

Kenilworth School District No. 38

Kenilworth, Illinois

Annual Financial Report

For the Year Ended June 30, 2022



KENILWORTH SCHOOL DISTRICT NO. 38

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Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Kenilworth School District No. 38
Kenilworth, IL

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Kenilworth School District No. 38, Kenilworth, Illinois, (the District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Kenilworth School District No. 38, as of June 30, 2022, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kenilworth School District No. 38, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kenilworth School District No. 38's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kenilworth School District No. 38's ability to continue as a going concern for a reasonable period of time.

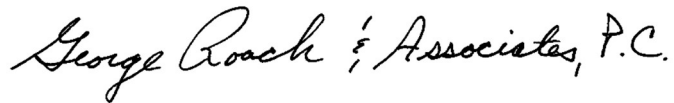
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in cursive script that reads "George Roach & Associates, P.C.".

George Roach & Associates

October 3, 2022

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Education
Kenilworth School District No. 38
Kenilworth, IL

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kenilworth School District No. 38, Kenilworth, Illinois, (the District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Kenilworth School District No. 38, Kenilworth's basic financial statements, and have issued our report thereon dated October 3, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kenilworth School District No. 38's internal control over financial reporting (internal control) as a basis for designing 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 Kenilworth School District No. 38's internal control. Accordingly, we do not express an opinion on the effectiveness of Kenilworth School District No. 38's internal control.

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

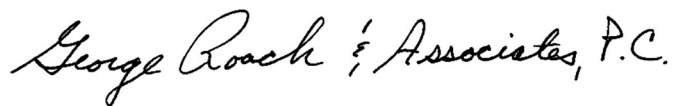
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kenilworth School District No. 38'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in black ink that reads "George Roach & Associates, P.C." The signature is written in a cursive, flowing style.

George Roach & Associates

October 3, 2022

KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited
Year Ended June 30, 2022

This section of the Kenilworth School District No 38's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2022. The intent of the Management's Discussion and Analysis (MD&A) is to look at Kenilworth School District No. 38's financial performance as a whole. Readers should also review the District's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2022 by \$29,500,794 (net position). Of this amount, \$10,224,949 (unrestricted net position) may be used to meet the District's ongoing operation financial obligations.
- The District's total net position increased by \$2,089,984.
- At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$24,561,350, a decrease of \$1,010,521 from the prior year.
- At June 30, 2022, the fund balance for the General Fund was \$13,433,165.
- The District's total net capital assets increased by \$2,321,241 during the year ended June 30, 2022.

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, and
- Notes to the financial statements

This report also contains other information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements report information about the District as a whole using accounting methods (modified cash basis) similar to those used in private-sector companies. The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two 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 District's net position increased by \$2,089,984 in fiscal year 2022.

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.

Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial

KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited
Year Ended June 30, 2022

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.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Operations & Maintenance, Debt Service, Transportation, Municipal Retirement, Capital Projects and Tort Funds, all of which are considered major 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.

An activity fund (fiduciary fund) is maintained by the District and financial information on that fund is included in the audit report.

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 other information concerning the District's progress in funding its obligation to provide pension benefits to its non-certificated employees.

KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited

Year Ended June 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A condensed statement of net position and statement of activities is presented below:

Kenilworth School District No. 38 Net Position

	Governmental Activities	
	June 30, 2022	June 30, 2021
Assets		
Current and Other Assets	\$ 25,363,939	\$ 26,503,984
Capital Assets	11,602,660	9,281,419
Total Assets	<u>\$ 36,966,599</u>	<u>\$ 35,785,403</u>
Liabilities		
Payroll Liabilities	\$ 802,589	\$ 932,113
Long-Term Debt		
Current Portion	799,264	779,264
Non-current Portion	5,863,952	6,663,216
Total Liabilities	<u>7,465,805</u>	<u>8,374,593</u>
Net Position:		
Net Investment in Capital Assets	8,147,660	5,176,419
Restricted	11,128,185	13,203,912
Unrestricted	10,224,949	9,030,479
Total Net Position	<u>\$ 29,500,794</u>	<u>\$ 27,410,810</u>

At June 30, 2022, the District is able to report positive balances in all three categories of net position. The District's net position increased by \$2,089,984 in comparison with the prior year.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$10,224,949, may be used to meet the District's ongoing operating obligations.

KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited

Year Ended June 30, 2022

Key elements of the changes to net position by governmental activities are as follows:

Kenilworth School District No. 38 Changes in Net Position

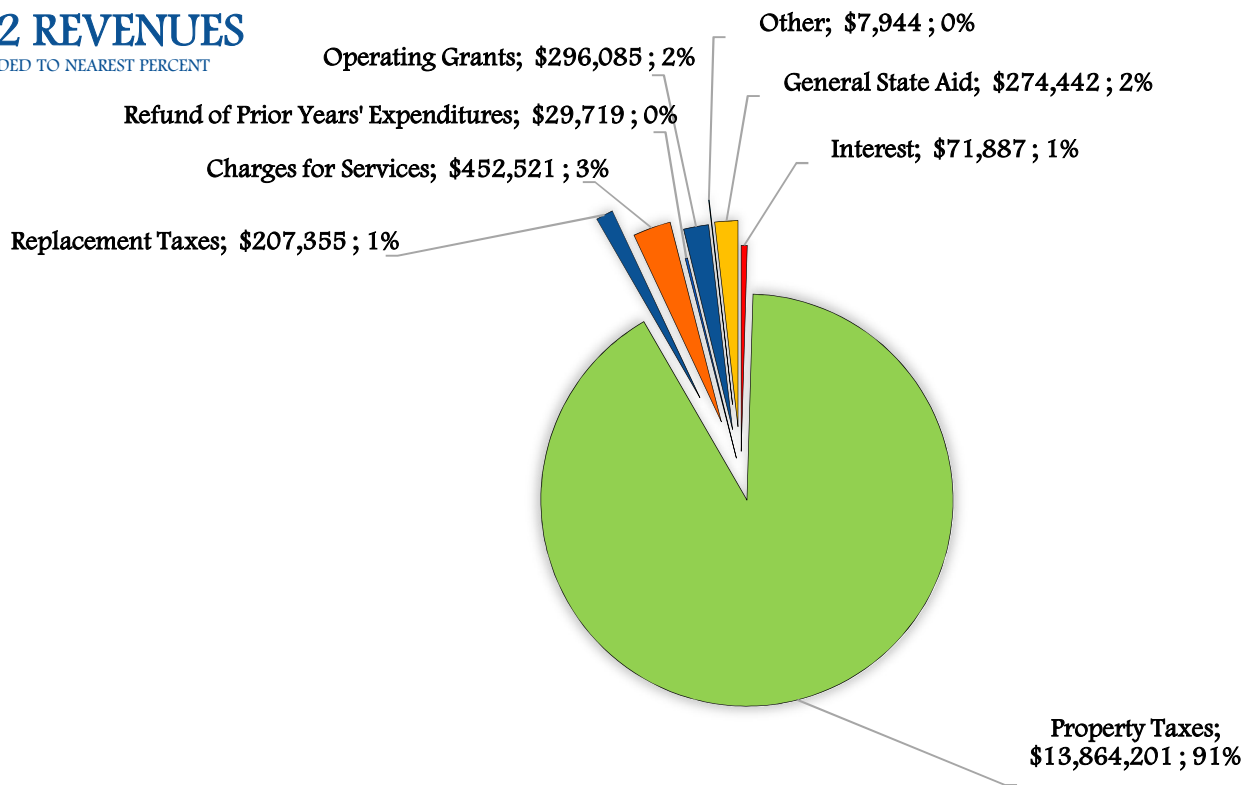
	Governmental Activities	
	June 30, 2022	June 30, 2021
Revenues		
Program Revenues		
Charges for Services	\$ 452,521	\$ 403,257
Operating Grants	296,085	329,698
General Revenues		
Property Taxes	13,864,201	13,266,879
Replacement Taxes	207,355	95,129
Interest	71,887	311,892
General State Aid	274,442	274,019
Refund of Prior Years' Expenditures	29,719	26,357
Other	7,944	4,950
Total Revenues	15,204,154	14,712,181
Expenses		
Instruction	7,178,442	7,436,997
Support Services	4,795,127	4,657,963
Payments to Other Governmental Units	418,520	390,801
Interest	185,855	219,978
Depreciation - Unallocated	536,226	474,637
Total Expenses	13,114,170	13,180,376
Increase (Decrease) in Net Position	2,089,984	1,531,805
Net Position - Beginning of Year	27,410,810	25,879,005
Net Position - End of Year	\$ 29,500,794	\$ 27,410,810

KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited
Year Ended June 30, 2022

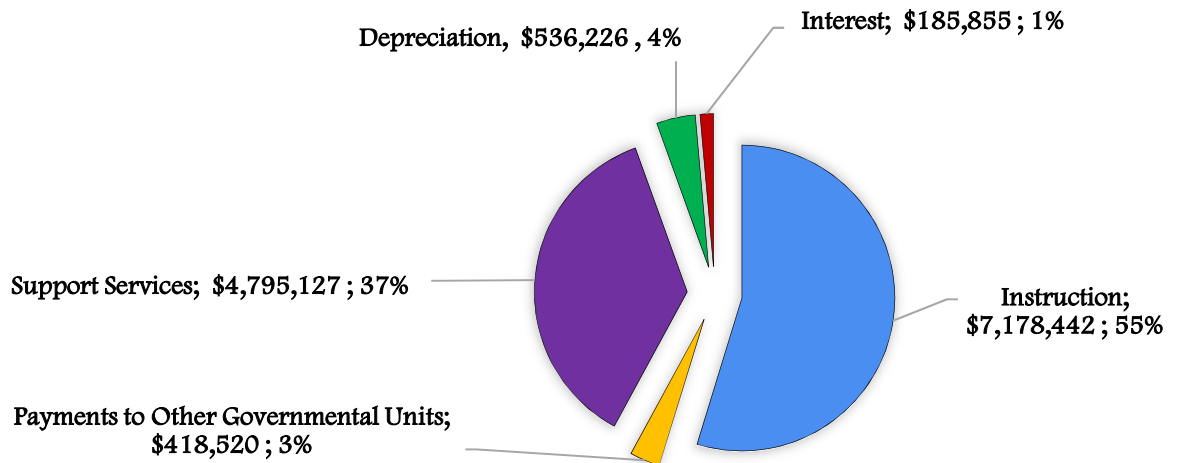
2022 REVENUES

ROUNDED TO NEAREST PERCENT



2022 EXPENDITURES

ROUNDED TO NEAREST PERCENT



KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited
Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the Statement of Assets, Liabilities and Fund Balances) reported a combined fund balance of \$24,561,350, which is a decrease of \$1,010,521 from last year's total of \$25,571,871.

The Educational Account revenues and transfers in were \$1,082,037 more than expenditures. The Educational Account ended the year with a fund balance of \$10,458,956.

The Working Cash Account revenues were \$16,831 less than transfers out and ended the year with a balance of \$2,974,209.

The Operations & Maintenance Fund revenues were \$497,223 more than expenditures. The Operations & Maintenance Fund ended the year with a fund balance of \$8,597,852.

The Transportation Fund revenues were \$29,037 less than expenditures and ended the year with a balance of \$166,884.

The Illinois Municipal Retirement Fund revenues were \$166,259 more than expenditures and ended the year with a balance of \$630,942.

The Debt Services Fund revenues were \$44,697 more than expenditures and ended the year with a balance of \$1,067,256.

The Capital Projects Fund had \$2,581,830 in expenditures, end the year with a balance of \$290,994.

The Tort Fund revenues were \$173,039 less than expenditures and ended the year with a balance of \$374,257.

General Fund Highlights

The General Fund revenues were \$1,065,206 more than expenditures and ended the year with a balance of \$13,433,165.

Fund Budgetary Highlights

Expenditures in funds were under the budgeted amounts except in the Capital Projects Fund, where existing fund balance was spent on building renovations during the year.

CAPITAL ASSETS

As of June 30, 2022, the District had \$11,602,660, net of accumulated depreciation, invested in capital assets, including land, land improvements, buildings and equipment. (See table below.) A new inventory of capital assets was completed in 2005 to verify all values. This was done following the flood of 2002 and the restoration of the facility and replacement of damaged equipment, supplies, and

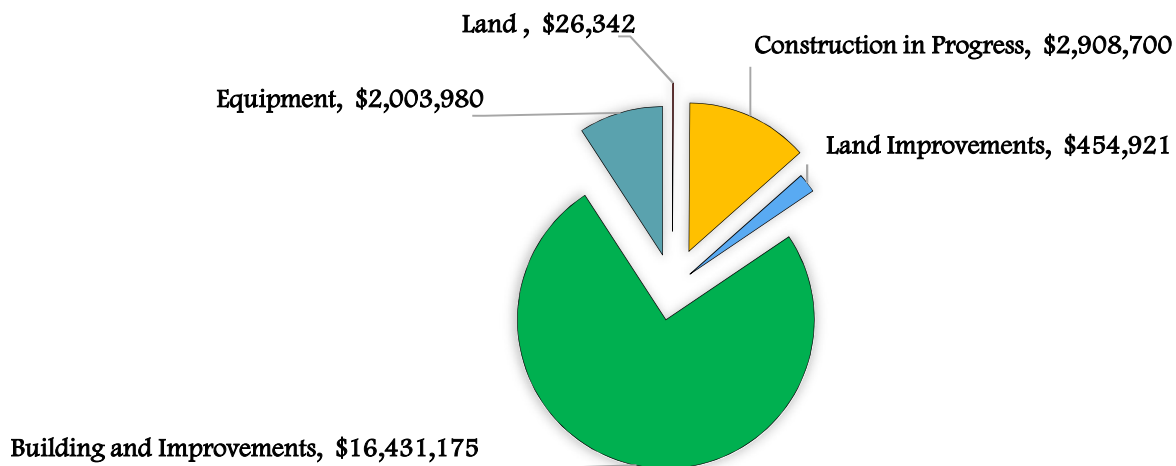
KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited
Year Ended June 30, 2022

materials. The inventory was updated at the end of the 2022 Fiscal Year. More detailed information about capital assets is presented in Note 4 to the financial statements.

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Fixed Assets				
Land	\$ 26,342	\$ -	\$ -	\$ 26,342
Construction in Progress	326,870	2,581,830	-	2,908,700
Land Improvements	454,921	-	-	454,921
Building and Improvements	16,240,001	191,174	-	16,431,175
Equipment	1,919,517	84,463	-	2,003,980
Total Fixed Assets	18,967,651	2,857,467	-	21,825,118
Less: Accumulated				
Depreciation	9,686,232	536,226	-	10,222,458
Fixed Assets (Net)	\$ 9,281,419	\$ 2,321,241	-	\$ 11,602,660

CAPITAL ASSETS AT JUNE 30, 2022 (AT COST)



DEBT

At year-end, the District had \$6,663,216 in bonds and notes outstanding at year-end. The District's general obligation bond rating by Standard & Poor's was AAA, preceding the last bond issue. More detailed information about the District's long-term debt is presented in Note 5 to the financial statements and the Schedule of Bonded Debt Maturities.

KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited

Year Ended June 30, 2022

Kenilworth School District No. 38 Assessed Valuations, Extended Tax Rates, Percentage Allocations and Extensions by Fund

Tax Levy Year	2020		2019	
Assessed Valuation				
Cook County	\$	362,818,609	\$	367,618,465
Tax Rates and Percentage Allocations by Fund				
Funds	Rate	Percentage	Rate	Percentage
Educational	3.0686	80.78	2.9681	81.20
Tort Immunity	0.0000	0.00	0.0000	0.00
Operations and Maintenance	0.3785	9.96	0.3532	9.66
Bond and Interest	0.2817	7.41	0.2758	7.54
Transportation	0.0162	0.43	0.0147	0.40
Municipal Retirement	0.0541	1.42	0.0437	1.20
Totals	3.7991	100.00	3.6555	100.00

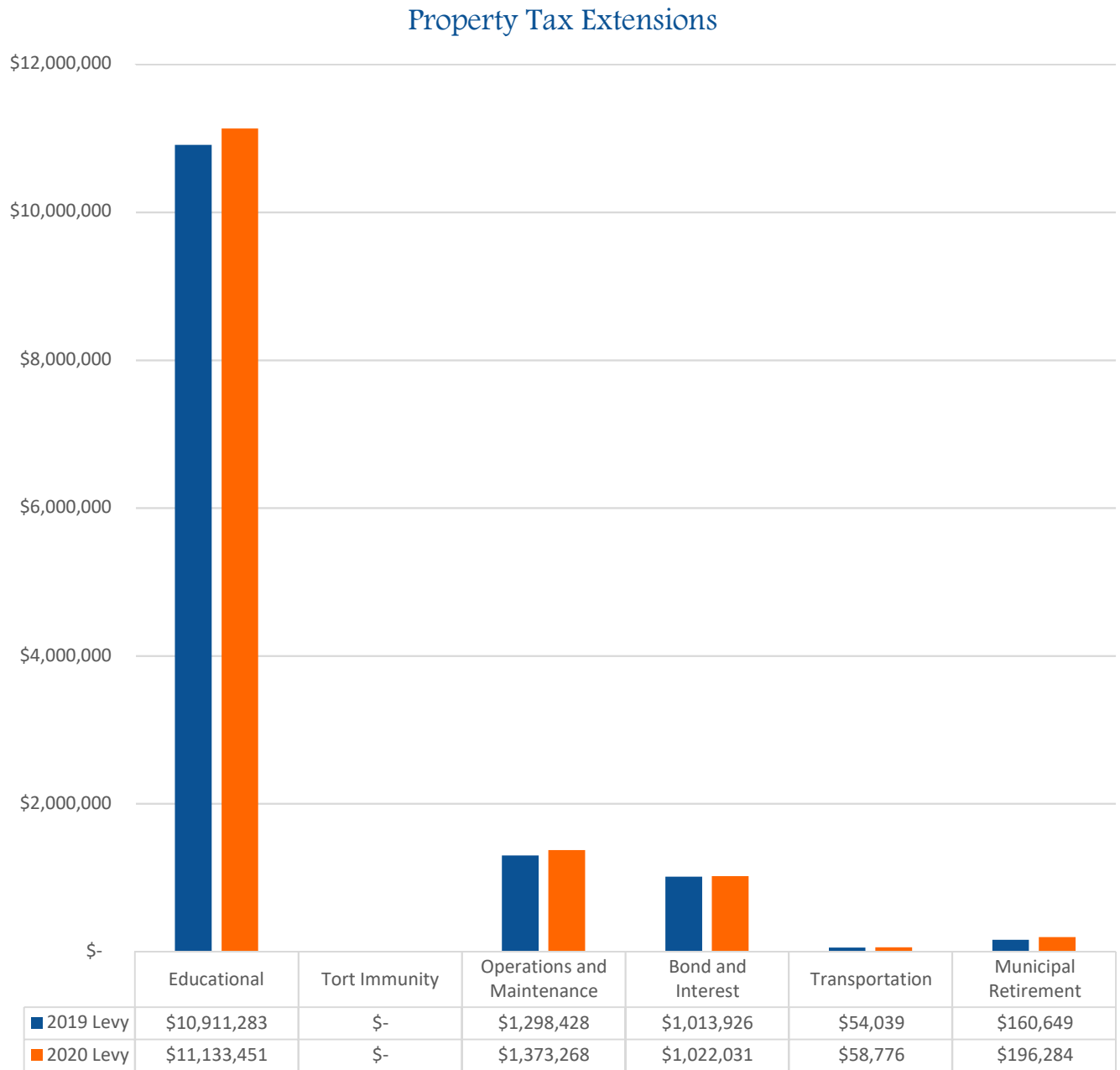
Property Tax Extensions

Funds	2020	2019
Educational	\$ 11,133,451	\$ 10,911,283
Tort Immunity	-	-
Operations and Maintenance	1,373,268	1,298,428
Bond and Interest	1,022,031	1,013,926
Transportation	58,776	54,039
Municipal Retirement	196,284	160,649
Totals	\$ 13,783,810	\$ 13,438,325

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future. However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited
Year Ended June 30, 2022



As of the report date, Cook County has yet to publish assessed valuation, tax rate, or property tax extension information for the District for tax year 2021. Therefore, the 2019 and 2020 tax year information is presented in the charts above.

Requests for Information

This financial report is designed to provide to 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

KENILWORTH SCHOOL DISTRICT NO. 38

Management's Discussion and Analysis – Unaudited
Year Ended June 30, 2022

it receives. If you have questions about this report or need additional financial information, contact the Business Office at The Joseph Sears School District office.

KENILWORTH SCHOOL DISTRICT NO. 38

Statement of Net Position - Modified Cash Basis

June 30, 2022

	Governmental Activities
Assets	
Cash and investments, at cost	\$ 25,353,126
Other current assets	10,813
Capital assets, net	11,602,660
Total Assets	\$ 36,966,599
Liabilities	
Current Liabilities:	
Accrued payroll & liabilities	\$ 802,589
Current portion of long term debt	799,264
Total Current Liabilities	1,601,853
Non-Current liabilities:	
Long term debt	5,863,952
Total Non-Current Liabilities	5,863,952
Total Liabilities	7,465,805
Net Position	
Net investment in capital assets	8,147,660
Restricted for:	
Operations and maintenance	8,597,852
Transportation	166,884
Municipal retirement	630,942
Debt service	1,067,256
Capital projects	290,994
Tort	374,257
Unrestricted	10,224,949
Total Net Position	\$ 29,500,794

The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

Statement of Activities - Modified Cash Basis

Year Ended June 30, 2022

Functions/Programs	Program Revenues Received			Net (Expense) Revenue and Change in Net Position
	Expenditures Disbursed	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 7,178,442	\$ 399,604	\$ 288,567	\$ -
Support services	4,795,127	52,917	7,518	-
Payments to other governmental units	418,520	-	-	-
Depreciation - unallocated	536,226	-	-	-
Debt service - interest and fees	185,855	-	-	-
Total Governmental Activities	\$ 13,114,170	\$ 452,521	\$ 296,085	\$ -
			General Revenues Received:	
			Property taxes	13,864,201
			Replacement tax	207,355
			General state aid	274,442
			Refund of prior years' expenditures	29,719
			Investment income	71,887
			Other	7,944
			Total General Revenues	14,455,548
			Changes in Net Position	2,089,984
			Net Position Beginning of Year	27,410,810
			Net Position End of Year	\$ 29,500,794

The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

Governmental Funds

Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis

June 30, 2022

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement Fund	Debt Service Fund	Capital Projects Fund	Tort Fund	Total
Assets								
Cash and cash equivalents	\$ 14,212,601	\$ 8,597,852	\$ 166,884	\$ 643,282	\$ 1,067,256	\$ 290,994	\$ 374,257	\$ 25,353,126
Due from employees	10,813	-	-	-	-	-	-	10,813
Total Assets	\$ 14,223,414	\$ 8,597,852	\$ 166,884	\$ 643,282	\$ 1,067,256	\$ 290,994	\$ 374,257	\$ 25,363,939
Liabilities								
Accrued payroll & liabilities	\$ 790,249	\$ -	\$ -	\$ 12,340	\$ -	\$ -	\$ -	\$ 802,589
Total Liabilities	790,249	-	-	12,340	-	-	-	802,589
Fund Balance								
Nonspendable	-	-	-	-	-	-	-	-
Restricted:								
Operations and Maintenance Fund	-	8,597,852	-	-	-	-	-	8,597,852
Transportation Fund	-	-	166,884	-	-	-	-	166,884
Municipal Retirement Fund	-	-	-	630,942	-	-	-	630,942
Debt Service Fund	-	-	-	-	1,067,256	-	-	1,067,256
Capital Projects Fund	-	-	-	-	-	290,994	-	290,994
Tort Fund	-	-	-	-	-	-	374,257	374,257
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	13,433,165	-	-	-	-	-	-	13,433,165
Total Fund Balance	13,433,165	8,597,852	166,884	630,942	1,067,256	290,994	374,257	24,561,350
Total Liabilities and Fund Balance	\$ 14,223,414	\$ 8,597,852	\$ 166,884	\$ 643,282	\$ 1,067,256	\$ 290,994	\$ 374,257	\$ 25,363,939

The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

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

Year Ended June 30, 2022

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement Fund	Debt Service Fund	Capital Projects Fund	Tort Fund	Total
Revenues Received								
Property taxes	\$ 11,220,919	\$ 1,367,317	\$ 66,117	\$ 200,032	\$ 1,009,816	\$ -	\$ -	\$ 13,864,201
Replacement taxes	-	-	-	207,355	-	-	-	207,355
Tuition	217,473	-	-	-	-	-	-	217,473
Interest income	71,887	-	-	-	-	-	-	71,887
Food service	12,302	-	-	-	-	-	-	12,302
Pupil activities	40,505	-	-	-	-	-	-	40,505
Rentals	110	-	-	-	-	-	-	110
Refund of prior years' expenditures	29,719	-	-	-	-	-	-	29,719
Payments from other districts	182,131	-	-	-	-	-	-	182,131
Other	4,917	-	-	-	-	-	3,027	7,944
State sources	275,392	50,000	7,518	-	-	-	-	332,910
Federal sources	237,617	-	-	-	-	-	-	237,617
Total Revenues Received	12,292,972	1,417,317	73,635	407,387	1,009,816	-	3,027	15,204,154
Expenditures Disbursed								
Instruction	7,070,471	-	-	107,971	-	-	-	7,178,442
Support services	3,654,312	827,125	102,672	133,157	-	-	77,861	4,795,127
Payments to other governmental units	418,520	-	-	-	-	-	-	418,520
Capital outlay	84,463	92,969	-	-	-	2,581,830	98,205	2,857,467
Debt service - interest and other	-	-	-	-	200,119	-	-	200,119
Debt service - principal	-	-	-	-	765,000	-	-	765,000
Total Expenditures Disbursed	11,227,766	920,094	102,672	241,128	965,119	2,581,830	176,066	16,214,675
Net Change in Fund Balances	1,065,206	497,223	(29,037)	166,259	44,697	(2,581,830)	(173,039)	(1,010,521)
Fund Balances, beginning of year	12,367,959	8,100,629	195,921	464,683	1,022,559	2,872,824	547,296	25,571,871
Fund Balances, ending of year	\$ 13,433,165	\$ 8,597,852	\$ 166,884	\$ 630,942	\$ 1,067,256	\$ 290,994	\$ 374,257	\$ 24,561,350

The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

*Reconciliations of the Governmental Funds to the
Statement of Net Position and the Statement of Activities
Year Ended June 30, 2022*

Reconciliation of the Governmental Fund Balance to the Statement of Net Position

Total Fund Balances -Total Governmental Funds	\$ 24,561,350
--	----------------------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Amount net of depreciation	11,602,660
----------------------------	------------

Long term debt is not recorded in the fund statement but is included as a liability in the Statement of Net Position

(6,663,216)

Total Net Position of Governmental Activities	\$ 29,500,794
--	----------------------

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to Governmental Statement of Activities and Changes in Net Position

Excess (Deficiency) of Revenue Over Expenditures Governmental Funds	\$ (1,010,521)
--	-----------------------

Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciated over their useful life.
(amount shown is net of depreciation)

2,321,241

Governmental funds report the payment of debt and leases as an expenditure; however the Statement of Activities records the payment as a reduction in the debt liability.

Long-term debt payments	765,000
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Amortization of premium	14,264
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Changes in Net Position Governmental Funds	\$ 2,089,984
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The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

Statement of Assets and Liabilities Arising from Cash Transactions - Agency Funds

June 30, 2022

	Agency Funds
Assets	
Cash and investments, at cost	\$ 206,534
Total Assets	<u>\$ 206,534</u>
Liabilities	
Due to student activities	\$ 206,534
Total Liabilities	<u>\$ 206,534</u>

The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education, *Illinois Program Accounting Manual*. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements are as follows:

REPORTING ENTITY

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the governmental accounting standards have been considered and there are no agencies or entities which should be presented with the District.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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).

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities within the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses not allocated to functions are reported separately. Interest on general long-term debt is considered such an indirect expense. Program revenues include 1) charges 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The District maintains individual funds required by the Illinois State Board of Education (ISBE). Funds are organized into three major categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

GOVERNMENTAL FUND TYPES

Governmental fund types are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental fund types include the following:

General Fund – The General Fund consists of the legally mandated Educational Account and Working Cash Account, and is the primary operating fund of the District and is always classified as a major fund. It is used to account for the revenues received and expenditures disbursed which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds – The Special Revenue Funds, which include the Operations and Maintenance Fund, Transportation Fund, Tort Fund and the Municipal Retirement Fund, are used to account for revenue received from specific sources (other than those accounted for in the Debt Service and Capital Projects Funds) that are legally restricted to expenditures disbursed for specified purposes.

Debt Service Fund – The Debt Services Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

Capital Projects Funds – The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The Fire Prevention and Safety Fund accounts for financial resources to be used for life safety projects.

FIDUCIARY FUND TYPES (NOT INCLUDED IN GOVERNMENT-WIDE STATEMENTS)

Agency Funds – The Agency Funds (Student Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAJOR AND NONMAJOR FUNDS

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- Total assets, liabilities, revenues received, or expenditures disbursed of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues received, or expenditures disbursed of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The District has classified all funds as major:

Major:

Educational Account	See above for description.
Working Cash Account	See above for description.
Operations and Maintenance Fund	A Special Revenue Fund to account for the repair and maintenance of District property.
Transportation Fund	A Special Revenue Fund to account for activity relating to student transportation to and from school.
Municipal Retirement Fund	A Special Revenue Fund to account for the District’s portion of pension contributions to the Illinois Municipal Retirement Fund for non-certified employees.
Debt Service Fund	A Debt Service Fund to accumulate resources for, and payment of, general long-term debt, principal, interest, and related costs.
Capital Projects Fund	A Capital Projects Fund to accumulate resources for, and payment of the acquisition or construction of major capital facilities.
Tort Fund	A Special Revenue Fund to account for activity relating to District tort immunity.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted assets from net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

MEASUREMENT FOCUS

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

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

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the basic financial statements. The District maintains its accounting records for all funds on the modified cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

CASH AND CASH EQUIVALENTS

Cash equivalents of the District, which are highly liquid certificate of deposits (CD's) and reported by the District at cost. Gains or losses on the sale of CD's are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which cash and cash equivalents are made must be approved by the Board of Education.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District maintains a cash and cash equivalents pool that is available for use by all funds. In addition, cash equivalents may be separately held by some of the District's funds. Cash at fiscal agents has been excluded from the amounts shown.

EQUITY CLASSIFICATIONS/FUND BALANCE REPORTING

Equity is classified in government-wide statements as net position and displayed in three components as follows:

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

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

Unrestricted net position – Consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – the nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis used by the District there is nothing to report for this classification.

Restricted – the restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

- *Special Education* – cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Account. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *State Grants* – proceeds from state grants and the related expenditures have been included in the Educational Account and Transportation Fund. At June 30, 2022, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balance.
- *Federal Grants* – proceeds from federal grants and the related expenditures have been included in the Educational Account. At June 30, 2022, expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted balance.
- *Social Security* – expenditures disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement Fund. Expenditures disbursed exceeded revenue received, resulting in no restricted balance.
- *Tort Immunity Tax Levy* - expenditures disbursed and the related cash receipts of this restricted tax levy are accounted for in the Tort Fund. Disbursements made from this fund included: \$2,391 for unemployment insurance, \$43,192 for liability insurance, \$32,278 for workers' compensation, and \$98,205 in security equipment in the year ended June 30, 2022, resulting in a restricted fund balance of \$374,257.

Committed – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

Assigned – The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – the unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

Expenditures of fund balances – unless specifically identified, expenditures disbursed act to reduce restricted balances first, then to committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

CAPITAL ASSETS

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to July 1, 2003,

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

fixed assets were not capitalized. Such assets have been valued at estimated historical cost. The capitalization threshold is \$2,000. Depreciation of all exhaustible fixed assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings and improvements 20 - 40 years, land improvements 15 - 20, transportation equipment 5 - 10 years, equipment 5 - 20 years.

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

LONG-TERM DEBT

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

PROGRAM REVENUES

Amounts reported as program revenues include 1) Tuition and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than as program revenues.

NOTE 2 - CASH AND INVESTMENTS

At June 30, 2022, the carrying amount of the District's deposits, (including cash on hand of \$900) totaled \$25,353,126 and the bank balances totaled \$25,764,216, (including cash and cash equivalents in external pools).

Type	Total Cost	Less Than One Year	One to Five Years	Over Five Years
Municipal Bonds	\$ 341,636	\$ -	\$ 341,636	\$ -
Total	<u>\$ 341,636</u>	<u>\$ -</u>	<u>\$ 341,636</u>	<u>\$ -</u>

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Credit Risk. Under Illinois law, the District is restricted to investing funds in specific types of investments. The following generally represents the types of instruments allowable by state law.

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- The Illinois Funds Money Market Fund.
- The Illinois School District Liquid Asset Fund.
- Repurchase agreements, which meet instrument transactions, requirements of Illinois law.

Interest Rate Risk. The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. The weighted average of the investment maturity was 345.00 days and the weighted portfolio yield was 0.570%.

Credit Risk. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized rating organization (NRSRO's). The District has no investment policy that would further limit its investment choices. As of June 30, 2022, all the District's other investments had either "Aa1" or higher rating by Moody's.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) and the Illinois Institutional Investors Fund (IIIT) are a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. Neither is registered with the SEC as an investment company. Investments are each rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a-7 of the

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

Concentration of Credit Risk. The District's policy states investments shall be diversified to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions. The District shall diversify its investments to the best of its ability based upon the type of funds invested, available institutions to invest in, and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the bank or the counterparty, the District will not be able to recover the value of its deposits, investments or collateral securities that are in possession of an outside party. Of the District's deposits, \$13,433,164 is covered by depository insurance, or collateral held by the District's agents, and \$12,331,052 is uninsured.

Custodial Credit Risk – Investments. With respect to investments, custodial credit risk 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 District's investment policy limits the exposure to investment custodial credit risk by requiring all investments to be secured by private insurance or collateral. Investments held in liquid asset funds as indicated above are not collateralized or insured.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and un-invested balances in the common checking and investment

NOTE 3 – PROPERTY TAXES

Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December of the subsequent year. The adoption date for the 2021 tax levy was December 13, 2021. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments (June 1 and September 1) subsequent to the year of levy. The District receives significant distributions of tax receipts approximately one month after these due dates. As of the date of this report, the bills for the second installment of property taxes has not yet been submitted by Cook County.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 3 – PROPERTY TAXES (CONTINUED)

	Maximum 2020 Levy	Actual 2019 Levy	Actual 2020 Levy
Educational	0.0000	2.9681	3.0686
Operations & Maintenance	0.5500	0.3532	0.3785
Debt Service	0.0000	0.2758	0.2817
Transportation	0.0000	0.0147	0.0162
Municipal Retirement	0.0000	0.0437	0.0541
Total		3.6555	3.7991

As of the date of this report, the actual 2021 levy tax rates have not yet been made available by Cook County, Illinois.

NOTE 4 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Not being depreciated:				
Land	\$ 26,342	\$ -	\$ -	\$ 26,342
CIP	326,870	2,581,830	-	2,908,700
Depreciable capital assets:				
Land improvements	454,921	-	-	454,921
Building and improvements	16,240,001	191,174	-	16,431,175
Equipment	1,919,517	84,463	-	2,003,980
Total	18,967,651	2,857,467	-	21,825,118
Accumulated Depreciation:				
Land improvements	296,206	17,695	-	313,901
Building and improvements	7,819,348	395,449	-	8,214,797
Equipment	1,570,678	123,082	-	1,693,760
Total	9,686,232	536,226	-	10,222,458
Net Capital Assets	\$ 9,281,419	\$ 2,321,241	\$ -	\$ 11,602,660

Depreciation was not charged to any specific function.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 5 - LONG-TERM OBLIGATIONS

Changes in long-term obligations are as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
2017 Refunding Bonds	\$ 4,105,000	\$ -	\$ 650,000	\$ 3,455,000	\$ 665,000
2017A Limited Bonds	3,095,000	-	115,000	2,980,000	120,000
Unamortized Premium	242,480	-	14,264	228,216	14,264
Total	<u>\$ 7,442,480</u>	<u>\$ -</u>	<u>\$ 779,264</u>	<u>\$ 6,663,216</u>	<u>\$ 799,264</u>

GENERAL OBLIGATION BONDS PAYABLE

\$5,970,000, April 27, 2017 General Obligation Refunding Limited Bonds, refunding \$5,870,000 of 2007 Building Bonds, due semi-annually, annual payments varying from \$134,597 to \$729,324 beginning in 2018 and continuing through 2027, interest rate 2.06%.

\$3,200,000, December 28, 2017 General Obligation Limited Tax School Bonds, Working Cash Fund financing, due semi-annually, annual payments varying from \$54,400 to \$270,700 beginning in 2018 and continuing through 2038, interest rate 4.00%.

The Illinois School Code limits the amount of indebtedness to 6.9% of \$362,818,609, the most recent assessed valuation of the District. The District's remaining debt margin at June 30, 2022, is \$18,599,484.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

At June 30, 2022, the annual cash flow requirements of all long-term debt to retirement were as follows:

Fiscal Year Ending June 30,	Bonds	
	Principal	Interest
2023	\$ 785,000	\$ 181,124
2024	800,000	162,421
2025	825,000	143,162
2026	850,000	123,194
2027	870,000	102,616
2028	160,000	89,000
2029	170,000	82,400
2030	180,000	75,400
2031	185,000	68,100
2032	195,000	60,500
2033	205,000	52,500
2034	220,000	44,000
2035	230,000	35,000
2036	240,000	25,600
2037	255,000	15,700
2038	265,000	5,300
Total	<u>\$ 6,435,000</u>	<u>\$ 1,266,017</u>

NOTE 6 - OPERATING LEASE OBLIGATIONS

During the fiscal year ended June 30, 2020, the District entered into an operating lease for copiers with a 36 month term and \$2,175.33 per month payment to start on August 11, 2020 and end on August 11, 2024. However, on June 20, 2022, a new lease agreement was entered into by the District, which replaced this agreement. As a result, only one more payment of \$2,175.33 owed in fiscal year 2023. For more information on the new copier lease, please see Note 14.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS

TEACHER'S RETIREMENT SYSTEM

GENERAL INFORMATION ABOUT THE PENSION PLAN

The employer 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 be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the system's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/acfrs/fy2021>; by writing to TRS at 2815 West Washington Street, P. O. Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

BENEFITS PROVIDED

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

Tier 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 highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different than Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

buyout programs that expire on June 30, 2024. 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 began in 2019 and will be funded by bonds issued by the state of Illinois.

CONTRIBUTIONS

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the system up to 90 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, 2021 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, 2022, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of (\$2,190,416) in pension contributions from the State of Illinois. Due to the modified cash basis of accounting nature of the District's financial statements, on-behalf contributions are not recorded in the financial statements as the amounts were not received or disbursed in cash.

2.2 FORMULA CONTRIBUTIONS

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were \$39,728, and are deferred because they were paid after the June 30, 2021 measurement date.

FEDERAL AND SPECIAL TRUST FUND CONTRIBUTIONS

When TRS members are paid from federal and special trust funds administered by the 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 normal cost beginning with the year ended June 30, 2018.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

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

For the year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$0 were paid from federal and special trust funds that required employer contributions of \$0. These contributions are deferred because they were paid after the June 30, 2021 measurement date.

EMPLOYER RETIREMENT COST CONTRIBUTIONS

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The 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 onetime contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, \$0 for sick leave days granted in excess of the normal annual allotment and \$10,754 for salaries exceeding governor's statutory amount.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

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

Employer's proportionate share of the net pension liability/(asset)	\$ (364,377)
State's proportionate share of the net pension liability/(asset)	
associated with the employer	<u>(30,538,673)</u>
Total	<u>\$(30,903,050)</u>

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

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

(0.0004670825) percent, which was a decrease of 0.0014774034 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the employer recognized pension expense of (\$2,190,416) and revenue of (\$2,190,416) for support provided by the state. At June 30, 2022, 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
Differences between expected and actual experience	\$ 1,502	\$ 2,090
Net difference between projected and actual earnings on pension plan investments	24,441	-
Changes in assumptions	1,801	161
Changes in proportion and differences between employer contributions and proportionate share of contributions	66,705	1,093,125
Total deferred amounts to be recognized in pension expense in future periods	94,449	1,095,376
Employer contributions subsequent to the measurement date	39,728	-
Total	\$ 134,177	\$ 1,095,376

\$39,728 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, 2023. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30,	
2023	\$ (209,342)
2024	(223,843)
2025	(224,615)
2026	(219,306)
2027	(123,821)
Total	\$ (1,000,927)

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

ACTUARIAL ASSUMPTIONS

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

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

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

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

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

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (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 of 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/(asset) 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/(asset)	\$ (451,273)	\$ (364,377)	\$ (292,198)

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

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

IMRF PLAN DESCRIPTION

The employer's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of 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.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	25
Inactive Plan Members entitled to but not yet receiving benefits	95
Active Plan Members	<u>16</u>
Total	<u><u>136</u></u>

CONTRIBUTIONS

As set by statute, the employer’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer’s annual contribution rate for calendar year 2021 was 7.42%. For the calendar year 2021, the employer contributed \$69,457 to the plan.

The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NET PENSION LIABILITY

The employer’s net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

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

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the Total Pension Liability

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study for the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both adjusted) 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 assumptions and methods can be found in the December 31, 2021 Illinois Municipal Retirement Fund annual actuarial valuation report.

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:

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

Asset Class	Portfolio Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	39%	1.90%
International Equity	15%	3.15%
Fixed Income	25%	-0.60%
Real Estate	10%	3.30%
Alternative Investments	10%	1.70-5.50%
Cash Equivalents	1%	-0.90%
Total	100%	

SINGLE DISCOUNT RATE

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

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

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

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (A)	Plan Fiduciary Net Pension (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2020	\$ 3,620,014	\$ 4,040,193	\$ (420,179)
Changes for the year:			
Service Cost	100,095	-	100,095
Interest on the Total Pension Liability	257,264	-	257,264
Changes of Benefit Terms	-	-	-
Differences Between expected and Actual Experience of the Total Pension Liability	110,491	-	110,491
Changes of Assumptions	-	-	-
Contributions-Employer	-	69,457	(69,457)
Contributions- Employees	-	48,104	(48,104)
Net Investment Income	-	676,781	(676,781)
Benefit Payments, Including Refunds of Employee Contributions	(243,195)	(243,195)	-
Other (Net Transfer)	-	30,898	(30,898)
Net Changes	224,655	582,045	(357,390)
Balance at December 31, 2021	\$ 3,844,669	\$ 4,622,238	\$ (777,569)

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Total Pension Liability	\$ 4,205,907	\$ 3,844,669	\$ 3,539,725
Plan Fiduciary Net Position	4,622,238	4,622,238	4,622,238
Net Pension Liability/(Asset)	\$ (416,331)	\$ (777,569)	\$ (1,082,513)

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

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 income of \$81,091. At June 30, 2022, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>			
Differences between expected and actual experience	\$ 16,823	\$ -	\$ 16,823
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	526,331	(526,331)
Total deferred amounts to be recognized in pension expense in future periods	16,823	526,331	(509,508)
Pension contributions made subsequent to the measurement date	30,977	-	30,977
Total deferred amounts related to pensions	\$ 47,800	526,331	\$ (478,531)

PENSION CONTRIBUTIONS MADE SUBSEQUENT TO THE MEASUREMENT DATE

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:

Year Ending December 31,	Net Deferred Outflows of Resources
2022	\$ (98,563)
2023	(204,223)
2024	(129,261)
2025	(77,461)
2026	-
Thereafter	-
Total	\$ (509,508)

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

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

Valuation Date: December 31, 2021

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior 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	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 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; 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 other 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 2014-2016.
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 (based on 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.

Other Information:

Notes There were no benefit changes during the year
*Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 7 - RETIREMENT SYSTEMS (CONTINUED)

AGGREGATE PENSION AMOUNTS

For the Year Ended June 30, 2022, aggregate pension amounts are as follows:

	TRS	IMRF	Total
Deferred Outflows of Resources	\$ 134,177	\$ 47,800	\$ 181,977
Net Pension Liability/(Asset)	(364,377)	(777,569)	(1,141,946)
Deferred Inflows of Resources	1,095,376	526,331	1,621,707
Pension Expense, Net of State Support	(153,216)	(81,091)	(234,307)

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 checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally certain of the funds participating in the common bank account could incur overdrafts (deficits) in the account. The overdrafts result from expenses paid that have been approved by the School Board.

NOTE 9 - RISK MANAGEMENT

The District has purchased insurance from risk pools and private insurance companies. Risks covered include general liability, workers compensation, medical and other. Premiums have been displayed as expenses paid in appropriate funds.

NOTE 10 - JOINT AGREEMENTS

The District is a member of North Suburban Special Education District (NSSD), an organization to provide special education programs and services to the students enrolled. Financial statements are obtained by the District from each of these entities and are available generally after November 1st following each fiscal year. Each member district has a financial responsibility to make annual contributions based the joint agreement.

The District is a member of Collective Liability Insurance Cooperative (CLIC), which has been formed to provide casualty, property and liability protection and to administer some, or all insurance coverage and protection other than health, life and accident coverage procured by the member districts. It is intended, by the creation of CLIC, to allow a member district to equalize annual fluctuations in insurance costs by

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 10 - JOINT AGREEMENTS (CONTINUED)

establishing a program whereby reserves may be created and temporary deficits of individual districts covered, thereby equalizing the risks and stabilizing the costs of providing casualty, property and liability protection.

The District is also a member, along with other area school districts, of the School Employees Loss Fund (SELF). The District obtains workers compensation insurance, and claims and loss administration services through SELF.

The District is financially responsible for annual premiums based on types and levels of coverage. SELF is separately audited and its financial information is not included in these financial statements. Financial information may be obtained by contacting the District.

NOTE 11 - CONTINGENCIES

The District participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2022 have not yet been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

PLAN DESCRIPTION

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

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BENEFITS PROVIDED

The State of Illinois offers comprehensive health plan options, all of which include prescription drug and behavioral health coverage. The State of Illinois offers TCHP, HMO, and OAP plans.

- Teachers' Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.
- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
 - Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
 - Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.
 - Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

CONTRIBUTIONS

For the fiscal year ended June 30, 2022, the State Employees 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 0.90% of salary and for every employer of a teacher to contribute an amount equal to .67% of each teacher's salary. For the fiscal year ended June 30, 2021, the employee contribution was 1.24% of salary and the employer contribution was .92% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THIS), an amount equal to the amount

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

ON-BEHALF CONTRIBUTIONS TO THIS

The State of Illinois makes employer benefit contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2022. State of Illinois contributions were \$61,899, and the employer recognized revenue and expenditures of this amount during the year.

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEBS

At June 30, 2022, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state benefit support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 6,062,518
State's proportionate share of the net pension liability associated with the District	8,219,921
Total	<u>\$ 14,282,439</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to June 30, 2021. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2021, relative to the contributions of all participating THIS employers and the State during that period.

At June 30, 2021, the District's proportion was 0.064757%, which was an increase of 0.036024% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District had benefit expense of \$7,766 and on-behalf revenue/expense of \$52,177 for support provided by the State. Due to the modified cash basis of accounting nature of the District's financial statements, on-behalf contributions are not recorded in the financial statements as the amounts were not received or disbursed in cash. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 283,597	\$ (283,597)
Net difference between projected and actual earnings on pension plan investments	-	116	(116)
Changes in assumptions	2,093	2,270,140	(2,268,047)
Changes in proportion and differences between employee contributions and proportionate share of contributions	450,472	377,940	72,532
District contributions subsequent to measurement date	46,081	-	46,081
Total	<u>\$ 498,646</u>	<u>\$ 2,931,793</u>	<u>\$ (2,433,147)</u>

ACTUARIAL ASSUMPTIONS

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

Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation.
Healthcare Cost Trend Costs	Trend for fiscal year ending 2022 based on expected increases to develop average costs. For fiscal years on and after 2023, trend starts at 8.00% gradually decreases to an ultimate trend of 4.25%

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for THIS experience. For disabled annuitants, mortality rates were based on the RP-2014 Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future improvements using Projection Scale MP-2017.

The long-term expected rate of return on OPEB 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 OPEB 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

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

return by the target asset allocation percentage and by adding expected inflation.

DISCOUNT RATE

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The 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, THIS'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. 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 THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 13 – INTERFUND ACTIVITY

During the fiscal year, the Working Cash Account transferred interest in the amount of \$19,692 to the Educational Account. Since both accounts comprise General Fund, the effect of the entry is offset to \$0 and is not reported in the General Fund.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized subsequent events, (events or transactions that relate to conditions present at the balance sheet date) and non-recognized subsequent events, (events or transactions that relate to conditions that did not exist at the balance sheet date but arose after that date).

On June 20, 2022, prior to year-end, the District entered into a lease agreement with Genesis Technologies for 2 copying machines, which replaces the existing lease described in Note 6. The delivery of the equipment, however, did not occur until after June 30, 2022. On August 29, 2022, the District made its first of 36 monthly payments in relation to the lease in the amount of \$4,282.63. The District can purchase the copiers at fair market value at the conclusion of the lease.

KENILWORTH SCHOOL DISTRICT NO. 38

OTHER INFORMATION

*Schedule of Employer Contributions
Teachers' Retirement System of the State of Illinois
June 30, 2022*

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Contractually required contribution	\$ 656,207	\$ 682,561	\$ 691,920	\$ 657,220	\$ 637,321	\$ 622,664	\$ 595,979
Contributions in relation to the contractually required contribution	656,207	682,561	691,920	657,220	637,321	622,664	595,979
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 6,877,775	\$ 7,139,852	\$ 7,222,550	\$ 6,860,337	\$ 6,584,430	\$ 6,402,058	\$ 5,919,357
Contributions as a percentage of covered-employee payroll	9.54%	9.56%	9.58%	9.58%	9.68%	9.73%	10.07%

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

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

The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

OTHER INFORMATION

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

Teachers' Retirement System of the State of Illinois

June 30, 2022

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Employer's proportion of the net pension liability	-0.0004670825%	0.0010103209%	0.0011242731%	0.0009959071%	0.0011284120%	-0.0001083529%	0.0024759891%
Employer's proportionate share of the net pension liability	\$ (402,696)	\$ 871,051	\$ 911,877	\$ 760,855	\$ 862,086	\$ (85,529)	\$ 1,622,022
State proportionate share of the net pension liability associated with the employer	(30,538,673)	68,225,222	64,897,314	53,176,939	47,310,265	(36,393,701)	59,176,132
Total	<u>\$ (30,941,369)</u>	<u>\$ 69,096,273</u>	<u>\$ 65,809,191</u>	<u>\$ 53,937,794</u>	<u>\$ 48,172,351</u>	<u>\$ (36,479,230)</u>	<u>\$ 60,798,154</u>
Employer's covered-employee payroll	\$ 6,877,775	\$ 7,139,852	\$ 7,222,550	\$ 6,860,337	\$ 6,584,430	\$ 6,402,058	\$ 5,919,357
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-5.86%	12.20%	12.63%	11.09%	13.09%	-1.34%	27.40%
Plan fiduciary net position as a percentage of the total pension liability	45.10%	37.80%	39.60%	40.00%	39.30%	36.40%	41.50%

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

This schedule is presented to illustrate the requirements 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.

The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

OTHER INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

Illinois Municipal Retirement Fund

June 30, 2022

Calendar year ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 100,095	\$ 110,246	\$ 105,215	\$ 83,749	\$ 90,129	\$ 82,643	\$ 100,510	\$ 99,119
Interest on the total pension liability	257,264	251,356	247,800	235,918	229,673	212,345	209,919	189,804
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience of the total pension liability	110,491	3,063	(85,269)	80,322	95,354	134,945	(71,947)	31,591
Changes of assumption	-	(45,999)	-	85,013	(113,715)	-	-	141,996
Benefit payments, including refunds of employee contributions	(243,195)	(221,005)	(221,435)	(225,325)	(204,640)	(200,634)	(193,758)	(196,252)
Net change in total pension liability	224,655	97,661	46,311	259,677	96,801	229,299	44,724	266,258
Total pension liability - beginning	3,620,014	3,522,353	3,476,042	3,216,365	3,119,564	2,890,265	2,845,541	2,579,283
Total pension liability - ending (A)	<u>\$ 3,844,669</u>	<u>\$ 3,620,014</u>	<u>\$ 3,522,353</u>	<u>\$ 3,476,042</u>	<u>\$ 3,216,365</u>	<u>\$ 3,119,564</u>	<u>\$ 2,890,265</u>	<u>\$ 2,845,541</u>
Plan fiduciary net position								
Contributions - employer	\$ 69,457	\$ 80,558	\$ 86,651	\$ 74,745	\$ 54,246	\$ 59,778	\$ 61,872	\$ 64,856
Contributions - employees	48,104	43,995	44,218	40,090	33,952	34,268	36,926	40,489
Net investment income	676,781	516,751	596,088	(194,924)	529,671	197,256	14,401	170,316
Benefit payments, including refunds of employee contributions	(243,195)	(221,005)	(221,435)	(225,325)	(204,640)	(200,634)	(193,758)	(196,252)
Other (net transfer)	30,898	32,991	(31,788)	79,695	(32,058)	(2,419)	22,420	10,676
Net change in plan fiduciary net position	582,045	453,290	473,734	(225,719)	381,171	88,249	(58,139)	90,085
Plan fiduciary net position - beginning	4,040,193	3,586,903	3,113,169	3,338,888	2,957,717	2,869,468	2,927,607	2,837,522
Plan fiduciary net position - ending (B)	<u>\$ 4,622,238</u>	<u>\$ 4,040,193</u>	<u>\$ 3,586,903</u>	<u>\$ 3,113,169</u>	<u>\$ 3,338,888</u>	<u>\$ 2,957,717</u>	<u>\$ 2,869,468</u>	<u>\$ 2,927,607</u>
Net pension liability/(asset) - ending (A) - (B)	<u>\$ (777,569)</u>	<u>\$ (420,179)</u>	<u>\$ (64,550)</u>	<u>\$ 362,873</u>	<u>\$ (122,523)</u>	<u>\$ 161,847</u>	<u>\$ 20,797</u>	<u>\$ (82,066)</u>
Plan fiduciary net position as a percentage of total pension liability	120.22%	111.61%	101.83%	89.56%	103.81%	94.81%	99.28%	102.88%
Covered valuation payroll	936,075	977,654	982,619	890,887	754,476	761,510	820,571	887,821
Net pension liability as a percentage of covered valuation payroll	-83.07%	-42.98%	-6.57%	40.73%	-16.24%	21.25%	2.53%	-9.24%

This schedule is presented to illustrate the requirements 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.

The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

OTHER INFORMATION

Schedule of Employer Contributions

Illinois Municipal Retirement Fund

June 30, 2022

Calendar year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % fo Covered Valuation Payroll
2014	\$ 69,339	\$ 64,856	\$ 4,483	\$ 887,821	7.31%
2015	61,871	61,872	(1)	820,571	7.54%
2016	59,779	59,778	1	761,510	7.85%
2017	54,247	54,246	1	754,476	7.19%
2018	74,745	74,745	-	890,887	8.39%
2019	66,130	86,651	(20,521)	982,619	8.82%
2020	80,559	80,558	1	977,654	8.24%
2021	69,457 *	69,457	-	936,075	7.42%

* Estimated based on a contribution rate of 7.42% and covered payroll valuation of \$936,075.

Valuation Date:

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

This schedule is presented to illustrate the requirements 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.

KENILWORTH SCHOOL DISTRICT NO. 38

OTHER INFORMATION

Schedule of the Employer Contributions

Illinois Municipal Retirement Fund

June 30, 2022

Methods and Assumptions Used to Determine 2021 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	22-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%. Approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2107 (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 to 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.
<i>Other Information:</i>	
<i>Notes -</i>	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation; note two year lag between valuation and rate setting.

KENILWORTH SCHOOL DISTRICT NO. 38

OTHER INFORMATION

Schedule of Employer Contributions

Teacher Health Insurance Security System of the State of Illinois

June 30, 2022

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Contractually required contribution	\$ 46,081	\$ 66,871	\$ 64,960	\$ 56,818	\$ 53,022
Contributions in relation to the contractually required contribution	46,081	66,871	64,960	56,818	53,022
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 6,877,775	\$ 7,124,852	\$ 7,222,550	\$ 6,860,337	\$ 6,584,430
Contributions as a percentage of covered-employee payroll	0.67%	0.94%	0.90%	0.83%	0.81%

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

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

The accompanying notes are an integral part of these financial statements.

KENILWORTH SCHOOL DISTRICT NO. 38

OTHER INFORMATION

Schedule of the Employer's Proportionate Share of the Net OPEB Liability

Teacher Health Insurance Security System of the State of Illinois

June 30, 2022

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Employer's proportion of the net OPEB liability	0.027488%	0.028733%	0.028728%	0.027236%	0.027439%
Employer's proportionate share of the net OPEB liability	\$ 6,062,518	\$ 7,682,066	\$ 7,951,249	\$ 7,175,689	\$ 7,120,166
State proportionate share of the net OPEB liability associated with the employer	8,219,921	10,407,107	10,767,006	9,635,403	9,350,547
Total	<u>\$ 14,282,439</u>	<u>\$ 18,089,173</u>	<u>\$ 18,718,255</u>	<u>\$ 16,811,092</u>	<u>\$ 16,470,713</u>
Employer's covered-employee payroll	\$ 6,877,775	\$ 7,124,852	\$ 7,222,550	\$ 6,860,337	\$ 6,584,430
Employer's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	88.15%	107.82%	110.09%	104.60%	108.14%
Plan fiduciary net position as a percentage of the total OPEB liability	1.40%	0.70%	0.25%	-0.07%	-0.17%

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

This schedule is presented to illustrate the requirements 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.

KENILWORTH SCHOOL DISTRICT NO. 38*General Fund**Combining Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis**June 30, 2022*

	Educational Account	Working Cash Account	Total General Fund
Assets			
Cash and cash equivalents	\$ 11,238,392	\$ 2,974,209	\$ 14,212,601
Due from employees	10,813	-	10,813
Total Assets	\$ 11,249,205	\$ 2,974,209	\$ 14,223,414
Liabilities			
Accrued payroll Liabilities	\$ 790,249	\$ -	\$ 790,249
Total Liabilities	790,249	-	790,249
Fund Balance			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	10,458,956	2,974,209	13,433,165
Total Fund Balance	10,458,956	2,974,209	13,433,165
Total Liabilities and Fund Balance	\$ 11,249,205	\$ 2,974,209	\$ 14,223,414

KENILWORTH SCHOOL DISTRICT NO. 38

*General Fund - Combining Schedule of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Modified Cash Basis*

Year Ended June 30, 2022

	Educational Account	Working Cash Account	Total General Fund
Revenues Received			
Property taxes	\$ 11,220,919	\$ -	\$ 11,220,919
Tuition	217,473	-	217,473
Interest income	69,026	2,861	71,887
Food service	12,302	-	12,302
Fees	40,505	-	40,505
Rentals	110	-	110
Refund of prior years' expenditures	29,719	-	29,719
Payments from other districts	182,131	-	182,131
Other	4,917	-	4,917
State sources	275,392	-	275,392
Federal sources	237,617	-	237,617
Total Revenues Received	12,290,111	2,861	12,292,972
Expenditures Disbursed			
Instruction	7,070,471	-	7,070,471
Support services	3,654,312	-	3,654,312
Payments to other governmental units	418,520	-	418,520
Capital outlay	84,463	-	84,463
Total Expenditures Disbursed	11,227,766	-	11,227,766
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,062,345	2,861	1,065,206
Other Financing Sources (Uses)			
Transfers In/(Out)	19,692	(19,692)	-
Total Other Financing Sources (Uses)	19,692	(19,692)	-
Net Change in Fund Balances	1,082,037	(16,831)	1,065,206
Fund Balances, beginning of year	9,376,919	2,991,040	12,367,959
Fund Balances, ending of year	<u>\$ 10,458,956</u>	<u>\$ 2,974,209</u>	<u>\$ 13,433,165</u>

KENILWORTH SCHOOL DISTRICT NO. 38*Educational Account - Schedule of Revenues Received, Expenditures Disbursed and**Changes in Fund Balance - Budget and Actual - Modified Cash Basis**Year Ended June 30, 2022*

	Original Budget	Final Budget	Modified Cash Basis Actual
Revenues Received			
Local Sources:			
Property taxes	\$ 11,133,451	\$ 11,133,451	\$ 11,220,919
Tuition	195,000	195,000	217,473
Interest income	142,000	142,000	69,026
Food service	-	-	12,302
Athletic fees	-	-	40,505
Rentals	-	-	110
Refund of prior years' expenditures	-	-	29,719
Payments from other districts	161,481	161,481	182,131
Other	-	-	4,917
Total Local Sources	11,631,932	11,631,932	11,777,102
State Sources:			
General state aid	280,000	280,000	274,442
Other	-	-	950
Total State Sources	280,000	280,000	275,392
Federal sources:			
Title I - low income	37,821	37,821	53,743
Title II - teacher quality	8,616	8,616	19,145
Title IV - student support	10,000	10,000	10,000
I.D.E.A. flow thru - preschool	-	-	3,314
I.D.E.A. flow thru	100,000	100,000	151,415
Total Federal Sources	156,437	156,437	237,617
Total Revenues Received	12,068,369	12,068,369	12,290,111
Expenditures Disbursed			
Instruction:			
Regular Programs:			
Salaries	4,543,939	4,543,939	4,546,056
Employee benefits	756,137	756,137	789,727
Purchased services	51,000	51,000	16,918
Supplies and materials	432,500	432,500	228,042
Non-capitalized equipment	-	-	51,778
Total	5,783,576	5,783,576	5,632,521
Pre-K Programs:			
Salaries	123,620	123,620	108,338
Employee benefits	1,399	1,399	27,077
Supplies and materials	500	500	2,800
Total	125,519	125,519	138,215

KENILWORTH SCHOOL DISTRICT NO. 38*Educational Account - Schedule of Revenues Received, Expenditures Disbursed and**Changes in Fund Balance - Budget and Actual - Modified Cash Basis**Year Ended June 30, 2022*

	Original Budget	Final Budget	Modified Cash Basis Actual
Expenditures (continued)			
Special Education Programs:			
Salaries	\$ 673,670	\$ 673,670	\$ 700,847
Employee benefits	269,572	269,572	154,657
Purchased services	15,000	15,000	22,408
Supplies and materials	41,000	41,000	39,335
Total	999,242	999,242	917,247
Remedial and Supplemental Programs			
Salaries	425,865	425,865	249,724
Employee benefits	209	209	28,299
Total	426,074	426,074	278,023
CTE Programs			
Purchased services	-	-	14,622
Total	-	-	14,622
Interscholastic Programs:			
Salaries	35,760	35,760	44,986
Employee benefits	427	427	525
Purchased services	4,000	4,000	3,608
Supplies and materials	10,000	10,000	1,013
Other	2,000	2,000	-
Total	52,187	52,187	50,132
Summer School:			
Salaries	20,000	20,000	-
Total	20,000	20,000	-
Special Education Program K-12 - Private Tuition			
Other	60,000	60,000	39,711
Total	60,000	60,000	39,711
Total Instruction	7,466,598	7,466,598	7,070,471
Support Services:			
Attendance and Social Work Services:			
Salaries	274,434	274,434	281,367
Employee benefits	32,706	32,706	50,459
Supplies and materials	2,600	2,600	2,180
Total	309,740	309,740	334,006

KENILWORTH SCHOOL DISTRICT NO. 38

*Educational Account - Schedule of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis*

Year Ended June 30, 2022

	Original Budget	Final Budget	Modified Cash Basis Actual
Expenditures (continued)			
Health:			
Salaries	\$ 61,707	\$ 61,707	\$ 49,831
Employee benefits	2,014	2,014	423
Purchased services	10,000	10,000	9,858
Supplies and materials	2,000	2,000	4,950
Total	<u>75,721</u>	<u>75,721</u>	<u>65,062</u>
Psychological:			
Salaries	72,606	72,606	73,813
Employee benefits	11,988	11,988	11,522
Total	<u>84,594</u>	<u>84,594</u>	<u>85,335</u>
Speech Pathology and Audiology:			
Salaries	79,918	79,918	81,246
Employee benefits	12,096	12,096	11,615
Supplies and materials	7,400	7,400	322
Total	<u>99,414</u>	<u>99,414</u>	<u>93,183</u>
Other Support Services:			
Supplies and materials	75,000	75,000	2,154
Total	<u>75,000</u>	<u>75,000</u>	<u>2,154</u>
Instructional Staff:			
Improvement of Instructional Staff:			
Salaries	-	-	82,702
Employee benefits	2,411	2,411	1,033
Purchased services	115,000	115,000	115,260
Supplies and materials	5,000	5,000	2,087
Total	<u>122,411</u>	<u>122,411</u>	<u>201,082</u>
Educational Media:			
Salaries	399,985	399,985	65,026
Employee benefits	87,550	87,550	1,013
Purchased services	119,000	119,000	133,257
Supplies and materials	318,250	318,250	255,549
Capital outlay	25,000	25,000	84,463
Non-capitalized equipment	50,000	50,000	145,381
Total	<u>999,785</u>	<u>999,785</u>	<u>684,689</u>

KENILWORTH SCHOOL DISTRICT NO. 38*Educational Account - Schedule of Revenues Received, Expenditures Disbursed and**Changes in Fund Balance - Budget and Actual - Modified Cash Basis**Year Ended June 30, 2022*

	Original Budget	Final Budget	Modified Cash Basis Actual
Expenditures (continued)			
Assessment and Testing:			
Supplies and materials	\$ 10,000	\$ 10,000	\$ 8,985
Total	10,000	10,000	8,985
General Administration:			
Board of Education:			
Salaries	28,000	28,000	27,677
Employee benefits	-	-	4,733
Purchased services	252,000	252,000	258,612
Supplies and materials	27,700	27,700	6,815
Other	10,000	10,000	-
Total	317,700	317,700	297,837
Executive Administration:			
Salaries	351,856	351,856	358,828
Employee benefits	34,273	34,273	83,510
Purchased services	2,000	2,000	-
Supplies and materials	1,500	1,500	528
Other	18,000	18,000	4,373
Total	407,629	407,629	447,239
Special Area Administration Services:			
Salaries	178,570	178,570	181,457
Employee benefits	30,000	30,000	61,195
Purchased services	5,000	5,000	6,002
Other	2,500	2,500	3,261
Total	216,070	216,070	251,915
Office of the Principal:			
Salaries	353,910	353,910	364,494
Employee benefits	138,497	138,497	151,679
Purchased services	14,500	14,500	19,885
Supplies and materials	26,500	26,500	15,791
Other	400	400	-
Total	533,807	533,807	551,849
Business:			
Direction of Business Support Services:			
Salaries	109,129	109,129	107,635
Employee benefits	14,268	14,268	1,183
Total	123,397	123,397	108,818

KENILWORTH SCHOOL DISTRICT NO. 38

*Educational Account - Schedule of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis*

Year Ended June 30, 2022

	Original Budget	Final Budget	Modified Cash Basis Actual
Expenditures (continued)			
Fiscal:			
Salaries	\$ 96,254	\$ 96,254	\$ 96,356
Employee benefits	42,135	42,135	21,692
Purchased services	18,000	18,000	40,042
Supplies and materials	1,000	1,000	-
Total	157,389	157,389	158,090
Food Services:			
Supplies and materials	37,000	37,000	38,037
Total	37,000	37,000	38,037
Internal Services:			
Purchased services	15,000	15,000	1,921
Total	15,000	15,000	1,921
Direction of Central Support Services			
Salaries	-	-	49,875
Employee benefits	-	-	11,875
Total	-	-	61,750
Planning, Research, Development and Evaluation Services			
Purchased services	5,000	5,000	8,558
Total	5,000	5,000	8,558
Information Services			
Salaries	-	-	195,625
Employee Benefits	-	-	46,725
Purchased services	-	-	5,259
Total	-	-	247,609
Data Processing Services:			
Salaries	-	-	73,103
Employee Benefits	-	-	17,553
Non-capitalized equipment	-	-	90,656
Total	-	-	-
Total Support Services	3,589,657	3,589,657	3,738,775

KENILWORTH SCHOOL DISTRICT NO. 38*Educational Account - Schedule of Revenues Received, Expenditures Disbursed and**Changes in Fund Balance - Budget and Actual - Modified Cash Basis**Year Ended June 30, 2022*

	Original Budget	Final Budget	Modified Cash Basis Actual
Expenditures (concluded)			
Payments to Other Governmental Units:			
Payments for Regular Programs:			
Other	\$ 18,000	\$ 18,000	13,452
Payments to Other Governmental Units			
Payments for Special Education Programs:			
Purchased services	325,000	325,000	305,726
Other	140,000	140,000	99,342
Total Payments to Other Governmental Units	483,000	483,000	418,520
Total Expenditures Disbursed	11,539,255	11,539,255	11,227,766
Excess (Deficiency) of Revenues Over/(Under) Expenditures	529,114	529,114	1,062,345
Other Financing Sources/(Uses)			
Transfers In/(Out)	-	-	19,692
Total Other Financing Sources/(Uses)	-	-	19,692
Net Change in Fund Balance	529,114	529,114	1,082,037
Fund Balance, beginning of year			9,376,919
Fund Balance, end of year			\$ 10,458,956

KENILWORTH SCHOOL DISTRICT NO. 38

Working Cash Account - Schedule of Revenues Received, Expenditures Disbursed and Changes in

Fund Balance - Budget and Actual - Modified Cash Basis

Year Ended June 30, 2022

	Original Budget	Final Budget	Modified Cash Basis Actual
Revenues Received			
Local Sources:			
Interest income	\$ -	\$ -	\$ 2,861
Total Local Sources	-	-	2,861
Total Revenues Received	-	-	2,861
Total Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	2,861
Other Financing Sources (Uses)			
Transfers In/(Out)	-	-	(19,692)
Total Other Financing Sources (Uses)	-	-	(19,692)
Net Change in Fund Balances	\$ -	\$ -	(16,831)
Fund Balance, beginning of year			2,991,040
Fund Balance, end of year			\$ 2,974,209

KENILWORTH SCHOOL DISTRICT NO. 38

*Operations and Maintenance Fund - Schedule of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
Year Ended June 30, 2022*

	Original Budget	Final Budget	Modified Cash Basis Actual
Revenues Received			
Local Sources:			
Property taxes	\$ 1,373,268	\$ 1,373,268	\$ 1,367,317
Total Local Sources	1,373,268	1,373,268	1,367,317
State Sources:			
Maintenance grant	50,000	50,000	50,000
Total State Sources	50,000	50,000	50,000
Total Revenues Received	1,423,268	1,423,268	1,417,317
Expenditures Disbursed			
Supporting Services - Pupils:			
Other Support Services:			
Supplies and materials	75,000	75,000	70,296
Total Supporting Services - Pupil	75,000	75,000	70,296
Supporting Services - Business:			
Direction of Business Support Services			
Salaries	-	-	82,754
Employee benefits	-	-	23,973
Total	-	-	106,727
Facilities Acquisition and Construction Services:			
Purchased services	70,000	70,000	24,418
Capital outlay	-	-	92,969
Non-capitalized equipment	-	-	820
Total	70,000	70,000	118,207
Operations and Maintenance of Plant Services:			
Salaries	134,110	134,110	52,585
Employee benefits	22,846	22,846	7,991
Purchased services	383,600	383,600	326,288
Supplies and materials	265,500	265,500	238,000
Total	806,056	806,056	624,864
Total Supporting Services - Business	876,056	876,056	849,798
Total Expenditures Disbursed	951,056	951,056	920,094
Net Change in Fund Balances	\$ 472,212	\$ 472,212	497,223
Fund Balance, beginning of year			8,100,629
Fund Balance, end of year			\$ 8,597,852

KENILWORTH SCHOOL DISTRICT NO. 38

*Transportation Fund - Schedule of Revenues Received, Expenditures Disbursed and Changes in
Fund Balance - Budget and Actual - Modified Cash Basis
Year Ended June 30, 2022*

	Original Budget	Final Budget	Modified Cash Basis Actual
Revenues Received			
Local Sources:			
Property taxes	\$ 58,776	\$ 58,776	\$ 66,117
Total Local Sources	58,776	58,776	66,117
State Sources:			
Transportation aid - special education	9,000	9,000	7,518
Total State Sources	9,000	9,000	7,518
Total Revenues Received	67,776	67,776	73,635
Expenditures Disbursed			
Supporting Services:			
Pupil Transportation Services:			
Purchased services	110,000	110,000	102,672
Total Supporting Services	110,000	110,000	102,672
Total Expenditures Disbursed	110,000	110,000	102,672
Net Change in Fund Balances	\$ (42,224)	\$ (42,224)	(29,037)
Fund Balance, beginning of year			195,921
Fund Balance, end of year			\$ 166,884

KENILWORTH SCHOOL DISTRICT NO. 38

*Municipal Retirement Fund - Schedule of Revenues Received, Expenditures Disbursed and Changes in
Fund Balance - Budget and Actual - Modified Cash Basis*

Year Ended June 30, 2022

	Original Budget	Final Budget	Modified Cash Basis Actual
Revenues Received			
Local Sources:			
Property taxes	\$ 196,284	\$ 196,284	\$ 200,032
Replacement taxes	-	-	207,355
Total Local Sources	196,284	196,284	407,387
Total Revenues Received	196,284	196,284	407,387
Expenditures Disbursed			
Instruction - employee benefits	173,489	173,489	107,971
Supporting services - employee benefits	115,865	115,865	133,157
Total Supporting Services	289,354	289,354	241,128
Total Expenditures Disbursed	289,354	289,354	241,128
Net Change in Fund Balances	<u>\$ (93,070)</u>	<u>\$ (93,070)</u>	166,259
Fund Balance, beginning of year			464,683
Fund Balance, end of year			<u>\$ 630,942</u>

KENILWORTH SCHOOL DISTRICT NO. 38*Debt Service Fund - Schedule of Revenues Received, Expenditures Disbursed and Changes in**Fund Balance - Budget and Actual - Modified Cash Basis**Year Ended June 30, 2022*

	Original Budget	Final Budget	Modified Cash Basis Actual
Revenues Received			
Local Sources:			
Property taxes	\$ 1,022,031	\$ 1,022,031	\$ 1,009,816
Total Local Sources	1,022,031	1,022,031	1,009,816
Total Revenues Received	1,022,031	1,022,031	1,009,816
Expenditures Disbursed			
Debt Service:			
Principal	765,000	765,000	765,000
Interest	199,369	199,369	199,369
Fiscal agent charges	2,000	2,000	750
Total Supporting Services	966,369	966,369	965,119
Total Expenditures Disbursed	966,369	966,369	965,119
Net Change in Fund Balances	\$ 55,662	\$ 55,662	44,697
Fund Balance, beginning of year			1,022,559
Fund Balance, end of year			\$ 1,067,256

KENILWORTH SCHOOL DISTRICT NO. 38

*Capital Projects Fund - Schedule of Revenues Received, Expenditures Disbursed and Changes in
Fund Balance - Budget and Actual - Modified Cash Basis*

Year Ended June 30, 2022

	Original Budget	Final Budget	Modified Cash Basis Actual
Revenues Received			
Total Revenues Received	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures Disbursed			
Support Services:			
Capital outlay	<u>2,550,000</u>	<u>2,550,000</u>	<u>2,581,830</u>
Total Supporting Services	<u>2,550,000</u>	<u>2,550,000</u>	<u>2,581,830</u>
Total Expenditures Disbursed	<u>2,550,000</u>	<u>2,550,000</u>	<u>2,581,830</u>
 Net Change in Fund Balances	 <u><u>\$ (2,550,000)</u></u>	 <u><u>\$ (2,550,000)</u></u>	 <u><u>(2,581,830)</u></u>
Fund Balance, beginning of year			2,872,824
Fund Balance, end of year			<u><u>\$ 290,994</u></u>

KENILWORTH SCHOOL DISTRICT NO. 38*Tort Fund - Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance**Budget and Actual - Modified Cash Basis**Year Ended June 30, 2022*

	Original Budget	Final Budget	Modified Cash Basis Actual
Revenues Received			
Local Sources:			
Other	\$ -	\$ -	\$ 3,027
Total Local Sources	-	-	3,027
Total Revenues Received	-	-	3,027
Expenditures Disbursed			
Support Services:			
Risk management and claims services	225,036	225,036	77,861
Capital outlay	-	-	98,205
Total Supporting Services	225,036	225,036	176,066
Total Expenditures Disbursed	225,036	225,036	176,066
Net Change in Fund Balances	\$ (225,036)	\$ (225,036)	(173,039)
Fund Balance, beginning of year			547,296
Fund Balance, end of year			\$ 374,257

KENILWORTH SCHOOL DISTRICT NO. 38

Activity Funds - Schedule of Revenues Collected and Expenses Paid

Year Ended June 30, 2022

	Cash Balance July 1, 2021	Revenues Collected	Expenses Paid	Cash Balance June 30, 2022
Interest	\$ 4,417	\$ 503	\$ 76	\$ 4,844
Lego	753	-	-	753
Student Council	9,248	30	-	9,278
Architecture	914	-	-	914
Miscellaneous	810	-	-	810
In and Out	15,816	5,091	2,170	18,737
School Store	1,210	-	-	1,210
Yearbook	12,277	12,055	12,001	12,331
Girls on the Run	10,840	50	-	10,890
Eighth Grade	8,542	15,452	14,662	9,332
Library	6,876	-	-	6,876
Great Books	56,726	-	-	56,726
Drama	4,981	-	-	4,981
French	14,814	-	-	14,814
Art	(637)	-	-	(637)
Marker Space Club	7,200	-	-	7,200
Environment Club	1,123	-	-	1,123
Latin Club	17,308	-	-	17,308
Robotics Club	1,000	-	-	1,000
Book Club Discipline and Ethics	270	-	-	270
Panther Citizens	425	-	-	425
Sandwiches and Spotlight	20,795	-	-	20,795
Mandarin Club	340	-	-	340
Science Olympiad	6,214	-	-	6,214
Total	\$ 202,262	\$ 33,181	\$ 28,909	\$ 206,534

KENILWORTH SCHOOL DISTRICT NO. 38*Schedule of Assessed Valuations, Tax Extensions and Collections**Year Ended June 30, 2022*

	TAX LEVY YEAR		
	2021	2020	2019
Assessed Valuation	N/A*	\$ 362,818,609	\$ 367,618,465
Tax Rate by Levy:			
Educational	N/A*	3.0686	2.9681
Tort Immunity	N/A*	-	-
Operations and Maintenance	N/A*	0.3785	0.3532
Bond and Interest	N/A*	0.2817	0.2758
Transportation	N/A*	0.0162	0.0147
Municipal Retirement	N/A*	0.0541	0.0437
Total	N/A*	3.7991	3.6555
Tax Extensions by Levy:			
Educational	11,700,000 ^	11,133,451	10,911,283
Tort Immunity	-	-	-
Operations and Maintenance	1,410,000 ^	1,373,268	1,298,428
Bond and Interest	1,000,000 ^	1,022,031	1,013,926
Transportation	75,000 ^	58,776	54,039
Municipal Retirement	210,000 ^	196,284	160,649
Total	\$ 14,395,000	\$ 13,783,810	\$ 13,438,325
Tax Collections:	\$ 7,467,516	\$ 13,654,138	\$ 13,199,926
Percent of Total levy Collected to June 30, 2022	51.88%	99.06%	98.23%

*Cook County has not yet released tax levy extension or rate information for tax year 2021 as of the audit report date.

^Tax levy information is obtained from the District's certificate of tax levy document

KENILWORTH SCHOOL DISTRICT NO. 38

Schedule of Bonded Debt Maturities and Interest

Year Ended June 30, 2022

Due Year Ended June 30,	2017A Working Cash Bonds		2017 Refunding Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 120,000	\$ 116,800	\$ 665,000	\$ 64,324	\$ 785,000	\$ 181,124
2024	125,000	111,900	675,000	50,522	800,000	162,422
2025	135,000	106,700	690,000	36,463	825,000	143,163
2026	145,000	101,100	705,000	22,094	850,000	123,194
2027	150,000	95,200	720,000	7,416	870,000	102,616
2028	160,000	89,000	-	-	160,000	89,000
2029	170,000	82,400	-	-	170,000	82,400
2030	180,000	75,400	-	-	180,000	75,400
2031	185,000	68,100	-	-	185,000	68,100
2032	195,000	60,500	-	-	195,000	60,500
2033	205,000	52,500	-	-	205,000	52,500
2034	220,000	44,000	-	-	220,000	44,000
2035	230,000	35,000	-	-	230,000	35,000
2036	240,000	25,600	-	-	240,000	25,600
2037	255,000	15,700	-	-	255,000	15,700
2038	265,000	5,300	-	-	265,000	5,300
	<u>\$ 2,980,000</u>	<u>\$ 1,085,200</u>	<u>\$ 3,455,000</u>	<u>\$ 180,819</u>	<u>\$ 6,435,000</u>	<u>\$ 1,266,019</u>

KENILWORTH SCHOOL DISTRICT NO. 38

Schedule of Per Capita Tuition Charge and Average Daily Attendance

Year Ended June 30, 2022

	2022
Average Daily Attendance (ADA)	426.39
Operating Costs:	
Educational	\$ 11,227,766
Operations and maintenance	920,094
Debt service	965,119
Transportation	102,672
Municipal retirement	241,128
Tort	176,066
Subtotal	13,632,845
Less revenue/expenditures of non-regular programs:	
Tuition	39,711
Pre-K	140,181
Payments to Other Governmental Units	418,520
Capital outlay	275,637
Non-capitalized equipment	197,979
Debt principal retired	765,000
Subtotal	1,837,028
Operating Costs	11,795,817
Operating Costs Per Pupil	\$ 27,664
Operating Costs	\$ 11,795,817
Less revenues from specific programs, such as special education or lunch programs	527,819
Net Operating Costs	11,267,998
Depreciation allowance	556,024
Allowable Tuition Costs	11,824,022
Tuition Charge Per Pupil - Based on ADA	\$ 27,731

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Other Information

Year Ended June 30, 2022

NOTE 1 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

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

For the 2020-2016 measurement years, the assumed investment rate of return of 7.0 percent, an inflation rate of 2.5 percent and real return of 4.5 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return of 7.5 percent, 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.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

The budget for all Governmental Fund types and for the Expendable Trust Fund is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, paragraph 5/17-1 of the *Illinois Compiled Statutes*. The budget was passed on September 13, 2021.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. All encumbrances lapse at the end of the fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. After July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditures disbursed of any fund must be approved by the Board of Education after a public hearing.

KENILWORTH SCHOOL DISTRICT NO. 38

Notes to Other Information

Year Ended June 30, 2022

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

NOTE 3 – EXCESS OF ACTUAL EXPENDITURES DISBURSED OVER BUDGETED EXPENDITURES

The District over-expended their budgeted expenditures in the Capital Projects Fund by \$31,830 during the fiscal year ended June 30, 2022. During the current year, building renovations were paid from this fund.