

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

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

Discount rate

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2021 was projected to be available to make all projected future benefit payments 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 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1 % Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$777,456	\$627,751	\$ 503,400

TRS fiduciary net position

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

B. Illinois Municipal Retirement Fund

IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois

WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

IMRF Plan Description (Continued)

Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

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

WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

- **Mortality**

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

- **Other Information:**

Notes: There were no benefit changes during the year.

A detailed description of the actuarial assumption methods can be found in the December 31, 2021 Illinois Municipal Retirement Fund annual actuarial valuation report.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 6.	RETIREMENT FUND COMMITMENTS (Continued)
----------------	--

B. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/21</u>	Projected Returns/Risk	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	39%	24.89%	3.25%	1.90%
International Equities	15%	9.78%	4.89%	3.15%
Fixed Income	25%	(0.44)%	(0.50)%	(0.60)%
Real Estate	10%	21.95%	4.20%	3.30%
Alternatives	10%	46.46%		
Private Equity		N/A	8.85%	5.50%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	2.90%	1.70%
Cash Equivalents	1%	2.44%	(0.90)%	(0.90)%

Single Discount Rate

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	\$ 9,952,791	\$ 9,874,958	\$ 77,833
Changes for the year:			
Service Cost	173,648	-	173,648
Interest on the Total Pension Liability	706,593	-	706,593
Changes of Benefit Terms	-	-	-
Differences Between Expected and Experience of Total Pension Liability	264,879	-	264,879
Changes of Assumptions	-	-	-
Contributions - Employer	-	224,834	(224,834)
Contributions - Employees	-	88,286	(88,286)
Net Investment Income	-	1,686,090	(1,686,090)
Benefit Payments, including Refunds of Employee Contributions	(587,012)	(587,012)	-
Other (Net Transfer)	-	77,036	(77,036)
Net Changes	558,108	1,489,234	(931,126)
Balances at December 31, 2021	\$ 10,510,899	\$ 11,364,192	\$ (853,293)

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Single Discount Rate

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

	1% Decrease	Current Single Discount	1% Increase
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
Net Pension Liability/(Asset)	\$ 272,470	\$ (853,293)	\$(1,784,047)

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

For the year ended June 30, 2022, the Employer recognized pension expense of \$220,148. Deferred outflows of resources and deferred inflows of resources related to pensions are not applicable due to the district preparing its financial statements in accordance with the cash basis of accounting, which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP) as indicated in Note 1.

C. Social Security

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$134,723, the total required contribution for current fiscal year.

Note 7. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of changes in General Long-Term Debt for the year ended June 30, 2022:

Bonds Payable, July 1, 2021	\$ 7,210,000
Bonds Issued during the year	-0-
Bonds Retired/Refunded during the year	<u>(610,000)</u>
Bonds Payable, June 30, 2022	<u>\$ 6,600,000</u>
Current Portion	<u>\$ 655,000</u>

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 7. CHANGES IN GENERAL LONG-TERM DEBT (Continued)

Bonds payable at June 30, 2022 is comprised of the following individual issues:

- Original issue \$1,525,000, dated February 29, 2016, general obligation school building bonds, due in annual installments of \$185,000 to \$285,000 through 2022; provides for serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at interest rates ranging from 1.90% to 2.25%.
- Original issue \$6,810,000, dated December 18, 2020, general obligation refunding bonds, due in annual installments of \$410,000 to \$835,000 through 2031; provides for serial retirement of principal on December 1 and interest payable on June 1 and December of each year at an interest rate of 3.00%.

At June 30, 2022, the annual cash flow requirements of bond principal and interest are as follows:

Year Ended June 30,	2016 Issue		
	Principal	Interest	Sub-Total
2023	\$ 200,000	\$ 2,250	\$ 202,250
Total	\$ 200,000	\$ 2,250	\$ 202,250
Year Ended June 30,	2020 Issue		
	Principal	Interest	Sub-Total
2023	\$ 455,000	\$ 185,175	\$ 640,175
2024	500,000	170,850	670,850
2025	530,000	155,400	685,400
2026	570,000	138,900	708,900
2027	615,000	121,125	736,125
2028	655,000	102,075	757,075
2029	705,000	81,675	786,675
2030	745,000	59,925	804,925
2031	790,000	36,900	826,900
2032	835,000	12,525	847,525
Total	\$ 6,400,000	\$ 1,064,550	\$ 7,464,550

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 7. CHANGES IN GENERAL LONG-TERM DEBT (Continued)

Year Ended June 30,	Totals		
	Principal	Interest	Sub-Total
2023	\$ 655,000	\$ 187,425	\$ 842,425
2024	500,000	170,850	670,850
2025	530,000	155,400	685,400
2026	570,000	138,900	708,900
2027	615,000	121,125	736,125
2028	655,000	102,075	757,075
2029	705,000	81,675	786,675
2030	745,000	59,925	804,925
2031	790,000	36,900	826,900
2032	835,000	12,525	847,525
Total	\$ 6,600,000	\$ 1,066,800	\$ 7,666,800

The Illinois School Code limits the amount of indebtedness to 13.8% of the most recent available equalized assessed valuation of the District.

The legal debt margin at June 30, 2022 is as follows:

Assessed Valuation - 2021	<u>\$ 163,359,343</u>
Debt Limit - 13.8% of assessed valuation	<u>\$ 22,543,589</u>
Less: Long-term indebtedness	(6,600,000)
Portion of BASSC Obligations	(175,431)
Legal Debt Margin Remaining	<u>\$ 15,768,158</u>

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8. COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common interest-bearing checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board of Education.

Note 9. BUDGET

The District operated within the legal confines of the budget during the year ended June 30, 2022 except for the Educational and Debt Services Funds in which expenditures exceeded budget amounts.

Note 10. COMMITMENTS

A. Agreement with BASSC

The District is one of 23 members of the Belleville Area Special Services Cooperative (BASSC). Originally, it entered into a ten-year agreement to aid in the construction and equipping of a facility that will provide services for the District's Special Education children and Early Childhood Programs. The District will be obligated to pay its portion over a 20-year period. The District's portion, which was based on a percentage of the Equalized Assessed Valuation of the 24 participants for 2015, was \$251,933, which included principal of \$188,703 and interest of \$63,230.

At June 30, 2022, the eighteen remaining future payments under the agreement with BASSC are as follows:

Year Ended June 30,	Amount
2023	\$ 12,856
2024	12,946
2025	12,797
2026	12,864
2027	12,915
2028 – 32	63,794
2033 – 37	63,975
2038 – 40	38,447
Total	\$ 230,594

The amount of \$10,599 was expended in the Operations and Maintenance Fund during fiscal year 2022.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 10. COMMITMENTS (Continued)

B. Operating Leases

Copier Lease

The District leases eleven (11) copiers with payments of \$2,420 per month under an operating lease expiring in fiscal year 2023.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ <u>2,420</u>	\$ <u>-0-</u>	\$ <u>2,420</u>

Total expenditures charged to the Educational Fund are \$29,040 for fiscal year 2022.

Note 11. CONTINGENCIES

The District has received funding from state and federal grants in the current and prior years which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from these audits will be insignificant to District operations.

Note 12. RISK MANAGEMENT

- Significant losses are covered by commercial insurance for all major programs: property, liability and workers' compensation. During the year ended June 30, 2022, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.
- The District elects to be self-insured for unemployment insurance. The District is therefore liable to the State for any payments made to any of its former employees claiming benefits.
- The District is insured under a retrospectively-rated policy for workers' compensation coverage. The initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2022, there were no significant adjustments in premiums based on actual experience.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 13. EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST

Plan Description

The District contributes to the Egyptian Area Schools Employee Benefit Trust (the Trust), a cost-sharing multiple-employer defined benefit health care plan administered by the Board of Managers of the Trust. The Trust provides medical benefits to active and retired employees of 110 participating employers. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. A copy of the financial report may be obtained by writing to the Egyptian Area Schools Employee Benefit Trust, c/o HealthScope Benefits, P.O. Box 2034, Loves Park, Illinois 61130-0034, or by calling HealthScope Benefits at (800) 972-3025, option 3 x 6105. The financial report is also posted on the Trust's website at www.eitrust.org.

Funding Policy

The Trust Agreement establishing the Trust provides that contribution rates are established and may be modified by the Board of Managers of the Trust. Contribution rates are normally adjusted as of September 1 each year. The individual rates by plan and by employer group will vary dependent on the District's group participation levels, average age, employee count and geographic location. As of June 30, 2022, the District was contractually required to contribute at the following rates for active and retired employees and dependents.

	Plan A	Plan B	Plan C	Plan D
Employee (Retiree)	\$1,005	\$913	\$783	\$669
Employee + Spouse	\$2,075	\$1,875	\$1,625	\$1,374
Employee + child(ren)	\$2,005	\$1,807	\$1,570	\$1,350
Family	\$2,233	\$2,016	\$1,747	\$1,481

Participating employers may require employees and/or retirees to pay some or all of the required contributions to the employer, but the employer has the legal obligation to pay contributions to the Trust. The District requires retirees to pay 100% of the contribution for coverage for retirees and their dependents.

The Board of Managers of the Trust sets the employer contribution rates each year based on an actuarial valuation. The Trust's actuary has determined that as of June 30, 2011 the contribution rates exceed the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to the Trust for the years ending June 30, 2022, June 30, 2021 and June 30, 2020, were \$456,014, \$457,181 and \$505,587, respectively, which equaled the contractually required contributions each year.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 13. EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST (Continued)

Funding Policy (Continued)

The only additional assessment to each district is a withdrawal liability that is charged to any member district leaving the Plan at a time when the Plan experiences a deficit fund balance.

Note 14. OTHER POST-EMPLOYMENT BENEFITS

The District provides post-retirement health care benefits for the retirees and their dependents. All retirees are eligible to continue their health coverage under the District's health insurance plan. The retirees are responsible for the entire premium payment to secure coverage. The Unfunded Actuarial Liability has not been determined as of June 30, 2022.

Teacher Health Insurance Security Fund

General Information about the Postemployment Benefit Plan Other than Pensions

Plan description. The District participates in the Teacher's Health Insurance Security (THIS) Fund which accounts for the Teacher Retirement Insurance Program of Illinois (TRIP or Plan). TRIP is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. TRIP health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. TRIP is administered in accordance with the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) which established the eligibility and benefit provisions of the plan.

Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*, defines special funding situations as circumstances in which a non-employer entity is legally responsible for providing financial support for OPEB of the employees of another entity by making contributions directly to an OPEB plan that is administered through a trust that meets the criteria and with (1) the amount of contributions or benefit payments for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the OPEB plan or (2) the non-employer entity is the only entity with a legal obligation to provide financial support directly to an OPEB plan that is used to provide OPEB of employees of another entity. The State of Illinois is considered a non-employer contributing entity.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 14. OTHER POST-EMPLOYMENT BENEFITS (Continued)
--

Teacher Health Insurance Security Fund (Continued)

Benefits provided. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

A summary of the post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706.

Contributions. The State Employee Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of .90 percent of salary and for every employer of a teacher to contribute an amount equal to .92 percent of each teacher's salary for the year ended June 30, 2022. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriate, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THIS), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under ILCS 376/6.6(a) in that fiscal year. As such, the State of Illinois made on behalf contributions to THIS fund of \$66,809 for the year ended June 30, 2022 and the employer recognized revenue and expenditures of this amount during the year.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 14. OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2022, the Employer recognized an expense of \$49,736. Deferred outflows of resources and deferred inflows of resources related to OPEB are not applicable due to the District preparing its financial statements in accordance with the cash basis of accounting, which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP) as indicated in Note 1.

Note 15. PRIOR YEARS' DEBT DEFEASANCE

In prior years, the District has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Obligations – State and Local Government Series that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the District's financial statements. As of June 30, 2022, the amount of defeased debt outstanding but removed from the Long-Term Debt amounted to \$6,930,000.

Note 16. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Government Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

GASB has approved GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, and GASB No 101, *Compensated Absences*.

Statement No. 91 had its required effective date postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 16. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

When they become effective, application of these standards may restate portions of these financial statements.

Note 17. ECONOMIC UNCERTAINTY CONTINGENCIES – COVID-19 IMPACT

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of economic slowdown. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity.

Note 18. SUBSEQUENT EVENTS

The District evaluates events and transactions that occur subsequent to year-end for potential recognition or disclosure in the financial statements through the date of the Independent Auditor’s Report, which is the date the financial statements were available to be issued. After the June 30, 2022 year end, the District was notified by the Egyptian Benefit Insurance Trust (The Trust), which the District has health insurance for the employees through, that the trust is in financial constraints to pay the claims on file. The Trust is requesting a 13th payment from the Districts to help offset the costs.

OTHER INFORMATION

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**OTHER INFORMATION
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
JUNE 30, 2022**

Fiscal Year Ended June 30,	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 53,074	\$ 53,324	\$ (250)	\$ 6,232,670	0.86%
2015	\$ 54,393	\$ 57,322	\$ (2,929)	\$ 6,220,730	0.92%
2016	\$ 67,870	\$ 67,621	\$ 249	\$ 6,270,930	1.08%
2017	\$ 58,779	\$ 58,845	\$ (66)	\$ 6,435,501	0.91%
2018	\$ 48,113	\$ 48,289	\$ (176)	\$ 6,690,295	0.72%
2019	\$ 47,334	\$ 47,172	\$ 162	\$ 6,748,628	0.70%
2020	\$ 54,789	\$ 60,239	\$ (5,450)	\$ 6,907,033	0.87%
2021	\$ 56,791	\$ 56,791	\$ -0-	\$ 7,217,571	0.79%

Notes to Schedule:

Changes of assumptions

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

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

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and 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.

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

WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS

OTHER INFORMATION
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS (UNAUDITED)
JUNE 30, 2022*

	FY 2014*	FY 2015*	FY 2016*	FY 2017*	FY 2018*	FY 2019*	FY 2020*	FY 2021*
Employer's portion of the net pension liability	0.0015%	0.0016%	0.0018%	0.0014%	0.0009%	0.0009%	0.0008%	0.0008%
Employer's proportionate share of the net pension liability	\$ 905,371	\$ 1,016,933	\$ 1,383,374	\$ 1,089,575	\$ 727,947	\$ 701,015	\$ 708,496	\$ 627,751
State's proportionate share of the net pension liability associated with the employer	38,451,752	40,279,467	49,775,276	47,648,976	49,867,397	49,890,491	55,493,080	52,612,181
Total	\$39,357,123	\$41,296,400	\$51,158,650	\$48,738,551	\$ 50,595,344	\$50,591,506	\$56,201,576	\$ 53,239,932
Employer's covered-employee payroll	\$ 6,232,670	\$ 6,220,730	\$ 6,270,930	\$ 6,435,501	\$ 6,690,295	\$ 6,748,628	\$ 6,907,033	\$ 7,217,235
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	14.5262%	16.3475%	22.0601%	16.9307%	10.8806%	10.3875%	10.2576%	8.6979%
Plan fiduciary net position as a percentage of the total pension liability	43.0%	41.5%	36.4%	39.3%	40.0%	39.6%	37.8%	45.1%

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

Notes to Schedule:

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

See Accompanying Notes to Other Information

WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS

OTHER INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
CALENDAR YEAR ENDED DECEMBER 31, 2021

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 223,373	\$ 225,913	\$ (2,540)	\$ 1,659,531	13.61%
2015	232,954	232,954	-0-	1,680,764	13.86%
2016	225,801	225,800	1	1,662,744	13.58%
2017	205,831	205,830	1	1,709,562	12.04%
2018	206,148	205,632	516	1,723,648	11.93%
2019	186,968	186,968	-0-	1,813,458	10.31%
2020	215,325	224,219	(8,894)	1,823,240	12.30%
2021	224,833	224,834	(1)	1,961,895	11.46%

Notes to Schedule:**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate*****Valuation Date:****Notes**

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

Methods and Assumptions Used to Determine 2021 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	22-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 17 years for most employers (five employers were financed over 18 years and one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years and one employer was financed over 28 years.).
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:**Notes:**

There were no benefit changes during the year.

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

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

See Accompanying Notes to Other Information

WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS

OTHER INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS (UNAUDITED)
CALENDAR YEAR ENDED DECEMBER 31, 2021

	2014	2015	2016	2017	2018	2019	2020	2021
Calendar Year Ended December 31,								
Total Pension Liability	\$ 195,271	\$ 193,287	\$ 179,926	\$ 188,171	\$ 173,129	\$ 183,899	\$ 191,899	\$ 173,648
Service Cost	528,548	562,391	606,537	637,746	646,768	661,408	689,649	706,593
Interest on the Total Pension Liability	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Changes of Benefit Terms	(191,583)	295,676	114,229	105,380	(39,366)	77,814	5,476	264,879
Differences between Expected and Actual Experience of the Total Pension Liability	321,822	19,017	(29,700)	(289,065)	240,832	-0-	(75,091)	-0-
Changes of Assumptions	(363,450)	(420,158)	(485,067)	(497,881)	(530,950)	(523,966)	(551,197)	(587,012)
Benefit Payments, including Refunds of Employee Contributions	490,608	650,213	385,925	144,351	490,413	399,155	260,736	558,108
Net Change in Total Pension Liability	7,131,390	7,621,998	8,272,211	8,658,136	8,802,487	9,292,900	9,692,055	9,952,791
Total Pension Liability - Beginning	\$ 7,621,998	\$ 8,272,211	\$ 8,658,136	\$ 8,802,487	\$ 9,292,900	\$ 9,692,055	\$ 9,952,791	\$ 10,510,899
Total Pension Liability - Ending (A)								
Plan Fiduciary Net Position	\$ 225,913	\$ 232,954	\$ 225,800	\$ 205,830	\$ 205,632	\$ 186,968	\$ 224,219	\$ 224,834
Contributions - Employer	73,816	75,635	76,404	76,931	77,703	81,605	83,094	88,286
Contributions - Employees	410,427	34,423	474,876	1,335,577	(500,906)	1,488,622	1,283,953	1,686,090
Net Investment Income	(363,450)	(420,158)	(485,067)	(497,881)	(530,950)	(523,966)	(551,197)	(587,012)
Benefit Payments, including Refunds of Employee Contributions	(166,478)	151,652	(16,166)	(134,836)	114,371	7,566	(48,124)	77,036
Other (Net Transfer)	180,228	74,506	275,847	985,621	(634,150)	1,240,795	991,945	1,489,234
Net Change in Plan Fiduciary Net Position	6,780,166	6,940,394	7,014,900	7,290,747	8,276,368	7,642,218	8,883,013	9,874,958
Plan Fiduciary Net Position - Beginning	\$ 6,940,394	\$ 7,014,900	\$ 7,290,747	\$ 8,276,368	\$ 7,642,218	\$ 8,883,013	\$ 9,874,958	\$ 11,364,192
Plan Fiduciary Net Position - Ending (B)								
Net Pension Liability - Ending (A) - (B)	\$ 681,604	\$ 1,257,311	\$ 1,367,389	\$ 526,119	\$ 1,650,682	\$ 809,042	\$ 77,833	\$ (853,293)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.06%	84.80%	84.21%	94.02%	82.24%	91.65%	99.22%	108.12%
Covered Valuation Payroll	\$ 1,659,531	\$ 1,680,764	\$ 1,662,744	\$ 1,709,562	\$ 1,723,648	\$ 1,813,458	\$ 1,823,240	\$ 1,961,895
Net Pension Liability as a Percentage of Covered Valuation Payroll	41.07%	74.81%	82.24%	30.78%	95.77%	44.61%	4.27%	(43.49)%

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

See Accompanying Notes to Other Information

OTHER INFORMATION
TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
JUNE 30, 2022

Fiscal Year Ended June 30,	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2017	\$ 126,136	\$ 126,257	\$ (121)	\$ 6,435,501	1.96%
2018	137,820	138,130	(310)	6,690,295	2.06%
2019	145,770	145,524	246	6,748,628	2.16%
2020	149,192	157,779	(8,587)	6,907,033	2.28%
2021	155,892	155,886	6	7,217,235	2.16%

Notes to Schedule:

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

Valuation Date: June 30, 2020
 Measurement Date: June 30, 2021
 Sponsor's Fiscal Year End: June 30, 2022

Methods and Assumptions Used to Determine 2021 Contribution Rates:

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, 2021, contribution rates are 1.24% of pay for active members, 0.96% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is it finance current year costs plus a margin for incurred but not paid plan costs.

Asset Valuation Method: Market Value
 Investment Rate of Return: 2.75%, 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 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 Trends: Trend used fiscal year end 2022 based on premium increases. For fiscal years on and after 2023, trend starts at 8.00% for non-Medicare costs and post-Medicare costs, and gradually decreases to an ultimate trend of 4.25%.

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.

Other Information:

Notes: Annual money-weighted rate of return, net of OPEB plan investment expense, including inflation is 0.320% for 2021, 1.732% for 2020, 2.038% for 2019, 1.301% for 2018, 0.678% for 2017, and 0.382% for 2016.

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

See Accompanying Notes to Other Information

WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS

OTHER INFORMATION
TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS (UNAUDITED)
JUNE 30, 2022

Fiscal Year Ended June 30,	2017	2018	2019	2020	2021
Employer's proportion of the net pension liability	0.027977%	0.028223%	0.027456%	0.027302%	0.027803%
Employer's proportionate share of the net pension liability	\$ 7,259,837	\$ 7,435,640	\$ 7,599,120	\$ 7,299,502	\$ 6,132,136
Covered Valuation Payroll	\$ 6,435,501	\$ 6,690,295	\$ 6,748,628	\$ 6,907,033	\$ 7,217,235
Net Pension Liability as a Percentage of Covered Valuation Payroll	112.81%	111.14%	112.60%	105.68%	84.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	-0.17%	-0.07%	0.25%	0.70%	1.40%

Notes to Schedule:

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

See Accompanying Notes to Other Information

Due to ROE on Friday, October 14, 2022
 Due to ISBE on Tuesday, November 15, 2022
 SD/JA22

ILLINOIS STATE BOARD OF EDUCATION
 School Business Services Department
 100 North First Street, Springfield, Illinois 62777-0001
 217785-8779

School District
 Joint Agreement

**Illinois School District/Joint Agreement
 Annual Financial Report ***
 June 30, 2022

School District/Joint Agreement Information <i>(See instructions on inside of this page.)</i>		Accounting Basis:		Certified Public Accountant Information	
School District/Joint Agreement Number: 13014003026		<input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL		Name of Auditing Firm: Rice Sullivan, LLC	
County Name: Clinton/St. Clair		School District Lookup Tool: _____		Name of Audit Manager: Bill R. Dixon, CPA	
Name of School District/Joint Agreement (use drop-down arrow to locate district, RCDDT will populate): Wescelin CUSD 3		School District Directory: _____		Address: 3121 North Illinois Street, Suite A	
Address: 699 Wescelin Road		Filing Status: Submit electronic AFR directly to ISBE via IVAS - School District Financial Reports system (for auditor use only) Annual Financial Report (AFR) Instructions.		City: _____ State: IL Zip Code: 62226	
City: Trenton				Phone Number: 618-233-0186	
Email Address: filjawi@wescelin.k12.il.us				Fax Number: 618-234-5804	
Zip Code: 62293				IL License Number (9 digit): 065.024036 Expiration Date: 9/30/2024	
<p>Annual Financial Report Type of Auditor's Report Issued: <input type="checkbox"/> Qualified <input checked="" type="checkbox"/> Adverse <input type="checkbox"/> Disclaimer <input checked="" type="checkbox"/> Reviewed by District Superintendent/Administrator</p>		<p>Annual Financial Report Questions 217-785-8779 or finance1@isbe.net Single Audit Questions 217-782-5630 or GATA@isbe.net</p>		<p><input type="checkbox"/> Reviewed by Regional Superintendent/Cook ISC Name of Township: _____ Township Treasurer Name (type or print): _____ District Superintendent/Administrator Name (Type or Print): Jennifer Filyaw</p>	
<p>Email Address: filjawi@wescelin.k12.il.us</p>		<p>Email Address: _____</p>		<p>Regional Superintendent/Cook ISC Name (Type or Print): _____</p>	
<p>Telephone: 618-224-7583</p>		<p>Telephone: _____</p>		<p>Telephone: _____ Fax Number: _____</p>	
<p>Signature & Date: _____</p>		<p>Signature & Date: _____</p>		<p>Signature & Date: _____</p>	

* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100).
ISBE Form SD50-35/JA50-60 (05/22-version1)
 13-014-0030-26_AFR22 Wescelin CUSD 3

This form is based on 23 Illinois Administrative Code, Subtitle A, Chapter I, Subchapter C, Part 100.
 In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule.
 Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

AUDITOR'S QUESTIONNAIRE

INSTRUCTIONS: If your review and testing of state, local, and federal Programs revealed any of the following statements to be true, then check the box on the left and attach the appropriate findings/comments.

PART A - FINDINGS

- 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interested statements pursuant to the *Illinois Government Ethics Act. [5 ILCS 420/4A-101]*
- 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to *Illinois School Code [105 ILCS 5/8-2;10-20.19;19-6].*
- 3. One or more contracts were executed or purchases made contrary to the provisions of the *Illinois School Code [105 ILCS 5/10-20.21].*
- 4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted *[30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.].*
- 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
- 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *Illinois State Revenue Sharing Act [30 ILCS 115/12].*
- 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization per *Illinois School Code [105 ILCS 5/10-22.33, 20-4 and 20-5].*
- 10. One or more interfund loans were outstanding beyond the term provided by statute *Illinois School Code [105 ILCS 5/10-22.33, 20-4, 20-5].*
- 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization per *Illinois School Code [105 ILCS 5/17-2A].*
- 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to *Illinois School Code [105 ILCS 5/2-3.27; 2-3.28].*
- 14. At least one of the following forms was filed with ISBE late: The FY21 AFR (ISBE FORM 50-35), FY21 Annual Statement of Affairs (ISBE Form 50-37) and FY22 Budget (ISBE FORM 50-36). Explain in the comments box below in pursuant to *Illinois School Code [105 ILCS 5/3-15.1; 5/10-17; 5/17-1].*

PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to the Illinois School Code [105 ILCS 5/1A-8].

- 15. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by *Illinois School Code [105 ILCS 5/17-16 or 34-23 through 34-27].*
- 16. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- 17. The district has issued school or teacher orders for wages as permitted in *Illinois School Code [105 ILCS 5/8-16, 32-7.2 and 34-76]* or issued funding bonds for this purpose pursuant to *Illinois School Code [105 ILCS 5/8-6; 32-7.2; 34-76; and 19-8].*
- 18. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

PART C - OTHER ISSUES

- 19. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- 20. Findings, other than those listed in Part A (above), were reported (e.g. student activity findings). These findings may be described extensively in the financial notes.
- 21. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: _____ (Ex: 00/00/0000)
- 22. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3120, 3500, 3510, 3950) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score. In FY 2022, identify those late payments recorded as Intergovernmental Receivables, Other Receivables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

24. Enter the date that the district used to accrue mandated categorical payments

Date:

25. For the listed mandated categorical (Revenue Code (3100, 3120, 3500, 3510, 3950) that were vouchered prior to June 30, but not released until after year end as reported in ISBE Financial Reimbursement Information System (FRIS), enter the amounts that were accrued in the chart below.

Account Name	3100	3120	3500	3510	3950	Total
Deferred Revenues (490)						
Mandated Categoricals Payments (3100, 3120, 3500, 3510, 3950)						\$-
Direct Receipts/Revenue						
Mandated Categoricals Payments (3100, 3120, 3500, 3510, 3950)						\$-
Total						\$-

- Revenue Code (3100-Sp Ed Private Facilities, 3120-Sp Ed Regular Orphanage Individual, 3500-Regular/Vocational Transportation, 3510-Sp Ed Transportation, 3950-Regular Orphans & Foster Children)

PART E - QUALIFICATIONS OF AUDITING FIRM

- School district/joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review.
- A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

Comments Applicable to the Auditor's Questionnaire:

Rice Sullivan, LLC

Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.

Brian R. Sullivan, CPA
Signature

11/21/2022
mm/dd/yyyy

Note: A PDF (of the Audit Questionnaire) with signature is acceptable for this page. Enter the location on signature line e.g. PDF in Opinion Page with signature

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	FINANCIAL PROFILE INFORMATION												
2													
3	<i>Required to be completed for school districts only.</i>												
4													
5	A. Tax Rates (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	Tax Year 2021			Equalized Assessed Valuation (EAV):					163,359,343				
8													
9	Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash				
10	Rate(s): 0.022400		+ 0.005000		+ 0.002000		= 0.029400		0.000500				
11													
12													
13	A tax rate must be entered in the Educational, Operations and Maintenance, Transportation, and Working Cash boxes above. If the tax rate is zero, enter "0".												
14	B. Results of Operations *												
15													
16	Receipts/Revenues		Disbursements/ Expenditures		Excess/ (Deficiency)		Fund Balance						
17	13,383,205		12,857,011		526,194		3,295,846						
18	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
19													
20													
21	C. Short-Term Debt **												
22	CPPRT Notes		TAWs		TANs		TO/EMP. Orders		EBF/GSA Certificates				
23	0		+ 0		+ 0		+ 0		+ 0				
24	Other		Total										
25	0		= 0										
26	** The numbers shown are the sum of entries on page 26.												
27													
28													
29	D. Long-Term Debt												
30	Check the applicable box for long-term debt allowance by type of district.												
31													
32	<input type="checkbox"/> a. 6.9% for elementary and high school districts,		22,543,589										
33	<input checked="" type="checkbox"/> b. 13.8% for unit districts.												
34													
35	Long-Term Debt Outstanding:												
36													
37	c. Long-Term Debt (Principal only)		Acct										
38	Outstanding:.....		511		6,600,000								
39													
40													
41	E. Material Impact on Financial Position												
42	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods. Attach sheets as needed explaining each item checked.												
43													
44													
45	<input type="checkbox"/> Pending Litigation												
46	<input type="checkbox"/> Material Decrease in EAV												
47	<input type="checkbox"/> Material Increase/Decrease in Enrollment												
48	<input type="checkbox"/> Adverse Arbitration Ruling												
49	<input type="checkbox"/> Passage of Referendum												
50	<input type="checkbox"/> Taxes Filed Under Protest												
51	<input type="checkbox"/> Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)												
52	<input type="checkbox"/> Other Ongoing Concerns (Describe & Itemize)												
53													
54	Comments:												
55													
56													
57													
58													
59													
60													
61													
62													

A	B	C	D	E	F	G	H	I	K	L	M	N	O	P	Q	R
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

ESTIMATED FINANCIAL PROFILE SUMMARY
[Financial Profile Website](#)

District Name: Wesclin CUSD 3
District Code: 13014003026
County Name: Clinton/St. Clair

1. Fund Balance to Revenue Ratio:
 Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)
 Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)
 Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)
 (Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)

Total 3,295,846.00
 Funds 10, 20, 40, 70 + (50 & 80 if negative)
 13,354,165.00
 (29,040.00)
Ratio 0.247
Score Weight Value 3 0.35 1.05

2. Expenditures to Revenue Ratio:
 Total Sum of Direct Revenues (P7, Cell C17, D17, F17, I17)
 Total Sum of Direct Expenditures (P7, Cell C8, D8, F8, & I8)
 Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)
 (Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)
 Possible Adjustment:

Total 12,857,011.00
 Funds 10, 20 & 40
 13,354,165.00
 (29,040.00)
Ratio 0.963
Score Adjustment Weight Value 4 0 0.35 1.40

3. Days Cash on Hand:
 Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)
 Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)

Total 3,295,846.00
 Funds 10, 20, 40 & 70
 35,713.92
Days 92.28
Score Weight Value 3 0.10 0.30

4. Percent of Short-Term Borrowing Maximum Remaining:
 Tax Anticipation Warrants Borrowed (P26, Cell F6-7 & F11)
 EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)

Total 0.00
 Funds 10, 20 & 40
 4,082,349.98
Percent 100.00
Score Weight Value 4 0.10 0.40

5. Percent of Long-Term Debt Margin Remaining:
 Long-Term Debt Outstanding (P3, Cell H38)
 Total Long-Term Debt Allowed (P3, Cell H32)

Total 6,600,000.00
 Funds 10, 20, 40 & 70
 22,543,589.33
Percent 70.72
Score Weight Value 3 0.10 0.30

Total Profile Score: 3.45 *

Estimated 2023 Financial Profile Designation: REVIEW

* Total Profile Score may change based on data provided on the Financial Profile Information page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2022

	A	B	C	D	E	F	G	H	I	J	K
	ASSETS (Enter Whole Dollars)	Acct. #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
1											
2	CURRENT ASSETS (100)										
3	Cash (Accounts 111 through 115) ¹	120	311,507			1,024	15,665				
4	Investments	130	902,608	268,265	2,934	397,380	233,757		1,415,062	109,770	461,881
5	Taxes Receivable	140									
6	Interfund Receivables	150									
7	Intergovernmental Accounts Receivable	160									
8	Inventory	170									
9	Prepaid Items	180									
10	Other Current Assets (Describe & Itemize)	190									
11	Total Current Assets		1,214,115	268,265	2,934	398,404	249,422	0	1,415,062	109,770	461,881
12	CAPITAL ASSETS (200)										
13	Works of Art & Historical Treasures	210									
14	Land	220									
15	Building & Building Improvements	230									
16	Site Improvements & Infrastructure	240									
17	Capitalized Equipment	250									
18	Construction in Progress	260									
19	Amount Available in Debt Service Funds	340									
20	Amount to be Provided for Payment on Long-Term Debt	350									
21	Total Capital Assets										
22	CURRENT LIABILITIES (400)										
23	Interfund Payables	410									
24	Intergovernmental Accounts Payable	420									
25	Other Payables	430									
26	Contracts Payable	440									
27	Loans Payable	460									
28	Salaries & Benefits Payable	470									
29	Payroll Deductions & Withholdings	480									
30	Deferred Revenues & Other Current Liabilities	490									
31	Due to Activity Fund Organizations	493									
32	Total Current Liabilities		0	0	0	0	0	0	0	0	0
33	LONG-TERM LIABILITIES (500)										
34	Long-Term Debt Payable (General Obligation; Revenue; Other)	511									
35	Reserved Fund Balance	714	319,713	22,994	2,934	398,404	249,422		1,415,062	109,770	461,881
36	Investment in General Fixed Assets	730	894,402	245,271							
37	Total Liabilities and Fund Balance		1,214,115	268,265	2,934	398,404	249,422	0	1,415,062	109,770	461,881
38	ASSETS / LIABILITIES for Student Activity Funds										
39	CURRENT ASSETS (100) for Student Activity Funds										
40	Student Activity Fund Cash and Investments	126	165,911								
41	Total Student Activity Current Assets For Student Activity Funds		165,911								
42	CURRENT LIABILITIES (400) for Student Activity Funds										
43	Total Current Liabilities For Student Activity Funds	715	0								
44	Reserved Student Activity Fund Balance For Student Activity Funds		165,911								
45	Total Student Activity Liabilities and Fund Balance For Student Activity Funds		165,911								
46	Total ASSETS / LIABILITIES District with Student Activity Funds										
47	Total Current Assets District with Student Activity Funds		1,380,026	268,265	2,934	398,404	249,422	0	1,415,062	109,770	461,881
48	Total Capital Assets District with Student Activity Funds										
49	Total Current Liabilities District with Student Activity Funds		0	0	0	0	0	0	0	0	0
50	Total Long-Term Liabilities District with Student Activity Funds										
51	Total Long-Term Liabilities District with Student Activity Funds										
52	Reserved Fund Balance District with Student Activity Funds	714	485,624	22,994	0	0	0	0	0	0	461,881
53	Investment in General Fixed Assets District with Student Activity Funds	730	894,402	245,271	2,934	398,404	249,422	0	1,415,062	0	0
54	Total Liabilities and Fund Balance District with Student Activity Funds		1,380,026	268,265	2,934	398,404	249,422	0	1,415,062	109,770	461,881

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