745,962</u>
Total Liabilities and Deferred Inflows of Resources	<u>39,724,252</u>
NET POSITION	
Net Investment in Capital Assets	8,131,656
Restricted	
Tort Immunity	71,422
Operations and Maintenance	1,473,065
Student Transportation	265,297
Retirement Benefits	699,803
Debt Service	151,726
Fire Prevention and Life Safety	77,679
Unrestricted (Deficit)	<u>(986,487)</u>
Total Net Position	<u>9,884,161</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, 2020

		Program Revenues		(Expenses)/
		Charges	Operating	Revenues
	Expenses	for	Grants/	Governmental
		Services	Contributions	Activities
Governmental Activities				
Instruction				
Regular Programs	\$ 5,684,900	-	-	(5,684,900)
Special Programs	2,536,936	-	259,990	(2,276,946)
Other Instructional Programs	356,135	-	-	(356,135)
State Retirement Contributions	5,024,064	-	5,024,064	-
Support Services				
Pupils	590,869	-	-	(590,869)
Instructional Staff	133,786	-	14,627	(119,159)
General Administration	811,364	-	-	(811,364)
School Administration	581,916	-	-	(581,916)
Business	695,147	182,432	2,630	(510,085)
Transportation	215,424	-	-	(215,424)
Operations and Maintenance	1,635,121	-	-	(1,635,121)
Central	343,160	-	-	(343,160)
Community Services	9,806	-	-	(9,806)
Interest and Fees	755,121	-	-	(755,121)
Total Governmental Activities	19,373,749	182,432	5,301,311	(13,890,006)
General Revenues				
Taxes				
Real Estate Taxes, Levied for General Purposes				12,931,452
Real Estate Taxes, Levied for Specific Purposes				237,310
Real Estate Taxes, Levied for Debt Service				424,582
Personal Property Replacement Taxes				125,843
State Aid-Formula Grants				473,537
Investment Income				296,245
Miscellaneous				350,408
				<u>14,839,377</u>
Change in Net Position				949,371
Net Position - Beginning				<u>8,934,790</u>
Net Position - Ending				<u><u>9,884,161</u></u>

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, 2020

See Following Page

DRAFT

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Balance Sheet - Governmental Funds
June 30, 2020**

	Special Revenue		
	General	Operations and Maintenance	Transportation
ASSETS			
Cash and Investments	\$ 9,245,815	1,497,320	239,545
Receivables - Net of Allowances			
Property Taxes	5,824,205	518,594	54,406
Intergovernmental	147,819	-	25,752
Total Assets	15,217,839	2,015,914	319,703
LIABILITIES			
Accounts Payable	43,513	14,484	-
Payroll Deductions Payable	189,234	9,771	-
Other Payables	1,217	-	-
Total Liabilities	233,964	24,255	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	5,824,205	518,594	54,406
Total Liabilities and Deferred Inflows of Resources	6,058,169	542,849	54,406
FUND BALANCES			
Restricted	488,838	1,473,065	265,297
Unassigned	8,670,832	-	-
Total Fund Balances	9,159,670	1,473,065	265,297
Total Liabilities, Deferred Inflows of Resources and Fund Balances	15,217,839	2,015,914	319,703

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

Municipal Retirement/ Social Security	Debt Service	Capital Projects		Totals
		Capital Projects	Fire Prevention and Life Safety	
282,387	216,985	-	77,679	11,559,731
159,688	218,142	-	498	6,775,533
-	-	-	-	173,571
442,075	435,127	-	78,177	18,508,835
-	-	-	-	57,997
-	-	-	-	199,005
-	-	-	-	1,217
-	-	-	-	258,219
159,688	218,142	-	498	6,775,533
159,688	218,142	-	498	7,033,752
282,387	216,985	-	77,679	2,804,251
-	-	-	-	8,670,832
282,387	216,985	-	77,679	11,475,083
442,075	435,127	-	78,177	18,508,835

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

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

June 30, 2020

Total Governmental Fund Balances	\$ 11,475,083
---	----------------------

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.	30,741,970
---	------------

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

Deferred Items - Retiree Health Plan - RHP	39,321
Deferred Items - THIS	(1,435,075)
Deferred Items - TRS	(59,248)
Deferred Items - IMRF	(157,819)

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Total OPEB Liability - Retiree Health Plan - RHP	(80,889)
Total OPEB Liability - THIS	(6,937,933)
Net Pension Liability - TRS	(640,019)
Net Pension Liability - IMRF	(385,657)
General Obligation Bonds Payable - Net	(22,610,314)
Accrued Interest Payable	(65,259)

Net Position of Governmental Activities	<u>9,884,161</u>
--	-------------------------

The notes to the financial statement 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, 2020**

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, 2020**

		Special Revenue	
	General	Operations and Maintenance	Transportation
Revenues			
Property Taxes	\$ 11,633,984	1,098,673	110,134
Corporate Personal Property Replacement Taxes	-	125,843	-
State Aid	370,136	-	104,167
Federal Aid	276,481	-	-
Investment Income	295,873	208	21
Other	456,082	2,530	-
On Be-Half Payments	5,024,064	-	-
Total Revenues	18,056,620	1,227,254	214,322
Expenditures			
Current			
Instruction			
Regular Programs	5,244,428	-	-
Special Programs	1,448,058	-	-
Other Instructional Programs	344,090	-	-
Support Services			
Pupils	574,947	-	-
Instructional Staff	58,486	-	-
General Administration	787,858	-	-
School Administration	550,591	-	-
Business	659,539	-	-
Transportation	-	-	215,424
Operations and Maintenance	-	876,451	-
Central	343,160	-	-
Community Services	9,806	-	-
Payments to Other Districts and Govt. Units	980,787	-	-
Debt Service			
Principal Retirement	-	-	-
Interest and Other	-	-	-
Capital Outlay	-	1,316,785	-
On Be-Half Payments	5,024,064	-	-
Total Expenditures	16,025,814	2,193,236	215,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,030,806	(965,982)	(1,102)
Other Financing Sources (Uses)			
Transfers In	74,228	-	-
Transfers Out	(1,268,950)	-	-
	(1,194,722)	-	-
Net Change in Fund Balances	836,084	(965,982)	(1,102)
Fund Balances - Beginning	8,323,586	2,439,047	266,399
Fund Balances - Ending	9,159,670	1,473,065	265,297

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

Municipal Retirement/ Social Security	Debt Service	Capital Projects		Totals
		Capital Projects	Fire Prevention and Life Safety	
325,263	424,582	-	708	13,593,344
-	-	-	-	125,843
-	-	-	-	474,303
-	-	-	-	276,481
63	80	-	-	296,245
-	-	74,228	-	532,840
-	-	-	-	5,024,064
325,326	424,662	74,228	708	20,323,120
100,507	-	-	-	5,344,935
69,413	-	-	-	1,517,471
12,045	-	-	-	356,135
15,922	-	-	-	590,869
-	-	-	-	58,486
13,192	-	-	-	801,050
21,011	-	-	-	571,602
30,453	-	-	-	689,992
-	-	-	-	215,424
37,738	-	-	-	914,189
-	-	-	-	343,160
-	-	-	-	9,806
-	-	-	-	980,787
-	950,000	-	-	950,000
-	794,425	-	-	794,425
-	-	-	72,697	1,389,482
-	-	-	-	5,024,064
300,281	1,744,425	-	72,697	20,551,877
25,045	(1,319,763)	74,228	(71,989)	(228,757)
-	1,268,950	-	-	1,343,178
-	-	(74,228)	-	(1,343,178)
-	1,268,950	(74,228)	-	-
25,045	(50,813)	-	(71,989)	(228,757)
257,342	267,798	-	149,668	11,703,840
282,387	216,985	-	77,679	11,475,083

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 to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ (228,757)
---	---------------------

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	1,389,482
Depreciation Expense	(1,041,176)

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

Change in Deferred Items - Retiree Health Plan - RHP	(21,334)
Change in Deferred Items - THIS	38,310
Change in Deferred Items - TRS	(10,837)
Change in Deferred Items - IMRF	(552,552)

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.

Change in Total OPEB Liability - Retiree Health Plan - RHP	20,060
Change in Total OPEB Liability - THIS	(172,948)
Change in Net Pension Liability - TRS	22,254
Change in Net Pension Liability - IMRF	517,565
Retirement of Long-Term Debt	950,000
Amortization of Bond Premium	53,654
Issuance of Debt	(8,173)

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.

(6,177)

Changes in Net Position of Governmental Activities

949,371

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

**Statement of Fiduciary Assets and Liabilities - Agency Fund
June 30, 2020**

	Student Activity, Convenience Accounts, and Other Agency Funds
<hr/>	
ASSETS	
Cash and Investments	<u>\$ 28,708</u>
LIABILITIES	
Due to Activity Fund Organizations	<u>28,708</u>

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

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 in 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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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.

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:

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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 Judgement 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 Fund or Fiduciary Funds. 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 Funds are 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.

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 Capital Projects Fund, a major fund, is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds, contributions from private sources, or transfers from other funds. 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.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

Agency Funds include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

The District's agency funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

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.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

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 revenue available if they are collected within 60 days after year-end except for state aid. State aid received after 60 days are being considered as available as historically, state aid collected within 60 days have 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.

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 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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 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.

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 expenses as incurred.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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 are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method with half-year convention 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 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, 2020 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, 2020.

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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Long-Term Obligations – Continued

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.

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.

Net Position

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

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

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 “net investment in capital assets.”

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

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 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 10, 2019.
7. All budget appropriations lapse at the end of the fiscal year.

During the fiscal year ended June 30, 2020, no supplemental budget appropriations were made.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
Transportation	\$ 51,474

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).

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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

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, 2020. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2020, the fair value of all investments held by the Treasurer's Office was \$11,559,731 and the fair value of the District's proportionate share of the pool was \$11,559,731.

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	\$ -	-

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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DISTRICT DEPOSITS AND INVESTMENTS – Continued

Deposits. At year-end, the carrying amount of the District's deposits for governmental activities totaled \$560,049 and the bank balances totaled \$588,590. In addition, the District also has \$10,999,682 invested in the ISDLAF+.

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 Treasurer'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, 2020, the bank balance of the District's deposits with financial institutions totaled \$11,588,272; 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 not rated.

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 overconcentration 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).

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

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 2019 levy resolution was approved during the November 12, 2019 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 2019 property tax levy is recognized as a receivable in the fiscal year 2020, net of estimated uncollectible amounts approximating 1% and less amounts already received. The District considers that the first installment of the 2019 levy is to be used to finance operations in fiscal year 2020. The District has determined that the second installment of the 2019 levy is to be used to finance operations in fiscal year 2020 and has included the corresponding receivable as a deferred inflow of resources.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Capital Projects	\$ 74,228 (2)
Debt Service	General	<u>1,268,950 (1)</u>
		<u><u>1,343,178</u></u>

Transfers are used to (1) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (2) transfer the remaining fund balance in the Capital Projects Fund to the General Fund as of June 30, 2020.

State law allows for the above transfers.

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, 2020

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
Construction in Progress	513,521	-	513,521	-
	590,406	-	513,521	76,885
Depreciable Capital Assets				
Buildings	33,933,914	1,888,203	-	35,822,117
Improvements Other than Buildings	272,650	-	-	272,650
Equipment	1,174,544	14,800	-	1,189,344
	35,381,108	1,903,003	-	37,284,111
Less Accumulated Depreciation				
Buildings	4,890,374	893,868	-	5,784,242
Improvements Other than Buildings	234,446	3,489	-	237,935
Equipment	453,030	143,819	-	596,849
	5,577,850	1,041,176	-	6,619,026
Total Net Depreciable Capital Assets	29,803,258	861,827	-	30,665,085
Total Net Capital Assets	30,393,664	861,827	513,521	30,741,970

Depreciation expense was charged to governmental activities as follows:

Regular Programs	\$ 180,483
Special Programs	38,678
Instructional Staff	75,300
General Administration	10,314
School Administration	10,314
Business	5,155
Operations and Maintenance	720,932
	<u>1,041,176</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

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 Capital Appreciation School Bonds of 2000 - Due in annual installment of \$83,432 to \$323,110 plus semi-annual interest at 5.350% to 6.125% through December 1, 2019.	\$ 266,827	8,173	275,000	-
General Obligation Lease Certificates of 2015 - Due in annual installment 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 installment of \$120,000 to \$850,000 plus semi-annual interest at 2.00% to 3.50% through December 1, 2035.	7,790,000	-	675,000	7,115,000
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	-	-	5,100,000
	22,696,827	8,173	950,000	21,755,000

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability 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					
Total OPEB Liability - RHP	\$ 100,949	-	20,060	80,889	-
Total OPEB Liability - THIS	6,764,985	172,948	-	6,937,933	-
Net Pension Liability					
TRIS	662,273	-	22,254	640,019	-
IMRF	903,222	-	517,565	385,657	-
General Obligation Capital					
Appreciation Bonds	266,827	8,173	275,000	-	-
General Obligation Bonds	5,100,000	-	-	5,100,000	230,000
General Obligation Lease					
Certificates	17,330,000	-	675,000	16,655,000	805,000
Plus: Unamortized Premium	908,968	-	53,654	855,314	-
	<u>32,037,224</u>	<u>181,121</u>	<u>1,563,533</u>	<u>30,654,812</u>	<u>1,035,000</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 - 2019	<u>\$ 515,234,662</u>
Legal Debt Limit - 6.9% of Assessed Value	35,551,192
Amount of Debt Applicable to Limit	<u>21,755,000</u>
Legal Debt Margin	<u>13,796,192</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Limited Tax Bonds		General Obligation Lease Certificates	
	Principal	Interest	Principal	Interest
2021	\$ 230,000	193,525	805,000	571,750
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	5,100,000	1,713,218	16,655,000	5,315,263

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Defeased Debt

In prior years, the District defeased general obligation lease certificates by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which normally satisfy defeasance, have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Defeased bonds of \$5,170,000 remain outstanding as of the date of this report.

FUND BALANCE/NET POSITION

Net Position Classifications

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 30,741,970
Less Capital Related Debt:	
General Obligation Lease Certificate of 2015	(9,540,000)
General Obligation Lease Certificate of 2016A	(7,115,000)
General Obligation Limited Tax Refunding Bonds of 2018	(5,100,000)
Unamortized Premium	<u>(855,314)</u>
Net Investment in Capital Assets	<u>8,131,656</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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION – Continued

Fund Balance Classifications – Continued

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	\$ 71,422	-	-	-	-	-	71,422
Operations and Maintenance	-	1,473,065	-	-	-	-	1,473,065
Student Transportation	-	-	265,297	-	-	-	265,297
Retirement Benefits	417,416	-	-	282,387	-	-	699,803
Debt Service	-	-	-	-	216,985	-	216,985
Fire Prevention and Life Safety	-	-	-	-	-	77,679	77,679
	488,838	1,473,065	265,297	282,387	216,985	77,679	2,804,251
Unassigned	8,670,832	-	-	-	-	-	8,670,832
Total Fund Balances	9,159,670	1,473,065	265,297	282,387	216,985	77,679	11,475,083

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's 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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION – Continued

Fund Balance Classifications – Continued

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.

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.

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 purchases 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 disallowance, if any, would be immaterial.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

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 due to 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.

OTHER POST-EMPLOYMENT BENEFITS

Post-Retirement Health Plan

Plan Description

Plan Administration. 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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Post-Retirement Health Plan – Continued

Plan Description – Continued

Plan Membership. As of June 30, 2020, the measurement date, the following employees were covered by the benefit terms

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1
Inactive Employees 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, 2020, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 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	2.66%
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, 2020

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, 2020.

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

	Total OPEB Liability
Balance at June 30, 2019	\$ 100,949
Changes for the Year:	
Service Cost	3,135
Interest on the Total Pension Liability	2,663
Difference Between Expected and Actual Experience	(6,664)
Changes of Assumptions or Other Inputs	(3,146)
Benefit Payments	(11,112)
Other Changes	(4,936)
Net Changes	(20,060)
Balance at June 30, 2020	80,889

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 2.66%, 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 (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	\$ 83,842	80,889	78,120

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

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 Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 77,159	80,889	85,164

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$12,366. At June 30, 2020, 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	\$ 7,344	(5,886)	1,458
Changes of Assumptions	55,140	(17,277)	37,863
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	62,484	(23,163)	39,321

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

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 – Continued

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 Outflows of Resources
2021	\$ 6,588
2022	6,588
2023	6,588
2024	6,588
2025	6,588
Thereafter	6,381
Total	<u>39,321</u>

Teachers' Health Insurance Security

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment 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, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Teachers' Health Insurance Security – Continued

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, 2020. State of Illinois contributions were \$78,530, 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, 2019 and June 30, 2018 were 1.24 and 1.18 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$76,402 and \$71,825, 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, 2020 and 0.92 and 0.88 percent during the years ended June 30, 2019 and 2018, respectively. For the years ended June 30, 2020, 2019 and 2018 the District paid \$58,264, \$56,685 and \$53,564 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, 2020

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, 2018, 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 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for 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's mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Teachers' Health Insurance Security Fund – Continued

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 3.62 percent as of June 30, 2018, and 3.13 percent as of June 30, 2019.

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

The following is a sensitivity analysis of the District's proportionate share of the collective net OPEB liability calculated using the discount rate 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 (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Employer's Proportionate Share of the OPEB Liability	\$ 8,341,882	6,937,933	5,829,067

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

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 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 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's Proportionate Share of the OPEB Liability	\$ 5,605,263	6,937,933	8,737,811

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

At June 30, 2020, 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, 2019, 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, 2019, the District's proportion was 0.025067 percent, which was a decrease of 0.000611 from its proportion measured as of June 30, 2018 (0.025678 percent). The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

Employer's Proportionate Share of the Net OPEB Liability	\$ 6,937,933
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>8,878,411</u>
Total	<u>15,816,344</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

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 year ending June 30, 2020, the District recognized OPEB expense of \$78,530 and revenue of \$78,530 for support provided by the State. For the year ending June 30, 2020, the District recognized OPEB expense of \$134,638. At June 30, 2020, 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	\$ -	(115,130)	(115,130)
Net Difference Between Projected and Actual Earnings on Pension Investments	2,630	(795,313)	(792,683)
Changes of Assumptions	-	(227)	(227)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	103,577	(688,876)	(585,299)
Total Pension Expense to be Recognized in Future Periods	106,207	(1,599,546)	(1,493,339)
Employer Contributions Subsequent to the Measurement Date	58,264	-	58,264
Totals	164,471	(1,599,546)	(1,435,075)

For the fiscal year ended, \$58,264 was 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, 2021. 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
2021	\$ (300,766)
2022	(300,766)
2023	(300,737)
2024	(300,675)
2025	(204,317)
Thereafter	(86,078)
Total	(1,493,339)

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

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. Each retirement system is discussed below.

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 <http://www.trsil.org/financial/cafrs/fy2019>; 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 require under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier 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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System (TRS) – Continued

Benefits Provided – Continued

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 contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, 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, 2020, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the employer, and the employer recognized revenue and expenditures of \$4,945,534 in pension contributions from the state of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the years ended June 30, 2020 were \$36,732 and are deferred because they were paid after the June 30, 2019 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, 2020

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System (TRS) – Continued

Contributions – Continued

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$4,705 were paid from federal and special trust funds that required employer contributions of \$502. These contributions are deferred because they were paid after the June 30, 2019 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, 2020, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$12,507 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, 2019, 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 disclosures 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	\$ 640,019
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>45,549,441</u>
Total	<u>46,189,460</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019. 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, 2019, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2019, the employer's proportion was 0.00078 percent, which was a (decrease) of 0.0001 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the employer recognized pension expense of \$4,945,534 and revenue of \$4,945,534 for support provided by the state. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Totals
Differences Between Expected and Actual Experience	\$ 10,495	-	10,495
Net Difference Between Projected and Actual			
Earnings on Pension Investments	1,014	-	1,014
Changes of Assumptions	14,341	(12,285)	2,056
Changes in Proportion and Differences Between Employer			
Contributions and Proportionate Share of Contributions	-	(110,046)	(110,046)
Total Pension Expense to be Recognized in Future Periods	25,850	(122,331)	(96,481)
Employer Contributions Subsequent to the Measurement Date	37,233	-	37,233
Totals	63,083	(122,331)	(59,248)

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

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

For the fiscal year ended, \$37,233 was 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, 2021.

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
2021	\$ (31,832)
2022	(38,724)
2023	(14,449)
2024	(8,068)
2025	(3,408)
Thereafter	-
	<u>(96,481)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System (TRS) – Continued

Actuarial Assumptions – Continued

In the June 30, 2019 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, 2018 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	15.00%	6.30%
U.S. Small/Mid Cap	2.00%	7.70%
International Equities Developed	13.60%	7.00%
Emerging Market Equities	3.40%	9.50%
U.S. Bonds Core	8.00%	2.20%
U.S. Bonds High Yield	4.20%	4.00%
International Debt Developed	2.20%	1.10%
Emerging International Debt	2.60%	4.40%
Real Estate	16.00%	5.20%
Real Return	4.00%	1.80%
Absolute Return	14.00%	4.10%
Private Equity	15.00%	9.70%
Total	100.00%	

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System (TRS) – Continued

Discount Rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2018 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, 2019 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.

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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	\$ 781,727	640,019	523,507

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2019 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Description

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 Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Description

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).

IMRF provides two tiers of pension benefits. 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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. 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, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	54
Inactive Plan Members Entitled to but not yet Receiving Benefits	221
Active Plan Members	<u>32</u>
Total	<u><u>307</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 year-ended June 30, 2020, the District's contribution was 9.49% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The 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, 2020

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

Actuarial Assumptions – Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

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 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:

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements
June 30, 2020****NOTE 4 – OTHER INFORMATION – Continued****RETIREMENT SYSTEMS – Continued****Illinois Municipal Retirement Fund (IMRF) – Continued****Discount Rate Sensitivity – Continued**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 1,048,898	385,657	(156,759)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 5,893,243	4,990,021	903,222
Changes for the Year:			
Service Cost	117,768	-	117,768
Interest on the Total Pension Liability	420,528	-	420,528
Differences Between Expected and Actual Experience of the Total Pension Liability	(18,441)	-	(18,441)
Changes of Assumptions	-	-	-
Contributions - Employer	-	110,639	(110,639)
Contributions - Employees	-	54,651	(54,651)
Net Investment Income	-	901,165	(901,165)
Benefit Payments, Including Refunds of Employee Contributions	(303,482)	(303,482)	-
Other (Net Transfer)	-	(29,035)	29,035
Net Changes	216,373	733,938	(517,565)
Balances at December 31, 2019	6,109,616	5,723,959	385,657

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended June 30, 2020, the District recognized pension expense of \$154,432. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences Between Expected and Actual Experience	\$ -	(1,877)	(1,877)
Changes of Assumptions	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(223,512)	(223,512)
Total Pension Expense to be Recognized in Future Periods	-	(225,389)	(225,389)
Pension Contributions Made Subsequent to the Measurement Date	67,570	-	67,570
Total Deferred Amounts Related to IMRF	67,570	(225,389)	(157,819)

For the fiscal year ended, \$67,570 was reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. 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 Outflows/ (Inflows) of Resources
2021	\$ (65,567)
2022	(70,502)
2023	19,770
2024	(109,090)
2025	-
Thereafter	-
Total	(225,389)

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 of 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 of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
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 – Except for the exclusion of on-behalf payments from other governments, the budgeted amounts are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Post-Retirement Health Plan****Required Supplementary Information****Schedule of Changes in the Employer's Total OPEB Liability****June 30, 2020**

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 1,345	2,542	3,135
Interest	1,585	3,861	2,663
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)
Benefit Payments	(30,688)	(14,863)	(11,112)
Other (Net Transfer)	74,840	(7,928)	(4,936)
Net Change in Total OPEB Liability	55,272	(13,715)	(20,060)
Total OPEB Liability - Beginning	59,392	114,664	100,949
Total OPEB Liability - Ending	114,664	100,949	80,889
Covered Payroll	\$ 1,100,827	1,100,827	1,179,271
Total OPEB Liability as a Percentage of Covered Payroll	10.42%	9.17%	6.86%

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 of assumptions related to the discount rate were made in 2018, 2019 and 2020.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Teacher's Health Insurance Security Fund****Required Supplementary Information****Schedule of Employer Contributions****June 30, 2020**

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%

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

Required Supplementary Information Schedule of Employer Contributions - Continued June 30, 2020

Notes to the Schedule of Employer Contributions

Valuation Date June 30, 2018

Measurement Date June 30, 2019

Sponsor's Fiscal Year End June 30, 2020

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, 2019, contribution rates are 1.24% of pay for active members, 0.92% of pay for employers, 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 2019. For fiscal years on and after 2020, trends start at 8.00% and 9.00% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for 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****Required Supplementary Information****Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability****June 30, 2020**

	2018*	2019*	2020*
Employer's Proportion of the Net OPEB Liability	0.0251910%	0.0256780%	0.0250670%
Employer's Proportionate Share of the Net OPEB Liability	\$ 6,536,911	6,764,985	6,937,933
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	8,584,518	9,083,853	8,878,411
Total	15,121,429	15,848,838	15,816,344
Covered Payroll	\$ 6,086,866	6,161,441	6,333,036
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered Payroll	107.39%	109.80%	109.55%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.17%)	(0.07%)	0.25%

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

Required Supplementary Information

Schedule of the Employer's Proportionate Share of the Net Pension Liability and

Employer Contributions

June 30, 2020

	2015*
Employer's Proportion of the Net Pension Liability	0.0011%
Employer's Proportionate Share of the Net Pension Liability	\$ 647,749
State's Proportionate Share of the Net Pension Liability Associated with the Employer	37,719,807
Totals	38,367,556
Employer's Covered Payroll	\$ 6,113,904
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered Payroll	10.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.00%
Contractually-Required Contribution	\$ 37,975
Contributions in Relation to the Contractually-Required Contribution	37,975
Contribution Deficiency (Excess)	-
Employer's Covered Payroll	\$ 6,533,238
Contributions as a % of Covered Payroll	0.58%

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.

Amounts reported in 2019, 2018, 2017 and 2016 reflect an investment rate of return of 7.00%, an inflation rate of 2.50% and real return of 4.50%, and salary increases were assumed to vary by service credit, but the rates of increase in 2018 were slightly higher.

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.

2016*	2017*	2018*	2019*	2020*
0.0011%	0.0010%	0.0009%	0.0008%	0.0008%
735,170	818,489	674,443	662,273	640,019
42,302,280	52,471,098	42,905,233	45,368,464	45,549,441
43,037,450	53,289,587	43,579,676	46,030,737	46,189,460
6,533,238	6,610,563	6,086,866	6,161,440	6,333,036
11.25%	12.38%	11.08%	10.75%	10.11%
41.50%	36.40%	39.50%	40.00%	39.60%
39,320	40,156	35,795	36,391	37,233
39,320	40,156	35,795	36,451	35,973
-	-	-	60	(1,260)
6,610,563	5,794,662	6,086,866	6,161,440	6,333,036
0.59%	0.69%	0.59%	0.59%	0.59%

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Illinois Municipal Retirement Fund****Required Supplementary Information****Schedule of Employer Contributions****June 30, 2020**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market, 20% Corridor
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMFR specific mortality table was used with fully generational projection scale MP-2017 (base year 2012).

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****Required Supplementary Information****Schedule of Changes in the Employer's Net Pension Liability****June 30, 2020**

	<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	<u>(175,512)</u>
Net Change in Total Pension Liability	664,636
Total Pension Liability - Beginning	<u>4,291,659</u>
Total Pension Liability - Ending	<u><u>4,956,295</u></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)	<u>24,522</u>
Net Change in Plan Fiduciary Net Position	279,684
Plan Net Position - Beginning	<u>4,370,838</u>
Plan Net Position - Ending	<u><u>4,650,522</u></u>
Employer's Net Pension Liability	<u><u>\$ 305,773</u></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.

12/31/2015	12/31/16	12/31/17	12/31/18	12/31/19
130,393	134,370	122,304	108,344	117,768
368,717	382,319	401,499	411,459	420,528
(102,146)	(9,794)	47,345	(53,712)	(18,441)
11,553	(11,449)	(149,993)	139,504	-
(210,532)	(220,492)	(274,144)	(288,597)	(303,482)
197,985	274,954	147,011	316,998	216,373
4,956,295	5,154,280	5,429,234	5,576,245	5,893,243
5,154,280	5,429,234	5,576,245	5,893,243	6,109,616
110,330	119,495	115,146	120,069	110,639
55,227	53,400	51,558	52,765	54,651
23,140	296,900	794,396	(250,940)	901,165
(210,532)	(220,492)	(274,144)	(288,597)	(303,482)
(199,321)	14,506	(131,484)	108,077	(29,035)
(221,156)	263,809	555,472	(258,626)	733,938
4,650,522	4,429,366	4,693,175	5,248,647	4,990,021
4,429,366	4,693,175	5,248,647	4,990,021	5,723,959
724,914	736,059	327,598	903,222	385,657
85.94%	86.44%	94.13%	84.67%	93.69%
1,227,254	1,183,520	1,145,734	1,172,542	1,214,466
59.07%	62.19%	28.59%	77.03%	31.76%

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, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
General Levy	\$ 11,621,768	11,560,083	(61,685)
Tort Immunity	78,704	73,901	(4,803)
Investment Income	255,016	295,873	40,857
Sales to Pupils - Lunch	225,000	168,145	(56,855)
Admissions - Other	2,500	3,845	1,345
Fees	7,500	14,287	6,787
Private Sources	242,000	221,515	(20,485)
Other	51,600	48,290	(3,310)
Total Local Sources	12,484,088	12,385,939	(98,149)
State Sources			
General State Aid	369,370	369,370	-
State Free Lunch and Breakfast	10	16	6
Other State Sources	750	750	-
Total State Sources	370,130	370,136	6
Federal Sources			
Special Milk Program	3,100	2,614	(486)
Title I - Low Income	52,974	73,127	20,153
Title IV - Safe and Drug Free Schools	10,000	9,774	(226)
Federal - Special Education			
Preschool Flow-Through	1,161	1,959	798
Federal - Special Education - IDEA			
Flow-Through/Low Incident	143,105	152,779	9,674
Room and Board	-	12,852	12,852
Title II - Teacher Quality	12,313	14,627	2,314
Other Restricted Revenue from Federal Sources	-	8,749	8,749
Total Federal Sources	222,653	276,481	53,828
Total Direct Revenues	13,076,871	13,032,556	(44,315)

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues - Continued			
On Be-Half Payments	\$ -	5,024,064	5,024,064
Total Revenues	13,076,871	18,056,620	4,979,749
Expenditures			
Instruction			
Regular Programs			
Salaries	4,359,146	4,287,742	71,404
Employee Benefits	693,785	672,957	20,828
Purchased Services	116,700	108,599	8,101
Supplies and Materials	220,085	175,130	44,955
Capital Outlay	3,000	-	3,000
Total Regular Programs	5,392,716	5,244,428	148,288
Special Education Programs			
Salaries	1,188,275	1,137,197	51,078
Employee Benefits	331,124	298,474	32,650
Purchased Services	10,000	5,372	4,628
Supplies and Materials	12,500	7,015	5,485
Total Special Education Programs	1,541,899	1,448,058	93,841
Gifted Programs			
Salaries	172,695	172,695	-
Employee Benefits	45,597	44,891	706
Supplies and Materials	1,500	1,223	277
Total Gifted Programs	219,792	218,809	983
Bilingual Programs			
Salaries	96,826	96,825	1
Employee Benefits	28,145	27,955	190
Supplies and Materials	500	501	(1)
Total Bilingual Programs	125,471	125,281	190
Total Instruction	7,279,878	7,036,576	243,302

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Support Services			
Pupils			
Guidance Services			
Salaries	\$ 73,684	73,684	-
Employee Benefits	12,122	12,099	23
Total Guidance Services	85,806	85,783	23
Health Services			
Salaries	124,759	125,891	(1,132)
Employee Benefits	24,494	24,337	157
Purchased Services	2,000	1,260	740
Supplies and Materials	5,300	3,512	1,788
Non-Capitalized Equipment	6,279	5,236	1,043
Total Health Services	162,832	160,236	2,596
Psychological Services			
Salaries	104,012	103,505	507
Employee Benefits	23,414	23,357	57
Total Psychological Services	127,426	126,862	564
Speech Pathology and Audiology Services			
Salaries	166,764	162,058	4,706
Employee Benefits	29,200	29,154	46
Supplies and Materials	500	434	66
Total Speech Pathology Audiology	196,464	191,646	4,818
Other Support Services - Pupils			
Purchased Services	15,750	10,420	5,330
Total Pupils	588,278	574,947	13,331

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Support Services - Continued			
Instructional Staff			
Improvement of Instructional Services			
Purchased Services	\$ 62,802	48,318	14,484
Supplies and Materials	500	643	(143)
Total Improvement			
Instructional Service	63,302	48,961	14,341
Assessment and Testing			
Supplies and Materials	12,250	9,525	2,725
Total Instructional Staff	75,552	58,486	17,066
General Administration			
Board of Education Services			
Purchased Services	124,556	174,287	(49,731)
Other Objects	80,000	47,981	32,019
Total Board of			
Education Services	204,556	222,268	(17,712)
Executive Administration Services			
Salaries	285,353	285,352	1
Employee Benefits	53,490	53,489	1
Purchased Services	10,000	2,704	7,296
Supplies and Materials	5,250	1,002	4,248
Other Objects	14,000	9,165	4,835
Total Executive			
Administration Services	368,093	351,712	16,381
Special Area Administration Services			
Salaries	131,061	137,286	(6,225)
Employee Benefits	14,696	11,076	3,620
Total Special Area			
Administration Services	145,757	148,362	(2,605)

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Support Services - Continued			
General Administration - Continued			
Tort Immunity Services			
Purchased Services	\$ 68,554	65,516	3,038
Total General Administration	786,960	787,858	(898)
School Administration			
Office of the Principal Services			
Salaries	439,552	439,550	2
Employee Benefits	109,839	109,834	5
Purchased Services	4,000	1,094	2,906
Supplies and Materials	900	13	887
Other Objects	650	100	550
Total School Administration	554,941	550,591	4,350
Business			
Direction of Business Support Services			
Salaries	180,990	180,990	-
Employee Benefits	37,667	37,666	1
Total Fiscal Services	218,657	218,656	1
Fiscal Services			
Salaries	163,714	163,714	-
Employee Benefits	13,723	13,722	1
Purchased Services	44,700	39,209	5,491
Supplies and Materials	50,000	45,865	4,135
Total Fiscal Services	272,137	262,510	9,627
Operation and Maintenance of Plant Services			
Purchased Services	3,000	3,000	-

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Support Services - Continued			
Business - Continued			
Food Services			
Purchased Services	\$ 228,275	163,451	58,824
Other Objects	500	-	500
Non-Capitalized Equipment	5,500	11,922	(6,422)
Total Food Services	228,275	175,373	52,902
Total Business	722,069	659,539	62,530
Central			
Information Services			
Purchased Services	7,500	4,272	3,228
Data Processing Services			
Supplies and Materials	120,750	168,165	(47,415)
Non-Capitalized Equipment	230,000	170,723	59,277
Total Data Processing Services	350,750	338,888	11,862
Total Central	358,250	343,160	15,090
Total Support Services	3,086,050	2,974,581	111,469
Community Services			
Salaries	5,090	4,705	385
Employee Benefits	-	501	(501)
Purchased Services	4,145	4,600	(455)
Total Community Services	9,235	9,806	(571)

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Payments to Other Districts and Governmental Units			
Payments for Regular Programs			
Other Objects	\$ 4,500	3,058	1,442
Payments for Special Education Programs			
Purchased Services	136,263	147,662	(11,399)
Other Objects	765,000	830,067	(65,067)
	901,263	977,729	(76,466)
Total Payments to Other Districts and Governmental Units	905,763	980,787	(75,024)
Total Direct Expenditures	11,280,926	11,001,750	279,176
On Be-Half Payments	-	5,024,064	(5,024,064)
Total Expenditures	11,280,926	16,025,814	(4,744,888)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,795,945	2,030,806	234,861
Other Financing Sources			
Transfers In	-	74,228	74,228
Transfers Out	(1,496,738)	(1,268,950)	227,788
	(1,496,738)	(1,194,722)	302,016
Net Change in Fund Balance	299,207	836,084	536,877
Fund Balance - Beginning		8,323,586	
Fund Balance - Ending		9,159,670	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Operations and Maintenance - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
General Levy	\$ 1,177,254	1,098,673	(78,581)
Personal Property Replacement Taxes	133,087	125,843	(7,244)
Investment Income	250	208	(42)
Rentals	1,000	1,370	370
Private Sources	-	1,160	1,160
Total Revenues	<u>1,311,591</u>	<u>1,227,254</u>	<u>(84,337)</u>
Expenditures			
Support Services			
Business			
Operation and Maintenance of			
Plant Services			
Salaries	232,335	229,262	3,073
Employee Benefits	49,933	49,932	1
Purchased Services	570,158	527,526	42,632
Supplies and Materials	20,000	19,473	527
Capital Outlay	1,639,754	1,316,785	322,969
Non-Capitalized Equipment	25,000	50,258	(25,258)
Total Expenditures	<u>2,537,180</u>	<u>2,193,236</u>	<u>343,944</u>
Net Change in Fund Balance	<u>(1,225,589)</u>	<u>(965,982)</u>	<u>259,607</u>
Fund Balance - Beginning		<u>2,439,047</u>	
Fund Balance - Ending		<u>1,473,065</u>	

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, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
General Levy	\$ 112,842	110,134	(2,708)
Investment Income	25	21	(4)
Total Local Sources	112,867	110,155	(2,712)
State Sources			
Transportation - Special Education	115,000	104,167	(10,833)
Total Revenues	227,867	214,322	(13,545)
Expenditures			
Support Services			
Business			
Pupil Transportation Services			
Purchased Services	163,950	215,424	(51,474)
Net Change in Fund Balance	63,917	(1,102)	(65,019)
Fund Balance - Beginning		266,399	
Fund Balance - Ending		265,297	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Municipal Retirement/Social Security - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
General Levy	\$ 166,418	162,562	(3,856)
Social Security/Medicare Only Levy	166,418	162,701	(3,717)
Investment Income	55	63	8
Total Revenues	332,891	325,326	(7,565)
Expenditures			
Instruction			
Regular Programs	104,917	100,507	4,410
Special Education Programs	77,776	69,413	8,363
Gifted Programs	6,688	6,124	564
Bilingual Programs	6,379	5,921	458
Total Instruction	195,760	181,965	13,795
Support Services			
Pupils			
Guidance Services	1,069	1,063	6
Health Services	10,560	10,552	8
Psychological Services	2,315	2,137	178
Speech Pathology and Audiology Services	2,419	2,170	249
Total Pupils	16,363	15,922	441
General Administration			
Executive Administration Services	11,328	11,222	106
Special Area Administrative Services	1,921	1,970	(49)
Total General Administration	13,249	13,192	57
School Administration			
Office of the Principal Services	21,814	21,011	803

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Municipal Retirement/Social Security - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Support Services - Continued			
Business			
Direction of Business Support Services	\$ 2,908	2,842	66
Fiscal Services	28,005	27,611	394
Operations and Maintenance of			
Plant Services	40,005	37,738	2,267
Total Business	70,918	68,191	2,727
Total Support Services	122,344	118,316	4,028
Total Expenditures	318,104	300,281	17,823
Net Change in Fund Balance	14,787	25,045	10,258
Fund Balance - Beginning		257,342	
Fund Balance - Ending		282,387	

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 Judgement 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 FUNDS

The Capital Projects Funds are 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.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds, contributions from private sources, or transfers from other funds.

Fire Protection and Life Safety Fund

The Fire Protection 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.

FIDUCIARY FUND

The Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

AGENCY FUND

Student Activity, Convenience Accounts, and Other Agency Funds

The Student Activity Fund is used to account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educations, recreational, or cultural purposes. The Convenience Accounts Fund is used to account for assets that are normally maintained by a local educational agency as a convenience for its faculty, staff, etc.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund - by Accounts****Combining Balance Sheet
June 30, 2020**

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Totals
ASSETS				
Cash and Investments	\$ 9,113,524	71,422	60,869	9,245,815
Receivables - Net of Allowances				
Property Taxes	5,786,557	35,404	2,244	5,824,205
Intergovernmental	147,819	-	-	147,819
Total Assets	15,047,900	106,826	63,113	15,217,839
LIABILITIES				
Accounts Payable	43,513	-	-	43,513
Payroll Deductions Payable	189,234	-	-	189,234
Other Payables	1,217	-	-	1,217
Total Liabilities	233,964	-	-	233,964
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	5,786,557	35,404	2,244	5,824,205
Total Liabilities and Deferred Inflows of Resources	6,020,521	35,404	2,244	6,058,169
FUND BALANCES				
Restricted	417,416	71,422	-	488,838
Unassigned	8,609,963	-	60,869	8,670,832
Total Fund Balances	9,027,379	71,422	60,869	9,159,670
Total Liabilities, Deferred Inflows of Resources and Fund Balances	15,047,900	106,826	63,113	15,217,839

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, 2020**

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Totals
Revenues				
Property Taxes	\$ 11,555,494	73,901	4,589	11,633,984
State Aid	370,136	-	-	370,136
Federal Aid	276,481	-	-	276,481
Investment Income	295,859	13	1	295,873
Other	456,082	-	-	456,082
On Be-Half Payments	5,024,064	-	-	5,024,064
Total Revenues	17,978,116	73,914	4,590	18,056,620
Expenditures				
Current				
Instruction				
Regular Programs	5,244,428	-	-	5,244,428
Special Programs	1,448,058	-	-	1,448,058
Other Instructional Programs	344,090	-	-	344,090
Support Services				
Pupils	574,947	-	-	574,947
Instructional Staff	58,486	-	-	58,486
General Administration	722,342	65,516	-	787,858
School Administration	550,591	-	-	550,591
Business	659,539	-	-	659,539
Central	343,160	-	-	343,160
Community Services	9,806	-	-	9,806
Payments to Other Districts and Government Units	980,787	-	-	980,787
On Be-Half Expenditures	5,024,064	-	-	5,024,064
Total Expenditures	15,960,298	65,516	-	16,025,814
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,017,818	8,398	4,590	2,030,806
Other Financing Sources				
Transfers In	74,228	-	-	74,228
Transfers Out	(1,268,950)	-	-	(1,268,950)
	(1,194,722)	-	-	(1,194,722)
Net Change in Fund Balances	823,096	8,398	4,590	836,084
Fund Balances - Beginning	8,204,283	63,024	56,279	8,323,586
Fund Balances - Ending	9,027,379	71,422	60,869	9,159,670

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
General Levy	\$ 11,617,027	11,555,494	(61,533)
Investment Income	255,000	295,859	40,859
Sales to Pupils - Lunch	225,000	168,145	(56,855)
Admissions - Other	2,500	3,845	1,345
Fees	7,500	14,287	6,787
Private Sources	242,000	221,515	(20,485)
Other Local Fees	51,600	48,290	(3,310)
Total Local Sources	12,400,627	12,307,435	(93,192)
State Sources			
General State Aid	369,370	369,370	-
State Free Lunch and Breakfast	10	16	6
Other State Sources	750	750	-
Total State Sources	370,130	370,136	6
Federal Sources			
Special Milk Program	3,100	2,614	(486)
Title I - Low Income	52,974	73,127	20,153
Title IV - Safe and Drug Free Schools	10,000	9,774	(226)
Federal - Special Education			
Preschool Flow-Through	1,161	1,959	798
Federal - Special Education - IDEA			
Flow-Through/Low Incident	143,105	152,779	9,674
Room and Board	-	12,852	12,852
Title II - Teacher Quality	12,313	14,627	2,314
Other Restricted Revenue from Federal Sources	-	8,749	8,749
Total Federal Sources	222,653	276,481	53,828
Total Direct Revenues	12,993,410	12,954,052	(39,358)
On-Behalf Payments	-	5,024,064	5,024,064
Total Revenues	12,993,410	17,978,116	4,984,706

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures			
Instruction			
Regular Programs			
Salaries	\$ 4,359,146	4,287,742	71,404
Employee Benefits	693,785	672,957	20,828
Purchased Services	116,700	108,599	8,101
Supplies and Materials	220,085	175,130	44,955
Non-Capitalized Equipment	3,000	-	3,000
Total Regular Programs	5,392,716	5,244,428	148,288
Special Education Programs			
Salaries	1,188,275	1,137,197	51,078
Employee Benefits	331,124	298,474	32,650
Purchased Services	10,000	5,372	4,628
Supplies and Materials	12,500	7,015	5,485
Total Special Education Programs	1,541,899	1,448,058	93,841
Gifted Programs			
Salaries	172,695	172,695	-
Employee Benefits	45,597	44,891	706
Supplies and Materials	1,500	1,223	277
Total Gifted Programs	219,792	218,809	983
Bilingual Programs			
Salaries	96,826	96,825	1
Employee Benefits	28,145	27,955	190
Supplies and Materials	500	501	(1)
Total Bilingual Programs	125,471	125,281	190
Total Instruction	7,279,878	7,036,576	243,302

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Support Services			
Pupils			
Guidance Services			
Salaries	\$ 73,684	73,684	-
Employee Benefits	12,122	12,099	23
Total Guidance Services	85,806	85,783	23
Health Services			
Salaries	124,759	125,891	(1,132)
Employee Benefits	24,494	24,337	157
Purchased Services	2,000	1,260	740
Supplies and Materials	5,300	3,512	1,788
Non-Capitalized Equipment	6,279	5,236	1,043
Total Health Services	162,832	160,236	2,596
Psychological Services			
Salaries	104,012	103,505	507
Employee Benefits	23,414	23,357	57
Total Psychological Services	127,426	126,862	564
Speech Pathology and Audiology Services			
Salaries	166,764	162,058	4,706
Employee Benefits	29,200	29,154	46
Supplies and Materials	500	434	66
Total Speech Pathology and Audiology Services	196,464	191,646	4,818
Other Support Services - Pupils			
Purchased Services	15,750	10,420	5,330
Total Pupils	588,278	574,947	13,331

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Support Services - Continued			
Instructional Staff			
Improvement of Instructional Services			
Purchased Services	\$ 62,802	48,318	14,484
Supplies and Materials	500	643	(143)
Total Improvement			
Instructional Service	63,302	48,961	14,341
Assessment and Testing			
Supplies and Materials	12,250	9,525	2,725
Total Instructional Staff	75,552	58,486	17,066
General Administration			
Board of Education Services			
Purchased Services	124,556	174,287	(49,731)
Other Objects	80,000	47,981	32,019
Total Board of Education Services	204,556	222,268	(17,712)
Executive Administration Services			
Salaries	285,353	285,352	1
Employee Benefits	53,490	53,489	1
Purchased Services	10,000	2,704	7,296
Supplies and Materials	5,250	1,002	4,248
Other Objects	14,000	9,165	4,835
Total Executive			
Administration Services	368,093	351,712	16,381
Special Area Administration Services			
Salaries	131,061	137,286	(6,225)
Employee Benefits	14,696	11,076	3,620
Total Special Area			
Administration Services	145,757	148,362	(2,605)
Total General Administration	718,406	722,342	(3,936)

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Support Services - Continued			
School Administration			
Office of the Principal Services			
Salaries	\$ 439,552	439,550	2
Employee Benefits	109,839	109,834	5
Purchased Services	4,000	1,094	2,906
Supplies and Materials	900	13	887
Other Objects	650	100	550
Total School Administration	554,941	550,591	4,350
Business			
Direction of Business Support Services			
Salaries	180,990	180,990	-
Employee Benefits	37,667	37,666	1
Total Direction of Business Support	218,657	218,656	1
Fiscal Services			
Salaries	163,714	163,714	-
Employee Benefits	13,723	13,722	1
Purchased Services	44,700	39,209	5,491
Supplies and Materials	50,000	45,865	4,135
Total Fiscal Services	272,137	262,510	9,627
Operation and Maintenance of Plant Services			
Purchased Services	3,000	3,000	-
Food Services			
Purchased Services	222,275	163,451	58,824
Other Objects	500	-	500
Non-Capitalized Equipment	5,500	11,922	(6,422)
Total Food Services	228,275	175,373	52,902
Total Business	722,069	659,539	62,530

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
Support Services - Continued			
Central			
Information Services			
Purchased Services	\$ 7,500	4,272	3,228
Data Processing Services			
Supplies and Materials	120,750	168,165	(47,415)
Non-Capitalized Equipment	230,000	170,723	59,277
Total Data Processing Services	350,750	338,888	11,862
Total Central	358,250	343,160	15,090
Total Support Services	3,017,496	2,909,065	108,431
Community Services			
Salaries	5,090	4,705	385
Employee Benefits	-	501	(501)
Purchased Services	4,145	4,600	(455)
Total Community Services	9,235	9,806	(571)
Payments to Other Districts and Governmental Units			
Payments for Regular Programs			
Other Objects	4,500	3,058	1,442
Payments for Special Education Programs			
Purchased Services	136,263	147,662	(11,399)
Other Objects	765,000	830,067	(65,067)
	901,263	977,729	(76,466)
Total Payments to Other Districts and Governmental Units	905,763	980,787	(75,024)
Total Direct Expenditures	11,212,372	10,936,234	276,138

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures - Continued			
On-Behalf Payments	\$ -	5,024,064	(5,024,064)
Total Expenditures	11,212,372	15,960,298	(4,747,926)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,781,038	2,017,818	236,780
Other Financing Sources (Uses)			
Transfers In	-	74,228	74,228
Transfers Out	(1,496,738)	(1,268,950)	227,788
	(1,496,738)	(1,194,722)	302,016
Net Change in Fund Balance	284,300	823,096	538,796
Fund Balance - Beginning		8,204,283	
Fund Balance - Ending		9,027,379	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Tort Immunity and Judgment Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
Tort Immunity Levy	\$ 78,704	73,901	(4,803)
Investment Income	14	13	(1)
Total Revenues	<u>78,718</u>	<u>73,914</u>	<u>(4,804)</u>
Expenditures			
Support Services			
General Administration			
Workers Compensation Insurance			
Purchased Services	25,709	25,709	-
Unemployment Insurance			
Purchased Services	10,000	6,962	3,038
Insurance Payments			
Purchased Services	32,845	32,845	-
Total Expenditures	<u>68,554</u>	<u>65,516</u>	<u>3,038</u>
Net Change in Fund Balance	<u>10,164</u>	8,398	<u>(1,766)</u>
Fund Balance - Beginning		<u>63,024</u>	
Fund Balance - Ending		<u>71,422</u>	

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Working Cash Accounts - General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
General Levy	\$ 4,741	4,589	(152)
Investment Income	2	1	(1)
Total Revenues	<u>4,743</u>	<u>4,590</u>	<u>(153)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>4,743</u>	<u>4,590</u>	<u>(153)</u>
Fund Balance - Beginning		<u>56,279</u>	
Fund Balance - Ending		<u>60,869</u>	

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, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
General Levy	\$ 434,956	424,582	(10,374)
Investment Income	225	80	(145)
Total Revenues	<u>435,181</u>	<u>424,662</u>	<u>(10,519)</u>
Expenditures			
Debt Service			
Payments on Long Term Debt			
Principal Payments on Long Term Debt	758,432	950,000	(191,568)
Interest and Other	986,568	794,425	192,143
Total Expenditures	<u>1,745,000</u>	<u>1,744,425</u>	<u>575</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,309,819)	(1,319,763)	(9,944)
Other Financing Sources			
Transfers In	<u>1,468,226</u>	<u>1,268,950</u>	<u>(199,276)</u>
Net Change in Fund Balance	<u>158,407</u>	(50,813)	<u>(209,220)</u>
Fund Balance - Beginning		<u>267,798</u>	
Fund Balance - Ending		<u>216,985</u>	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
Other Local Revenues	\$ -	74,228	74,228
Expenditures			
Support Services			
Business			
Facilities Acquisition and Construction Services			
Capital Outlay	28,512	-	28,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,512)	74,228	102,740
Other Financing Sources (Uses)			
Transfers In	28,512	-	(28,512)
Transfers Out	-	(74,228)	(74,228)
	28,512	(74,228)	(102,740)
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning		-	
Fund Balance - Ending		-	

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, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local Sources			
General Levy	\$ 947	708	(239)
Investment Income	1	-	(1)
Total Revenues	948	708	(240)
Expenditures			
Support Services			
Business			
Operation and Maintenance of Plant Services			
Capital Outlay	78,000	72,697	5,303
Net Change in Fund Balance	<u>(77,052)</u>	<u>(71,989)</u>	<u>5,063</u>
Fund Balance - Beginning		<u>149,668</u>	
Fund Balance - Ending		<u>77,679</u>	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Student Activity, Convenience Accounts, and Other Agency Funds - Agency Fund****Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2020**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 32,854	567	4,713	28,708
LIABILITIES				
Due to Activity Fund Organizations				
Student Council	2,342	154	-	2,496
Middlefork Activity	8,004	-	261	7,743
Dr. Bultinck Scholarship Fund	4,447	-	4,447	-
Clarkson Memorial Fund	553	-	-	553
Miscellaneous Other SA Activity	10,740	-	5	10,735
SRS Music Dept	6,768	413	-	7,181
Total Liabilities	32,854	567	4,713	28,708

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Consolidated Year-End Financial Report
June 30, 2020**

CSFA #	Program Name	State	Federal	Other	Totals
586-18-0408	Special Milk Program	\$ -	2,612	-	2,612
586-44-0414	Title I - Low Income	-	73,127	-	73,127
586-44-1588	Title IVA Student Support and Accademic Enrichment	-	9,774	-	9,774
586-57-0420	Fed. - Sp. Ed. - Pre-School Flow Through	-	1,959	-	1,959
586-64-0417	Fed. - Sp. Ed. - IDEA - Flow Through	-	152,779	-	152,779
586-82-1466	Fed. - Sp. Ed. - IDEA - Room & Board	-	12,852	-	12,852
586-70-2237	Title II - Teacher Quality	-	14,627	-	14,627
	Other Grant Programs and Activities	-	-	-	-
	All Other Costs Not Allocated	-	-	19,106,019	19,106,019
	Totals	-	267,730	19,106,019	19,373,749

**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**

October 5, 2020

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 October 5, 2020.

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

SUPPLEMENTAL SCHEDULES

DRAFT

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Schedule of Assessed Valuations, Rates, Extensions, and Collections - Last Five Fiscal Years
June 30, 2020**

	2015	2016	2017	2018	2019
Assessed Valuation	\$ 401,339,916	469,250,265	488,339,675	471,462,419	515,234,662
Tax Rates					
Educational	2.8288	2.3529	2.3213	2.4502	2.3209
Tort Immunity and Judgement	0.0223	0.0185	0.0174	0.0166	0.0142
Operations and Maintenance	0.1379	0.2153	0.2156	0.2483	0.2080
Debt Service	0.0943	0.0803	0.0779	0.0948	0.0875
Transportation	0.0204	0.0259	0.0300	0.0238	0.0218
Municipal Retirement	0.0444	0.0323	0.0313	0.0351	0.0322
Social Security	0.0444	0.0323	0.0313	0.0351	0.0322
Working Cash	0.0021	0.0019	0.0018	0.0010	0.0009
Fire Prevention and Safety	0.0021	0.0019	0.0002	0.0002	0.0002
Total Tax Rates	3.1967	2.7613	2.7268	2.9051	2.7179
Tax Extensions					
Educational	\$ 11,353,103	11,040,989	11,335,828	11,551,772	11,958,081
Tort Immunity and Judgement	89,498	86,811	84,971	78,262	73,163
Operations and Maintenance	553,447	1,010,295	1,052,860	1,170,641	1,071,688
Debt Service	378,000	376,912	380,581	447,148	450,739
Transportation	81,873	121,535	146,501	112,208	112,431
Municipal Retirement	178,194	151,567	152,850	165,483	165,000
Social Security	178,194	151,567	152,850	165,483	165,000
Working Cash	8,428	8,915	8,790	4,714	4,637
Fire Prevention and Safety	8,428	8,915	976	942	1,030
Total Tax Extensions	12,829,165	12,957,506	13,316,207	13,696,653	14,001,769
Total Collections	\$ 12,670,603	12,582,942	12,863,975	12,642,920	7,226,264
Percentage of Extensions Collected	98.76%	97.11%	96.60%	92.31%	51.61%

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Operating Costs and Tuition Charge - Current Fiscal Year and Prior Fiscal Year
June 30, 2019 and 2018**

	2020	2019
Average Daily Attendance (ADA):	437	447
Operating Costs		
Educational	\$ 10,936,234	10,540,400
Operations and Maintenance	2,193,236	1,475,622
Debt Service	1,744,425	1,838,718
Transportation	215,424	195,607
Municipal Retirement/Social Security	300,281	287,977
Tort Immunity and Judgment	65,516	61,145
Subtotal	15,455,116	14,399,469
Less Revenues/Expenditures of Nonregular Programs		
Total Payments to Other Districts and Government Unity	980,787	731,710
Community Services	9,806	9,170
Non-capitalized Equipment	269,385	274,487
Capital Outlay	1,285,539	580,287
Debt Principal Retired	950,000	1,017,458
Subtotal	3,495,517	2,613,112
Operating Costs	11,959,599	11,786,357
Operating Costs Per Pupil - Based on ADA	27,380	26,391
Operating Costs	11,959,599	11,786,357
Less Revenues from Specific Programs, Such as Special Education or Lunch Programs	813,682	781,136
Net Operating Costs	11,145,917	11,005,221
Depreciation Allowance	1,067,334	1,038,498
Allowable Tuition Costs	12,213,251	12,043,719
Tuition Charge Per Pupil - Based on ADA	27,961	26,968

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Schedule of Long-Term Debt Requirements****General Obligation Lease Certificates of 2015****June 30, 2020**

Date of Issue	December 7, 2015
Date of Maturity	December 1, 2035
Authorized Issue	\$9,540,000
Denomination of Bonds	\$5,000
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	Requirements		Totals
	Principal	Interest	
2021	\$ -	361,950	361,950
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
	9,540,000	3,930,825	13,470,825

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Schedule of Long-Term Debt Requirements****General Obligation Lease Certificates of 2016A
June 30, 2020**

Date of Issue	March 14, 2016
Date of Maturity	December 1, 2035
Authorized Issue	\$9,140,000
Denomination of Bonds	\$5,000
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	Requirements		Totals
	Principal	Interest	
2021	\$ 805,000	209,800	1,014,800
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
	7,115,000	1,384,438	8,499,438

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Schedule of Long-Term Debt Requirements****General Obligation Limited Tax Refunding Bonds of 2018****June 30, 2020**

Date of Issue	September 25, 2018
Date of Maturity	December 1, 2037
Authorized Issue	\$5,100,000
Denomination of Bonds	\$5,000
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	Requirements		Totals
	Principal	Interest	
2021	\$ 230,000	193,525	443,525
2022	250,000	181,525	451,525
2023	270,000	168,525	458,525
2024	290,000	154,525	464,525
2025	310,000	139,525	369,525
2026	230,000	126,025	366,025
2027	240,000	114,275	369,275
2028	255,000	103,175	368,175
2029	265,000	94,100	364,100
2030	270,000	86,075	366,075
2031	280,000	77,825	362,825
2032	285,000	69,350	364,350
2033	295,000	60,281	365,281
2034	305,000	50,531	365,531
2035	315,000	40,259	365,259
2036	325,000	29,459	364,459
2037	335,000	18,113	368,113
2038	350,000	6,125	356,125
	5,100,000	1,713,218	6,933,218



SUNSET RIDGE SCHOOL DISTRICT 29

525 Sunset Ridge Road • Northfield, Illinois • 60093

847 881 9400 • Fax: 847 446 6388 • www.sunsetridge29.org

Cultivating a learning community that engages the hearts and minds of students, one child at a time

TO: Finance/Facilities Committee
Dr. Ed Stange, Superintendent

FROM: Tom Beerheide, Chief School Business Official

DATE: ^{TRB} October 13, 2020

SUBJECT: Landscaping at Sunset Ridge

It has become quite evident that many of the trees on the Sunset Ridge campus planted during the school construction are either dying or dead. Recently, Mr. Dreher spoke with an arborist who mentioned the extremely low quality of trees that were planted by Woodland Landscaping. Unfortunately, the warranty is long expired and we have little recourse to ask for replacements.

The Committee should discuss the need to replace the trees that are dying or dead. A few options are:

- Replace all of the trees at once
- Replace half of the trees in the current fiscal year and half in the next fiscal year
- Other

If the Committee/Board of Education decides at some point to move forward with a walkway located North of the parking lot, I do not recommend replacing the evergreen trees along the North side as these trees will conflict with the location of the path.

I look forward to discussing landscaping options at the meeting on Tuesday night.



SUNSET RIDGE SCHOOL DISTRICT 29

525 Sunset Ridge Road • Northfield, Illinois • 60093

847 881 9400 • Fax: 847 446 6388 • www.sunsetridge29.net

Cultivating a learning community that engages the hearts and minds of students, one child at a time

TO: Finance/Facilities Committee
Dr. Ed Stange, Superintendent

FROM: Tom Beerheide, Chief School Business Official

DATE: October 13, 2020 ^{TRB}

SUBJECT: Long Range Capital Improvement Plan Update

At the October 15, 2019 and January 14, 2020 Finance/Facilities Committee Meetings, the Committee reviewed and discussed a districtwide long range capital improvement list. Since those meetings, the District has budgeted for a few smaller projects in FY 21 including:

- Installing hallway double doors and glass at Middlefork (completed Summer 2020)
- Painting the hallways at Middlefork (completed with in-house staff Summer 2020)
- Installing window treatments throughout Middlefork (completed Fall 2020)
- Re-configuring the entry to the Staff washroom from the girl's restroom at Middlefork in the third grade wing. The District is anticipating this work will be completed during Thanksgiving break. The total cost will be \$6,175.

I am presenting the list to the Committee again to determine if there are any other projects the Committee is interested in completing. One project that should be addressed sooner rather than later is the roof slabs/canopies over the doors that enter into the kindergarten rooms from the playground. The total cost to repair/remove these canopies will be approximately \$10,000 per the last estimate Mr. Dreher received. These canopies are rotting and in need of repair and it is recommended we complete this project sometime before the start of the next school year. Other projects on the list are up for consideration by this Committee to determine if any should be completed or not. A common practice in many school districts is to maintain an annual capital improvement budget for smaller scale projects. I recommend the Committee consider this option to allow us to address the various projects listed.

I look forward to our discussion next week.

Attachment





Capital Improvement		School	Estimated Cost	Approximate Replacement Year	Notes
Safety					
Remodel Nurse's Office for ADA Compliance and Egress to Hallway		MF			
Install Hallway Entrance to Adult Bathroom Located Inside 3rd Grade Girl's Bathroom		MF	\$6,175		This will be completed in Fall/Winter 2020
Install Automated Fire Sprinkler System		MF	\$150,000		
3rd Grade Vestibule and Playground Entrances(Bullet Resistant film)		MF			
Replace Windows		MF	\$675,000		standard tempered glass, frosting/film not included
- Limit Visual Access		MF			
- Consider Bullet Resistant		MF			
Install Poured Rubber Surface on Main Playground		MF	\$145,000		
Install Poured Rubber Surface on Kindergarten Playground		MF	\$75,000		
Replace all Window Treatments		MF	\$24,885		Completed
Enclose Outdoor Spaces by door 8		MF			Cannot add any more sq. footage without sprinkling the entire building
Infrastructure					
Replace Boilers (Upgrade BAS and Room Controls) - consider alternative heating systems		MF	\$500,000	2027	\$181k to replace both boilers - 2020 pricing
Replace Roof on Main School Building		MF	\$950,000	2025	
Replace Roof Large Gym		MF	\$225,000	2025	
Repair/Remove Kindergarten Roof Slabs/Canopies		MF	\$10,000	2021	
Resurface Main Entrance Driveway		MF	\$30,300		
Replace Main Entrance Sidewalk		MF	\$88,500		
Replace Main Entrance Canopy		MF	\$100,000		
Replace All Cafeteria Equipment		MF	\$28,000		Range, oven, dishwasher, and 2 freezers
Install Solar Energy System		MF	\$500,000		
Install Curbs Around Bic-swale in Parking Lot		SRS	\$38,700		
Install Sidewalk Along North Rim of Parking Lot		SRS	\$60,500		
Learning Environment/Aesthetics					
Paint all Hallways		MF			Completed
Refresh all Classrooms (Flooring, Lighting, Paint, Ceiling Tiles, Window treatments)		MF	\$33,000/Classroom		
New Classroom Furniture (for standardization purposes), storage options		MF	\$13,000/Classroom		
Remodel Cafeteria/Small Gym (Flooring, Painting, Lighting)		MF	\$106,000		
Remodel Hallway Cubbies and Woodwork/trim		MF	\$120,000		
Refresh Staff Lounge (Carpet, Cabinets, Countertops, Ceiling Tiles, Lighting)		MF	\$40,000		
Install Turf on Kindergarten Playground		MF	\$20,000		
Replace remaining classroom doors		MF	\$15,400		
Replace hallway double doors and glass (2 sets)		MF	\$11,600		Completed
Other					
Add urinals in staff bathrooms		MF			Would require upgrading the bathrooms to current code. May not be feasible.
Install Sprinkler System for Athletic Fields		SRS	\$25,500		
Purchase Furniture for Outdoor Learning Spaces		SRS	\$10,000		



SUNSET RIDGE SCHOOL DISTRICT 29

525 Sunset Ridge Road • Northfield, Illinois • 60093

847 881 9400 • Fax: 847 446 6388 • www.sunsetridge29.org

Cultivating a learning community that engages the hearts and minds of students, one child at a time

DATE: October 13, 2020

TO: Finance/Facilities Committee
Dr. Ed Stange, Superintendent

FROM: Tom Beerheide, Chief School Business Official

RE: ^{TRB}
2020 Levy Calendar

Attached is the 2020 Levy Calendar.

Section 18-60 of the Illinois School Code (35 ILCS 200/18-60) states the Board of Education must adopt an estimated tax levy not less than 20 days prior to the date it adopts its final levy. A recommendation will be brought to the Board of Education to adopt the 2020 tax levy at the December 8th Board of Education Meeting.

SUNSET RIDGE SCHOOL DISTRICT 29

2020 TAX LEVY CALENDAR

October 13, 2020

Finance/Facilities Committee review of the 2020 Estimate of levy

November 10, 2020

Scheduled Board of Education meeting and review of the Estimate of Levy for Tax Year 2020

- Timely Board of Education approval of an official estimate of levy is required to fulfill statutory Truth in Taxation requirements. State Statute requires that an estimate of levy must be approved not less than 20 days prior to the date it adopts the final levy.

November 26, 2020 – December 8, 2020

- Prescribed form of notice of public hearing must be published in a newspaper with general circulation within the school district no more than fourteen nor less than seven days prior to the public hearing. The District will publish the proposed levy and the date and time of the December levy hearing on Thursday, November 26, 2020.

December 8, 2020

Public Hearing on the 2020 Tax levy and adoption of the 2020 Tax levy

December 29, 2020

Last day to file 2020 Tax levy with the Cook County Clerk



SUNSET RIDGE SCHOOL DISTRICT 29

525 Sunset Ridge Road • Northfield, Illinois • 60093

847 881 9400 • Fax: 847 446 6388 • www.sunsetridge29.net

Cultivating a learning community that engages the hearts and minds of students, one child at a time

DATE: October 13, 2020

TO: Finance/Facilities Committee
Dr. Ed Stange, Superintendent

FROM: Tom Beerheide, Chief School Business Official

TRB

RE: 2019 Levy Review and 2020 Levy Considerations

2019 Levy Review

In June 2020, the Cook County Clerk's office released the 2019 property tax rates for taxing agencies. For 2019, the Sunset Ridge School District tax rate was 2.718. This was a decrease of 6.5% from the District's 2018 tax rate of 2.906. The District's 2019 Equalized Assessed Valuation (EAV) was \$515,234,662 an increase of 9.3% from the 2018 EAV of \$471,462,419. Cook county reassessed Northern Cook County during 2019 and this reassessment of property resulted in the increase in EAV. The tax rate decrease from the prior year is a direct result of the tax cap formula whereby when the EAV increases the tax rate decreases.

The 2019 tax levy extension was \$14,003,469. This was an increase of 2.2% over the 2018 levy extension of \$13,696,653. The tax cap law limited the 2019 levy extension to an increase of 1.9%, excluding taxes extended on new property. New property growth was \$1,885,806 or .37% of the total EAV. It increased \$364,238 from the previous year's new growth total. Therefore, the maximum allowable Tax Cap levy increase for 2019 was approximately 2.2% in those levies subject to the limitations. When factoring in the Debt Service Fund levy the total increase remained at 2.2% over the prior year levy extension.

If all property owners were uniformly assessed, tax increases for each property would mirror the levy increase of 1.9%. However, due to varied assessment changes from successful appeals to lower certain property assessments, tax bill amounts will vary from one property to another. These combined factors often times cause a tax burden shift among property owners. Tax relief provided to one property owner must be paid for by all other owners because both the total EAV upon which the tax rate is based and the proportion of total EAV ascribed to each property has been redistributed.

Sunset Ridge School District 29

Summary of Levies, EAV, and Tax Rates

Tax Year	Total Levy Extension	\$ Amount Increase	Percent Increase	Equalized Assessed Valuation	\$ Amount Increase (Decrease)	Percent Increase (Decrease)	Total Tax Rate	Percent Increase (Decrease)	CPI
2019 TR	14,003,469	306,816	2.2%	515,234,662	43,772,243	9.3%	2.718	(6.5%)	1.9%
2018	13,696,653	380,446	2.9%	471,462,419	(16,877,256)	(3.5%)	2.906	6.6%	2.1%
2017	13,316,207	358,701	2.8%	488,339,675	19,089,410	4.1%	2.727	(1.3%)	2.1%
2016 TR	12,957,506	128,341	1.0%	469,250,265	67,910,349	16.9%	2.762	(13.6%)	0.70%
2015	12,829,165	126,399	1.0%	401,339,916	(12,757,039)	(3.1%)	3.197	4.2%	0.80%
2014	12,702,766	232,568	1.9%	414,096,955	8,740,066	2.2%	3.068	(0.3%)	1.5%
2013 TR	12,470,198	231,223	1.9%	405,356,889	(47,870,669)	(10.6%)	3.077	13.9%	1.7%
2012	12,238,975	390,999	3.3%	453,227,558	(30,433,249)	(6.3%)	2.701	10.2%	3.0%
2011	11,847,976	224,232	1.9%	483,660,807	(51,405,740)	(9.6%)	2.450	12.7%	1.5%
2010 TR	11,623,744	374,875	3.3%	535,066,547	(75,153,357)	(12.3%)	2.173	17.8%	2.7%
2009	11,248,869	119,050	1.1%	610,219,904	(5,041,837)	(0.8%)	1.844	1.9%	0.1%
2008	11,129,819	505,820	4.8%	615,261,741	36,937,211	6.4%	1.809	(1.6%)	4.1%
2007 TR	10,623,999	366,160	3.6%	578,324,530	108,756,832	23.2%	1.838	(15.9%)	2.5%

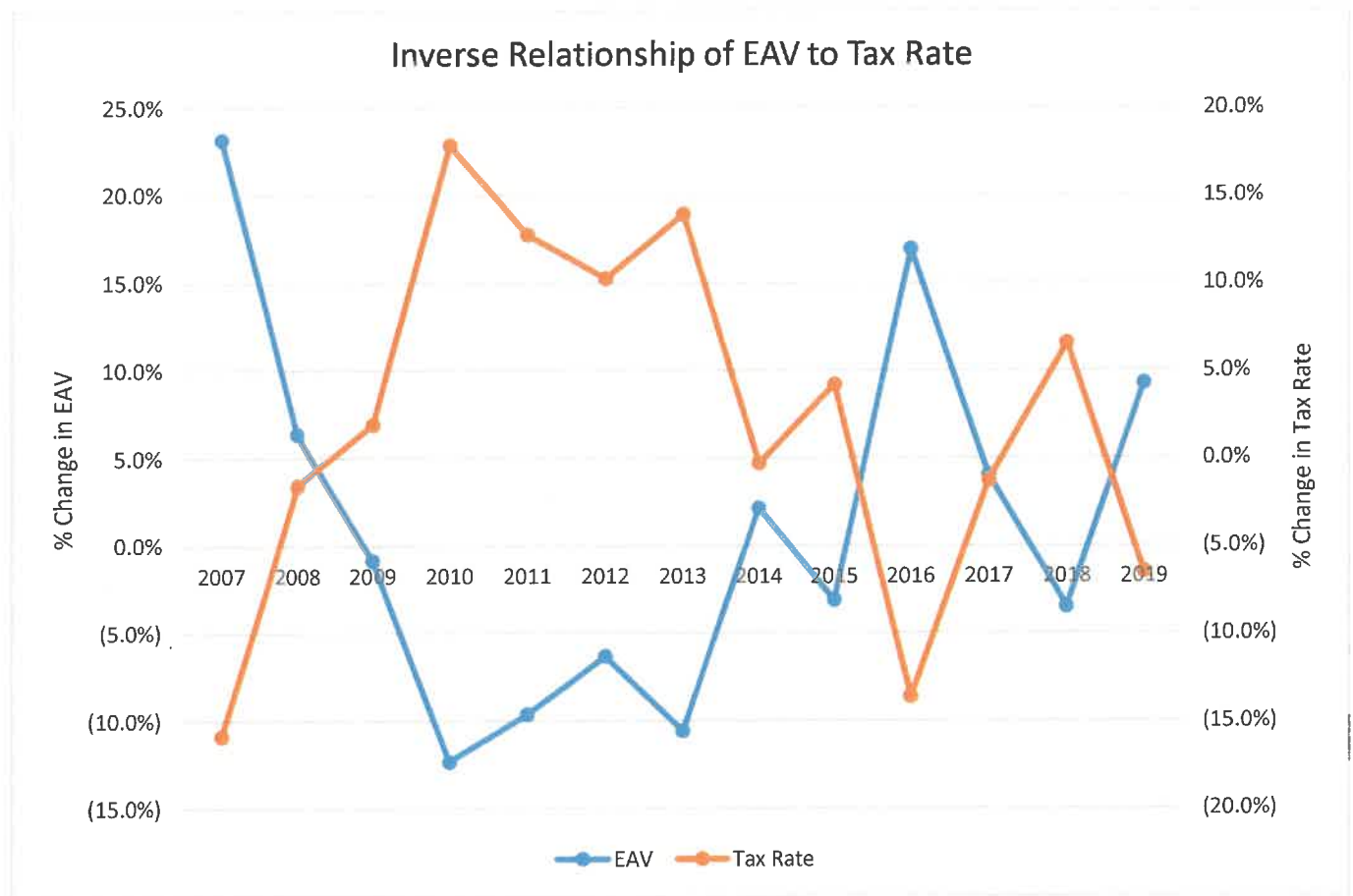
TR = Triennial Reassessment

Sunset Ridge School District 29

New Property Equalized Assessed Valuation

Tax Year	Total New Property	Total EAV	% New Property	\$ Amount Increase (Decrease) from Prior Yr
2019 TR	1,885,806	515,234,662	0.37%	364,238
2018	1,521,568	471,462,419	0.32%	(1,717,567)
2017	3,239,135	488,339,675	0.66%	1,750,156
2016 TR	1,488,979	469,250,265	0.32%	592,995
2015	895,984	401,339,916	0.22%	(844,189)
2014	1,740,173	414,096,955	0.42%	727,632
2013 TR	1,012,541	405,356,889	0.25%	(688,320)
2012	1,700,861	453,227,558	0.38%	(547,037)
2011	2,247,898	485,361,668	0.46%	(1,304,276)
2010 TR	3,552,174	535,066,547	0.66%	(2,374,073)
2009	5,926,247	610,219,904	0.97%	1,398,877
2008	4,527,370	615,261,741	0.74%	(2,119,637)
2007 TR	6,647,007	578,324,530	1.15%	

TR = Triennial Reassessment



2020 Levy Considerations

The Property Tax Extension Limitation Act (Tax Cap) limits the increase in levy extension to 5% or the percentage increase in the Consumer Price Index (CPI) for the previous calendar year, whichever is lower. The CPI for 2019 was 2.30%. Thus, the tax cap will limit the increase of the 2020 levy extension over the 2019 amount to 2.30%.

The tax cap law also allows EAV of new construction in the current year (2020) to be added to the District's prior year (2019) EAV. New construction includes improvements or additions that increased the assessed value of the real property during the levy year. For the 2020 levy, I am estimating new construction to be \$1,800,000 which is approximately a 5-year average of new construction in the District.

Finally, Cook County includes a 3% loss and cost factor to all the District's funds except for the Debt Service Fund which is 5%. This ensures the District will collect sufficient property taxes to fund operations and make bond payments. The loss and cost amount is added to levies to offset any unpaid taxes due to delinquencies and foreclosures. By including a loss and cost factor, the District ensures any new growth not accounted for in the District's estimate will be captured as part of the tax levy.

Recommended 2020 Proposed Tax Levy

For the 2020 tax levy amount, I am recommending the Finance Committee consider the amount of \$14,231,000 which excludes the Debt Service levy. This is an increase of \$678,270 or 5.0% over the 2019 levy extension of \$13,552,730. The total recommended tax levy for 2020, including the Debt

Service levy, is \$14,668,775. This is an increase of \$665,306 or 4.75% over the 2019 total levy extension of \$14,003,469. By requesting 5% over the prior year amount, the District ensures it will capture the entire amount expected under the tax cap which is the CPI of 2.3% plus any new growth. Unless advised differently by the Finance/Facilities Committee, I will present the 2020 proposed tax levy as presented at the next Board of Education meeting on November 10, 2020.

Sunset Ridge School District 29

Proposed 2020 Tax Levy

Fund	2019 Levy Extension	2020 Proposed Levy Extension	Levy Ext. % Increase
Educational	11,958,081	12,615,000	
Operations & Maintenance	1,071,688	1,025,000	
Transportation	112,321	127,000	
Working Cash	4,637	5,000	
Municipal Retirement	165,905	155,000	
Social Security	165,905	225,000	
Fire Prevention & Safety	1,030	1,000	
Tort Immunity	73,163	78,000	
SUB-TOTAL	13,552,730	14,231,000	5.00%

Debt Service	450,739	437,775	
TOTAL	14,003,469	14,668,775	4.75%

2020 LEVY CALCULATION PAGE

Limiting Rate:

$$\frac{\text{Prior Year Extension} \times (1 + \text{Lesser of } 5\% \text{ or CPI})}{(\text{Total EAV} - \text{New Property})}$$

Limiting Rate

2.5874
\$13,911,016.04

Estimated Capped Extension

Original Assumptions

Consumer Price Index
Actual Total EAV for 2019

Legend
District Assumptions & Data Entry
Calculated Values
Review Needed

Estimated Existing EAV % change for 2020
Estimated Existing EAV Value for 2020

Estimated New Property for 2020

Estimated Total EAV for 2020
Estimated Total EAV % change for 2020

Includes New Property
Includes New Property

	Prior Year Extension	Statutory Maximum Tax Rate	Individual Fund Estimated Maximum Extension	Weighted Extension Based on Prior Year Extension	Levy Amount \$	Levy Increase %	Final Levy Amount
Educational	\$11,958,081.00			\$12,274,210.18	\$12,615,000		\$12,615,000.00
Operations & Maintenance	\$1,071,688.00	0.55	\$2,957,042.27	\$1,100,019.62	\$1,025,000		\$1,025,000.00
Transportation	\$112,321.00			\$115,290.37	\$127,000		\$127,000.00
Working Cash	\$4,637.00	0.05	\$268,822.02	\$4,759.59	\$5,000		\$5,000.00
Municipal Retirement	\$165,905.00			\$170,290.94	\$155,000		\$155,000.00
Social Security	\$165,905.00			\$170,290.94	\$225,000		\$225,000.00
Fire Prevention & Safety *	\$1,030.00	0.10	\$537,644.05	\$1,057.23	\$1,000		\$1,000.00
Tort Immunity	\$73,163.00			\$75,097.17	\$78,000		\$78,000.00
Special Education	\$0.00	0.00	\$0.00	\$0.00			\$0.00
Leasing	\$0.00	0.00	\$0.00	\$0.00			\$0.00
	\$0.00	0.00	\$0.00	\$0.00			\$0.00

Capped Extension

\$13,552,730.00

\$13,911,016.04

Capped Levy

\$14,231,000.00

Truth in Taxation

5.00% YES

Truth in Taxation Required

\$319,983.96

Levy Amount Above Estimated Extension

SEDOL IMRF Extension

\$0.00

Estimated SEDOL IMRF Levy

\$0.00
(Lake County Only, Included in Truth in Taxation Calculation)

SEDOL IMRF Levy

\$0.00

Bond & Interest Extension

\$450,739.00

Estimated Bond and Interest Levy

\$437,775.00

Bond & Int. Levy

\$437,775.00

-2.88%

Total Extension

\$14,003,469.00

Total Levy

\$14,668,775.00

4.75%

2019 Levy			CPI increase	1.90%
			EAV	515,234,662
<u>Fund</u>	<u>Levy Extension</u>	<u>Rate</u>	<u>Rate Ceiling</u>	
Education	\$ 11,958,081	2.3209		
O & M	\$ 1,071,688	0.2080	0.5500	
Transportation	\$ 112,321	0.0218		
IMRF	\$ 165,905	0.0322		
Social Security	\$ 165,905	0.0322		
Capital Projects	\$ -			
Working Cash	\$ 4,637	0.0009	0.0500	
Tort	\$ 73,163	0.0142		
Life Safety	\$ 1,030	0.0002	0.1000	
Total Cap Funds	\$ 13,552,730	2.6304		
Percent Increase	2.29%			
Debt Service	\$ 450,739	0.0875		
Total Levy	\$ 14,003,469	2.7179		
Percent Increase	2.24%			

2020 Tentative Levy			CPI increase	2.30%
			EAV	537,644,048
<u>Fund</u>	<u>Levy Extension</u>	<u>Rate</u>	<u>Rate Ceiling</u>	
Education	\$ 12,615,000	2.3463		
O & M	\$ 1,025,000	0.1906	0.5500	
Transportation	\$ 127,000	0.0236		
IMRF	\$ 155,000	0.0288		
Social Security	\$ 225,000	0.0418		
Capital Projects	\$ -			
Working Cash	\$ 5,000	0.0009	0.0500	
Tort	\$ 78,000	0.0145		
Life Safety	\$ 1,000	0.0002	0.1000	
Total Cap Funds	\$ 14,231,000	2.6469		
Percent Increase	5.00%			
Debt Service	\$ 437,775	0.0814		
Total Levy	\$ 14,668,775	2.7283		
Percent Increase	4.75%			



SUNSET RIDGE SCHOOL DISTRICT 29

525 Sunset Ridge Road • Northfield, Illinois • 60093

847 881 9400 • Fax: 847 446 6388 • www.sunsetridge29.org

Cultivating a learning community that engages the hearts and minds of students, one child at a time

INVESTMENT PORTFOLIO – TAX RECEIPTS AND OTHER REVENUES

Open Investment Report for Sunset Ridge School District 29

Purchased before: 9/30/2020 Matured after: 10/1/2020

10/1/2020 9:49:09 AM

Bank 7, OK

<u>Education Fund</u>		Purchase Date	Mature Date	Length	Basis	Purchase	Interest %	Total Interest	Total
ISDLAF-FDIC Insured		04/15/2020	12/17/2020	246	365	248,800.00	0.705000%	1,182.17	249,982.17
Total For Education Fund						248,800.00		1,182.17	249,982.17
Total for Bank 7, OK						248,800.00		1,182.17	249,982.17

Bank of China, NY

<u>Education Fund</u>		Purchase Date	Mature Date	Length	Basis	Purchase	Interest %	Total Interest	Total
ISDLAF-FDIC Insured		05/29/2020	11/27/2020	182	365	249,400.00	0.455000%	565.83	249,965.83
Total For Education Fund						249,400.00		565.83	249,965.83
Total for Bank of China, NY						249,400.00		565.83	249,965.83

Bank Rhode Island, RI

<u>Education Fund</u>		Purchase Date	Mature Date	Length	Basis	Purchase	Interest %	Total Interest	Total
ISDLAF-FDIC Insured		05/15/2020	11/27/2020	196	365	249,500.00	0.301000%	403.27	249,903.27
Total For Education Fund						249,500.00		403.27	249,903.27
Total for Bank Rhode Island, RI						249,500.00		403.27	249,903.27

Brookline Bank, MA

<u>Education Fund</u>		Purchase Date	Mature Date	Length	Basis	Purchase	Interest %	Total Interest	Total
ISDLAF-FDIC Insured		05/15/2020	11/27/2020	196	365	249,500.00	0.301000%	403.27	249,903.27
Total For Education Fund						249,500.00		403.27	249,903.27
Total for Brookline Bank, MA						249,500.00		403.27	249,903.27

CIBC Bank USA-Private Bank, MI

Open Investment Report for Sunset Ridge School District 29

Purchased before: 9/30/2020 Matured after: 10/1/2020

10/1/2020 9:49:09 AM

<u>Education Fund</u>	Purchase Date	Mature Date	Length	Basis	Purchase	Interest %	Total Interest	Total
ISDLAF-FDIC Insured	04/30/2020	01/14/2021	259	365	249,000.00	0.559000%	987.68	249,987.68
Total For Education Fund					249,000.00		987.68	249,987.68
Total for CIBC Bank USA-Private Bank, MI					249,000.00		987.68	249,987.68

Crossfirst Bank, KS

<u>Education Fund</u>								
ISDLAF-FDIC Insured	04/30/2020	01/28/2021	273	365	248,600.00	0.700000%	1,301.57	249,901.57
Total For Education Fund					248,600.00		1,301.57	249,901.57
Total for Crossfirst Bank, KS					248,600.00		1,301.57	249,901.57

Customers Bank, NY

<u>Education Fund</u>								
ISDLAF-FDIC Insured	06/30/2020	01/28/2021	212	365	249,600.00	0.254000%	368.23	249,968.23
Total For Education Fund					249,600.00		368.23	249,968.23
Total for Customers Bank, NY					249,600.00		368.23	249,968.23

Farmers Bank & Trust N.A., KS

<u>Education Fund</u>								
ISDLAF-FDIC Insured	06/15/2020	11/27/2020	165	365	249,800.00	0.120000%	135.51	249,935.51
Total For Education Fund					249,800.00		135.51	249,935.51
Total for Farmers Bank & Trust N.A., KS					249,800.00		135.51	249,935.51

Fieldpoint Private Bank & Trust, CT

<u>Education Fund</u>								
ISDLAF-FDIC Insured	09/15/2020	06/14/2021	272	365	249,800.00	0.070000%	130.31	249,930.31

Open Investment Report for Sunset Ridge School District 29

Purchased before: 9/30/2020 Matured after: 10/1/2020

10/1/2020 9:49:09 AM

Purchase Date	Mature Date	Length	Basis	Purchase	Interest %	Total Interest	Total
Total For Education Fund				249,800.00		130.31	249,930.31
Total for Fieldpoint Private Bank & Trust, CT				249,800.00		130.31	249,930.31

Financial Federal Savings Bank, TN

<u>Education Fund</u>							
ISDLAF-FDIC Insured	07/15/2020	02/12/2021	212	365	249,700.00	0.150000%	217.55
Total For Education Fund				249,700.00		217.55	249,917.55
Total for Financial Federal Savings Bank, TN				249,700.00		217.55	249,917.55

First National Bank NA, ME

<u>Education Fund</u>							
ISDLAF-FDIC Insured	07/31/2020	03/11/2021	223	365	249,800.00	0.082000%	125.15
Total For Education Fund				249,800.00		125.15	249,925.15
Total for First National Bank NA, ME				249,800.00		125.15	249,925.15

Grand Bank, OK

<u>Education Fund</u>							
ISDLAF-FDIC Insured	04/30/2020	01/14/2021	259	365	249,200.00	0.443000%	783.36
Total For Education Fund				249,200.00		783.36	249,983.36
Total for Grand Bank, OK				249,200.00		783.36	249,983.36

Northbrook Bank & Trust-Wintrust, IL

<u>Education Fund</u>							
MaxSafe TM MMSA Public Funds	03/13/2020	10/14/2020	215	365	750,000.00	1.417000%	6,260.03
MaxSafe TM MMSA Public Funds	03/13/2020	10/29/2020	230	365	750,000.00	1.417000%	6,696.78
MaxSafe TM MMSA Public Funds	03/13/2020	11/12/2020	244	365	750,000.00	1.417000%	7,104.41
MaxSafe TM MMSA Public Funds	03/13/2020	11/27/2020	259	365	500,000.00	1.417000%	5,027.44

Open Investment Report for Sunset Ridge School District 29
Purchased before: 9/30/2020 Matured after: 10/1/2020

10/1/2020 9:49:09 AM

	Purchase Date	Mature Date	Length	Basis	Purchase	Interest %	Total Interest	Total
Collateralized CD	07/15/2020	01/28/2021	197	365	250,000.00	0.100000%	134.93	250,134.93
Collateralized CD	07/31/2020	02/12/2021	196	365	250,000.00	0.050000%	67.12	250,067.12
Collateralized CD	07/31/2020	02/25/2021	209	365	750,000.00	0.050000%	214.73	750,214.73
Collateralized CD	07/31/2020	03/11/2021	223	365	250,000.00	0.050000%	76.37	250,076.37
Collateralized CD	08/14/2020	03/11/2021	209	365	750,000.00	0.050000%	214.73	750,214.73
Collateralized CD	08/14/2020	04/14/2021	243	365	750,000.00	0.050000%	249.66	750,249.66
Collateralized CD	08/14/2020	04/29/2021	258	365	500,000.00	0.100000%	353.42	500,353.42
Collateralized CD	08/31/2020	04/29/2021	241	365	250,000.00	0.100000%	165.07	250,165.07
Collateralized CD	08/31/2020	05/13/2021	255	365	750,000.00	0.100000%	523.97	750,523.97
Collateralized CD	08/31/2020	05/28/2021	270	365	1,000,000.00	0.100000%	739.73	1,000,739.73
Collateralized CD	09/30/2020	06/14/2021	257	365	250,000.00	0.080000%	140.82	250,140.82
Total For Education Fund					8,500,000.00		27,969.21	8,527,969.21
Total for Northbrook Bank & Trust-Wintrust, IL					8,500,000.00		27,969.21	8,527,969.21

Pacific Western Bank, CA

<u>Education Fund</u>								
ISDLAF-FDIC Insured	09/15/2020	06/14/2021	272	365	249,800.00	0.103000%	191.74	249,991.74
Total For Education Fund					249,800.00		191.74	249,991.74
Total for Pacific Western Bank, CA					249,800.00		191.74	249,991.74

PFM Asset Management (IIIT), PA

<u>Education Fund</u>								
Illinois Trust Liquid	03/13/2020	11/27/2020	259	365	500,000.00	1.470000%	5,216.95	505,216.95
Total For Education Fund					500,000.00		5,216.95	505,216.95
Total for PFM Asset Management (IIIT), PA					500,000.00		5,216.95	505,216.95

Servisfirst Bank, FL

Open Investment Report for Sunset Ridge School District 29
Purchased before: 9/30/2020 Matured after: 10/1/2020

10/1/2020 9:49:09 AM

Education Fund						
Purchase Date	Mature Date	Length	Basis	Purchase	Interest %	Total Interest
ISDLAF-FDIC Insured	04/15/2020	12/17/2020	246 365	248,500.00	0.862000%	1,443.70
Total For Education Fund				248,500.00		1,443.70
Total for Servisfirst Bank, FL				248,500.00		1,443.70

TBK Bank, SSB/The National Bank, IL

Education Fund						
ISDLAF-FDIC Insured	04/15/2020	12/17/2020	246 365	248,800.00	0.700000%	1,173.79
Total For Education Fund				248,800.00		1,173.79
Total for TBK Bank, SSB/The National Bank, IL				248,800.00		1,173.79

Texas Capital Bank, TX

Education Fund						
ISDLAF-FDIC Insured	09/30/2020	06/29/2021	272 365	249,700.00	0.150000%	279.12
Total For Education Fund				249,700.00		279.12
Total for Texas Capital Bank, TX				249,700.00		279.12

Third Coast Bank, SSB, TX

Education Fund						
ISDLAF-FDIC Insured	04/30/2020	01/14/2021	259 365	247,900.00	0.604000%	1,062.48
Total For Education Fund				247,900.00		1,062.48
Total for Third Coast Bank, SSB, TX				247,900.00		1,062.48

Western Alliance Bank/Torrey Pines Bank, CA

Education Fund						
ISDLAF-FDIC Insured	07/15/2020	02/12/2021	212 365	249,700.00	0.152000%	220.45

Open Investment Report for Sunset Ridge School District 29

Purchased before: 9/30/2020 Matured after: 10/1/2020

Purchase Date	Mature Date	Length	Basis	Purchase	Interest %	Total Interest	Total
Total For Education Fund				249,700.00		220.45	249,920.45
Total for Western Alliance Bank/Torrey Pines				249,700.00		220.45	249,920.45
Total for Sunset Ridge School District 29							
				13,487,100.00		44,161.34	13,531,261.34
Grand Total							
				13,487,100.00		44,161.34	13,531,261.34