



Northbrook School District 27

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Northbrook School District 27
Northbrook, Illinois

Northbrook School District 27
Northbrook, Illinois

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Official Issuing Report

Dr. Kimberly Rio

Assistant Superintendent for
Finance and Operations

Department Issuing Report

Finance and Operations

Northbrook School District 27
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended June 30, 2023

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(Concluded)

INTRODUCTORY SECTION



NORTHBROOK SCHOOL DISTRICT 27

Assistant Superintendent for Finance & Operations
Dr. Kimberly Rio, CSBO

BOARD OF EDUCATION
Mrs. Melissa Copeland, President
Mr. Matthew Basinger, Vice President
Mr. Opi Akuffo
Dr. Gali Oren-Amit
Mrs. Martha Carlos
Mr. Daniel Terrien
Mr. Jack Waddle

October 13, 2023

Members of the Board of Education
Citizens of Northbrook School District 27
1250 Sanders Road
Northbrook, Illinois 60062

Dear Members of the Board of Education and Citizens of Northbrook School District 27:

The Annual Comprehensive Financial Report (ACFR) for Northbrook School District 27, for the fiscal year ended June 30, 2023, is submitted herewith.

Each school district is required, as of June 30 of each fiscal year, to have an independent audit completed per Illinois School Code 105 ILCS 5/3-7. This ACFR is published to fulfill that requirement for the fiscal year ending June 30, 2023.

The ACFR is a report that tells the financial story of the District through narrative, financial statements, and statistics. The ACFR includes summary and detailed information for the school year being reported but also includes statistical information for the previous ten years. This ACFR will provide the District 27 stakeholders with a comprehensive presentation of the District's financial position and operating activities. The District 27 management assumes full responsibility for the completeness and reliability of the information contained in the ACFR. The information provided in the ACFR is based on an established comprehensive internal control framework. The objective of the internal control framework is to provide a reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Miller, Cooper & Co., Ltd. completed the audit for Northbrook School District 27 for the year ended June 30, 2023. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. District 27 management assumes full responsibility for the information provided in the MD&A.

ORGANIZATION PROFILE

Northbrook School District 27, located 20 miles northwest of Chicago, is a small North Shore suburban school district of approximately five square miles, in a middle to upper-middle-class socio-economic community, with

average ethnic diversity. The District is one of four elementary school districts in the Village of Northbrook, serving the northwest segment.

Northbrook School District 27 is a public K-8 district, serving a student population of 1,335 for school year 2022-23. The District anticipates stable enrollment over the next five years, projecting the overall enrollment range to be between 1,324 and 1,332. The District is configured into three school buildings. Hickory Point School serves grades K-2, Shabonee School serves grades 3-5, and Wood Oaks Junior High School serves grades 6-8. District 27 is a feeder district to Glenbrook High School District 225. There are no charter schools in the District or surrounding community. The District currently holds a 56% reserve level and is in a financially stable position. The policy and goal of the Board of Education is to target a 65% cumulative fund balance reserve level in order to mitigate any current or future financial risk while maintaining excellence in programs and services provided to the students and families. The District currently has no long-term debt, and in 2011 completed a 13-year cycle of building renovations, additions, and site improvements in order to have state-of-the-art facilities. Since 2011, the District has focused on maintaining its capital investment into the buildings by continuing to implement the strong facilities preventative maintenance program currently in place. The long-range capital improvements will concentrate on roof systems, HVAC, and electrical systems replacements at all three school buildings.

Northbrook School District 27 has a history of high academic performance and has been recognized for its excellence. District 27 offers comprehensive regular and support programs for students, as well as many opportunities for students to be involved in extracurricular activities. Northbrook School District 27's mission is *to educate students to succeed in a changing world*. The core values for all students, staff, and our community partners, are to:

- Pursue learning that develops individual growth, potential, and leadership to the fullest of our capacity;
- Commit to performance excellence as a learning community;
- Use performance results to honor accomplishments, determine needs, and improve learning experiences and achievements;
- Share the responsibility to learn and work in a collaborative environment;
- Adhere to the highest standards of ethical behavior (both personal and organizational); and
- Treat others with respect and value differences.

Stakeholders have identified six key requirements of District 27, which have become the District's key success factors, as follows: 1) Outstanding Student Performance; 2) Coherent and Rigorous Programs and Services; 3) Highly Qualified Staff; 4) Social-Emotional Wellbeing; 5) Safe Learning and Working Environment; and 6) Healthy Financial Position.

The governing body consists of a seven-member Board of Education, each member elected for a four-year term, with the election conducted every other year on the odd year. The chief functions of the Board of Education are to set policy, ensure fiscal responsibility, hire and evaluate the Superintendent, and protect stakeholder interests. The District is not a component unit or a part of a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

The Board of Education operates two key working committees: Finance, and Policy. It also has key liaison chairpersons to oversee Curriculum, Technology, and Facilities, with the senior leaders. The Board receives initiative updates and gives input into the District's Strategic Planning Process. The Board of Education meets twice each month. Typically, one meeting is a Board Working Session focusing on strategic initiatives and goal accomplishment, and the second meeting is a formal business meeting.

An organizational chart and schedule of officers and officials follow this transmittal letter.

LOCAL ECONOMY

Northbrook School District 27 is located within Northfield Township in Cook County, Illinois. Northfield Township is comprised of the Villages of Northbrook and Glenview and unincorporated parts of Cook County. In addition to its residential real estate, the Township houses numerous national and international businesses, such as Walgreen Company, Underwriters Laboratories, ABT Electronics, Crate and Barrel, and Astellas US Pharma, Inc.

In reviewing a 23-year history of the equalized assessed valuation (EAV) of property within the attendance boundaries of District 27, we have seen large-scale increases going from \$524 million in 2000 to \$1.1 billion in 2009. The property values in District 27 have provided a strong stable tax base. For four consecutive years, the District saw a decline in the equalized assessed valuation, going from \$1.1 billion in 2009 to \$716 million in 2013. These decreases were directly related to the depressed housing market and decline in property values. The District has since seen increases in EAV from 2014 to 2021, going from \$716 million to \$910 million. The District continues to maintain stability in total property values or EAV going forward. The District has remained committed to pursuing additional cost containment measures in an effort to maintain a balanced budget and a healthy financial position.

In addition, as a Cook County School District, the District is bound by the Property Tax Extension Limitation Law (PTELL). This legislation limits the District's ability to generate property tax revenues.

For additional information regarding the District's financial position, please read the Management's Discussion and Analysis included in the ACFR.

LONG-TERM FINANCIAL PLANNING

One of the District's key success factors is to maintain a healthy financial position. In terms of strategic planning, the objective is to ensure the financial solvency of the District by proactively managing in an environment of changing funding patterns. The related goals to this key success factor are to maintain a responsible approach to fiscal operations and advocate for federal, state, and local revenue to support District funding. Planning forward, the District will closely monitor the current economic landscape for any potential changes in legislation that would impact school funding; i.e., the financial stability of the State of Illinois, cost shift to employers for pension obligations, and, at the federal level, continued monitoring and implementation of the Patient Protection & Affordable Care Act.

The District is committed to long-term strategic planning for all operations, long-term financial planning, and long-term cost containment efforts. We have taken this approach in managing the District's financial operations in order to be both fiscally responsible and reasonable. The District aggressively implements cost containment measures in the areas of telecommunications, energy, insurance, transportation, inventory control, and staffing pattern alignment. With these cost containment measures; the District has been able to reduce its operating expenditures in order to maintain a strong financial position for the future and reflect a more cost-effective operation.

The District ensures that adequate budgetary and financial resources are available to support the organization through appropriate financial planning. In accordance with the budget process, to ensure that the budget is balanced, the District conducts regular updates of its long-range financial projection in order to project all aspects of the budget in terms of staffing and support services.

The financial projection model is updated continually to forecast revenues and expenditures and plan for any new initiatives that may require additional funding. The projections allow for the assessment of any current or future risk in terms of revenue generation and its impact on expenditures for meeting a projected annual balanced budget, as well as maintaining financial solvency.

For the past 23 years, the Board of Education has maintained a level of reserve between 49%-74%. Due to strategic financial planning, the Board has budgeted for operating expenses, mandated health life safety improvements, and building renovations, while maintaining at least a 5-6-month cash reserve.

The District currently has no long-term debt.

The District's financial statements are reviewed and approved by the Board on a monthly basis. Twice a year, the Board of Education reviews the District's long-range financial projection in order to ensure the fiscal solvency of the District. This review is conducted to maintain a stable financial position so that the District can continue providing excellence in programming for our students. Throughout the year, the Board of Education also reviews key legislative issues and other pending events that may have a financial impact on the District.

RELEVANT FINANCIAL POLICIES/PROCEDURES

The District's financial calendar includes three key components: the annual budget process, the annual tax levy process, and the independent audit completion, along with subsequent financial publications.

The Board of Education currently has budget and fiscal management policies in place that require the District to maintain a reasonable fund balance reserve sufficient to mitigate current and future financial risks. The policy requires the District to target a 65% cumulative fund balance reserve, defined as fiscal year-end cumulative fund balance divided by next year's board-approved projected operating expense budget, in order to ensure the District can meet its cash flow requirements. The budget policies also outline parameters for the identification and distribution of resources to support all programs and services, the upkeep of school facilities, compliance with all applicable regulatory agencies, and the continuous monitoring of compliance measures and internal controls. The District has a detailed budget calendar and process timeline. The District legally adopts a budget for all funds. The budget planning process begins in December with the updating of the budget calendar. The proposed tentative budget is available for public inspection and comment at least 30 days before the budget hearing. Prior to the end of the first quarter, after final budget adoption by the Board of Education, the budget is filed with the Cook County Clerk's office and filed electronically with the Illinois State Board of Education (ISBE). The adopted budget is also posted on the District's website.

The Board of Education reviews and approves a tentative tax levy during the month of November. During the month of December, the public hearing for the tax levy is held, and it is formally adopted, by the Board, with a vote.

The independent audit is conducted during the months of June through September. The District also publishes an Annual Statement of Affairs regarding its financial position by December 1 of each year.

The Township Treasurer serves as the Chief Investment Officer. The Township Treasurer invests funds not required for current operations, in accordance with Board policy and state law. The Board of Education has established an investment policy to ensure the safety of principal, liquidity of principal, return on investments, and maintenance of the public's trust. See the Notes to the Financial Statements for additional information on cash and investments.

MAJOR INITIATIVES

The major initiatives that District 27 is embarking upon are structured around the six key success factors for the District; 1) Outstanding Student Performance; 2) Coherent and Rigorous Programs and Services; 3) Highly Qualified Staff; 4) Social-Emotional Well-being; 5) Safe Learning and Work Environment; and 6) Healthy Financial Position.

One component of the strategic planning process for the District is to build and map out the major initiatives to accomplish within the various work systems. The District has three main work systems: Academic Programs and Services, Finance & Operational Services, and Personnel and Student Services. The following information will detail the current District 27 initiatives within the next five years related to the various work systems and overall strategic planning process.

Major Initiatives - Academic Programs and Services Work System

Curriculum & Program Revisions

Over the next few years, as mandated by the State, the District will incorporate and implement culturally responsive standards for teaching and leading into subject areas, as well as develop and implement a district-wide Diversity, Equity & Inclusion Plan.

The District will continue to monitor student learning recovery using formative assessments, common grade/course assessments, and standardized assessments. Also, the District will continue the reading curriculum revision in grades 2-5 as well as the revision of the social studies curriculum in grades K-5. The District will also engage in a study of research on literacy instruction at primary grades to determine if formal reading curriculum revision is warranted.

Beginning with the 2023-24 school year, the District will offer an early childhood program at Hickory Point School, Little Bulldogs. The program will operate with a morning session and an afternoon session, with a projected student enrollment of sixteen children each session. The program will be offered five days per week and will serve 3 to 5-year-olds in a blended early childhood classroom model. The model is designed to be an inclusive play-based environment, serving students who are typically developing (community peers) alongside supporting students with Individualized Education Plans (IEPs).

Instructional Technology

On an annual basis, the District reviews and updates its multi-year technology plan with implementation and appropriate professional development planning phases mapped out. The District continues to provide the 1:1 student device program in grades K-8, to accommodate adjustments to instructional delivery.

Social and Emotional Development

The District continues to implement key programs and resources to support students and staff, including the Positive Behavior Interventions and Supports (PBIS) system for student social and emotional development. The District implemented a behavioral coach position and will continue to leverage this position to help support social-emotional learning for staff to support themselves and students.

Conduct Satisfaction Surveys

The District conducts satisfaction surveys to determine staff, student, and parent perceptions of our schools and the District. The District conducts these surveys every other year, on the even years.

Major Initiatives – Finance & Operational Work System

Long-Term Financial Planning

The key action plan with this major initiative is to proactively manage in an environment of changing funding patterns and increased financial mandates from the State and Federal governments. The goal is to maintain a reasonable approach to fiscal operations ensuring cost efficiencies while maintaining programs and services. The District will develop and implement a financial plan, including a study of future borrowing options, to ensure fiscal solvency and implementation of future capital improvement projects.

Long-Range Facilities Improvement Plan

In the year 2022, the District updated the Ten-Year Health Life Safety Study. As a result of this study, the District will continue to implement the recommendations for future preventive maintenance of building infrastructures and systems. Currently, the District has mapped out a multi-year roof system and HVAC replacement project including all three school buildings.

Major Initiatives – Personnel and Student Services Work System

Long-Term Staffing Projections

The key action plan with this major initiative is to create long-term staffing projections and implement annual staffing plans that address essential and highly-valued District programs and services. The creation of long-term staffing projections will allow the District to meet the challenge of providing cost-effective staffing patterns in an effort to proactively manage in an environment of changing funding patterns.

AWARDS AND ACHIEVEMENTS

Exemplary Student Academic Performance

The District continues exemplary student academic performance in all state and national testing. Currently, the District's performance places it as one of the highest-performing districts in the state and nation.

Blue Ribbon Award

Wood Oaks Junior High School was awarded the 2022 National Blue Ribbon School Award. This award is presented by the U.S. Department of Education and recognizes high student academic achievement.

Certificate of Financial Recognition

The District continues to receive the Certificate of Financial Recognition through the Illinois State Board of Education for financial achievement with financial statements and the School District Financial Profile. This recognition has been received each year for the past 22 years.

Certificate of Achievement for Excellence in Financial Reporting

The District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, for the fiscal year ending June 30, 2022. For fourteen consecutive years, the District has achieved this award for its processes, financial controls, and results delineated in the Annual Comprehensive Financial Reports for Fiscal Years 2009 through 2022.

Certificate of Excellence in Financial Reporting

The District received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International, for the fiscal year that ended June 30, 2022. For fourteen consecutive years, the District has received this award. This award recognizes school systems for best practices in financial reporting and commitment to fiscal integrity, transparency, and best practices in the management of public tax dollars.

School Search Bright Red Apple Award

The District received the School Search Bright Red Apple Award each year from 2010 to 2013. The District is one of only 83 Illinois School Districts (out of 868 school districts) to be honored with this award. The award honors strength in academic performance, pupil/teacher ratio, expenditure per pupil, education level of teachers, and average teacher salary. 2013 was the last year School Search offered this award.

Academic Award of Excellence

Wood Oaks Junior High School received an Academic Award of Excellence in 2012, from the Illinois State Board of Education for having 90 percent of the student body meet or exceed standards as measured by the ISAT for seven consecutive years. The Illinois State Board of Education recognized 438 schools across the state.

Facilities Master Award

The District was awarded the 2008 Facilities Master Award through the Association of School Business Officials (ASBO). This award honors districts that achieve best practices in school facility management operations. This was the second consecutive year that the District received this honor. 2008 was the last year ASBO offered this award.

Schools of Illinois Purchasing Cooperative Stewardship Award

The District received the 2008 SIPC Stewardship Award through the Schools of Illinois Purchasing Cooperative (SIPC). This award recognizes the District's achievement in reaching SIPC Green Cleaning Gold Status and the District's commitment to Green Cleaning, resulting in a healthier environment for the students, staff, and visitors.

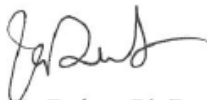
Excellence in Communications

The District received the Award of Excellence for 2010 and 2011 from the Illinois Chapter of the National School Public Relations Association for excellence in communication pertaining to the District's Annual Report and website. The District was also recognized with an Award of Merit for a financial publication written on understanding property tax bills and for producing an educational video on the subject of teacher partnerships.

ACKNOWLEDGEMENTS

We wish to express our deepest appreciation to the members of the Board of Education for their steadfast commitment to maintaining the highest level of standards of integrity and professionalism in the management of all operations for Northbrook School District 27.

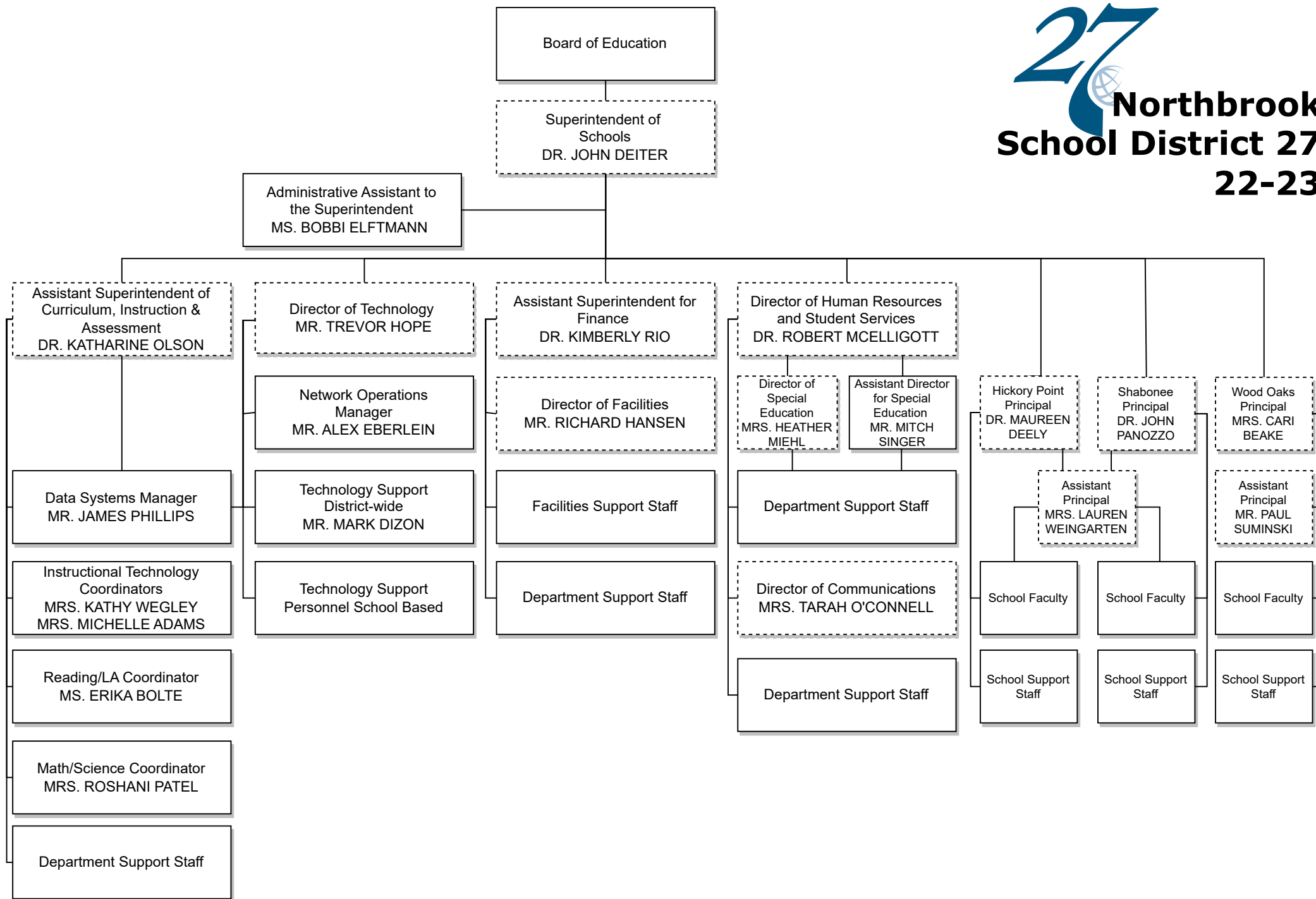
Respectfully,



John B. Deiter, Ph.D.
Superintendent of Schools



Kimberly Rio, Ed.D., CSBO
Assistant Superintendent for Finance & Operations



Northbrook School District 27
1250 Sanders Road
Northbrook, Illinois 60062

Annual Comprehensive Financial Report

Officers and Officials

Fiscal Year Ended June 30, 2023

Board of Education

		<u>Term Expires</u>
Melissa Copeland	President	2025
Matthew Basinger	Vice-President	2025
Opi Akuffo	Member	2027
Gali Oren-Amit	Member	2025
Martha Carlos	Member	2027
Daniel Terrien	Member	2025
Jack Waddle	Member	2027

Township School Treasurer

Dr. Craig Schilling

District Administration

Dr. John Deiter	Superintendent
Dr. Katharine Olson	Assistant Superintendent for Curriculum, Instruction and Assessment
Dr. Kimberly Rio	Assistant Superintendent for Finance and Operations
Dr. Rob McElligot	Director of Human Resources
Tarah O'Connell	Director of Communications
Rick Hansen	Director of Facilities
Heather Miehl	Director of Special Education
Trevor Hope	Director of Technology
Dr. Maureen Deely	Principal, Hickory Point School
Dr. John Panozzo	Principal, Shabonee School
Cari Beake	Principal, Wood Oaks Jr. High School
Paul Suminski	Asst. Principal, Wood Oaks Jr. High School
Lauren Weingarten	Asst. Principal, Shabonee & Hickory Point Schools

Official Issuing Report

Dr. Kimberly Rio
Assistant Superintendent for Finance and Operations

Finance & Operations

Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Northbrook School District 27

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



**John W. Hutchison
President**

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Northbrook School District 27
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Northbrook School District 27
Northbrook, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Northbrook School District 27 (the District), as of and for the year ended June 30, 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the District, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

(Continued)



Responsibilities of Management for the Financial Statements (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 GAAS and *Government Auditing Standards*, we:

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

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 71 through 77, the other postemployment benefits data on pages 78 through 83, and the budgetary comparison schedules and notes to the required supplementary information on pages 84 through 100 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Financial Information

Our audit for the year ended June 30, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary financial information, as listed in the table of contents, for the year ended June 30, 2023 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary financial information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2023 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
October 13, 2023



Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023

The discussion and analysis of Northbrook School District 27's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2023. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The District continues to maintain a healthy financial position with a 56% cumulative fund balance reserve; this percentage of reserve is derived from taking the ending cumulative fund balance at year-end against the projected budgeted expenditures for the next fiscal year. The District has targeted, as written in Board Policy, to reach a 65% level of fund balance reserve in order to remain financially solvent. The reason for a targeted 65% reserve level is to make sure the District has the appropriate level of funding available to pay for regular operations in between property tax distributions. The District will need to continue to build this reserve in order to meet current and future financial obligations.
- The District experienced declines in the overall Equalized Assessed Valuation (EAV), from 2009 to 2015. The 2009 EAV was at \$1.109 billion, and rapidly declined to \$704 million by 2015. The decline was directly related to the overall economic recession impacting the real estate market and property values. In 2016, the EAV increased by 19.6%, and in 2017 the EAV increased by 3.5%, marking continued improvement in the growth of overall property values. In 2018 the District experienced a slight decline; however, with the 2019 triennial reassessment the EAV increased 11.77% to \$947 million, and in 2021 the EAV remained stable at \$910 million. The District continues to maintain stability in total property values or EAV and will continue to monitor this area going forward.
- The District also continues to be impacted by the property tax appeals process in which successful appeals are directly negated from overall property tax distributions. Over the past 22 fiscal years, the cumulative total for property tax refunds has totaled over \$12 million. In regards to State and Federal sources of revenue, the District continues to monitor these areas in order to project revenue for budgeting purposes.
- Interest earnings have increased over the last two years. However, with delayed tax collections for both 2021 and 2022, the cumulative total for interest earnings will decline as the District will not have the same level of cash flow to invest each month to earn a greater return on investments.
- General revenues accounted for \$31,748,048 in revenue, or 71% of all revenues. Program-specific revenues in the form of charges for services, grants, and contributions accounted for \$12,895,902, or 29% of total revenues of \$44,643,950.
- The District had \$41,786,216 in expenses related to governmental activities. However, only \$12,895,902 of these expenses was offset by program-specific charges for services, grants, and contributions. General revenues of \$31,748,048 were adequate to provide for regular operating costs.
- The General Fund had \$35,849,473 in fiscal 2023 revenues, which primarily consisted of property taxes, state and federal aid, and \$34,096,487 in expenditures.



Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023

Financial Highlights (Continued)

- The General Fund had a net change in fund balance of (\$1,180,285) from a total of \$17,896,080 (previous year as of June 30, 2022) to a total of \$16,715,795 as of June 30, 2023. The majority of the net change in fund balance is due to an inter-fund transfer to the Operations & Maintenance Fund to cover roof systems and HVAC replacement costs.
- The enrollment for the 2022-23 school year was 1,335, which reflects a relatively stable enrollment. The good news is that this is the tenth consecutive year we have maintained our numbers and not experienced a noticeable decrease. Based on the District's current student enrollment projections, it is anticipated that enrollment should remain stable over the next five years.
- The District implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement requires the District to recognize a subscription asset and liability. See notes to the financial statements for additional information.

Overview of the Basic Financial Statements

Management's 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 supplementary information in addition to the basic financial statements.

Government-wide financial statements

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

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

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



Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023

Overview of the Basic Financial Statements (Continued)

Government-wide financial statements (Continued)

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

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds (the District maintains no proprietary funds).

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances. The General Fund includes the Educational and Working Cash Accounts. The Educational Account is the District's primary operating account, accounting for all financial resources of the general government, except for those accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary inter-fund loans for working capital requirements to the Education, Operations and Maintenance or Transportation Funds. Money loaned by the Working Cash Account to other funds must be repaid within one year. The Operations and Maintenance Fund, Transportation Fund, and Municipal Retirement/Social Security Fund are all special revenue funds. These funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in Debt Service Fund) that are legally restricted to expenditures for specified purposes. The Debt Service Fund is for the accumulation of resources for and the payment of subscription liabilities. All District funds are considered to be major funds. More detailed information on the government-wide and fund financial statements is provided in Notes A-3 and A-4 to the basic financial statements.



Northbrook School District 27

**Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023**

Overview of the Basic Financial Statements (Continued)

Fund financial statements (Continued)

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

Notes to the basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its certified and noncertified employees, as well as other post-employment benefit data, and budgetary comparison schedules. Other sections of the Annual Comprehensive Financial Report (ACFR) include supplemental and statistical data.

The District implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement requires the District to recognize a subscription asset and liability. See notes to the financial statements for additional information.



Northbrook School District 27

**Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023**

Government-Wide Financial Analysis

TABLE 1: <i>Condensed Statement of Net Position</i>		
	<u>2022</u>	<u>2023</u>
<u>Assets:</u>		
Current and other assets	\$34,581,884	\$34,726,796
Capital assets	<u>26,063,691</u>	<u>26,493,328</u>
TOTAL ASSETS	60,645,575	61,220,124
<u>Deferred Outflows of Resources:</u>		
Deferred Outflows Related to Pensions	308,695	1,620,851
Deferred Outflows Related to Other Post-Employment Benefits	<u>845,946</u>	<u>1,074,732</u>
TOTAL DEFERRED OUTFLOWS	1,154,641	2,695,583
<u>Liabilities:</u>		
Current liabilities	652,088	98,186
Long-term liabilities	<u>16,858,224</u>	<u>10,268,676</u>
TOTAL LIABILITIES	17,510,312	10,366,862
<u>Deferred Inflows of Resources:</u>		
Deferred Inflows Related to Pensions	2,516,191	305,557
Deferred Inflows Related to Other Post-Employment Benefits	6,020,291	13,405,515
Property Taxes Levied for Future Period	<u>13,880,643</u>	<u>15,107,260</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	22,417,125	28,818,332
<u>Net Position:</u>		
Investment in capital assets	26,063,691	26,493,328
Restricted	1,365,017	2,797,719
Unrestricted	<u>(5,555,929)</u>	<u>(4,560,534)</u>
TOTAL NET POSITION	\$21,872,779	\$24,730,513



Northbrook School District 27

**Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023**

Government-Wide Financial Analysis (Continued)

TABLE 2:
Condensed Statement of Changes in Net Position

	<u>2022</u>	<u>2023</u>
Revenues:		
Program Revenues:		
Charges for services	\$471,518	\$465,039
Operating grants and contributions	9,650,837	12,430,863
General Revenues:		
Taxes	29,458,941	30,279,478
General state aid	790,087	791,397
Other	<u>50,049</u>	<u>677,173</u>
Total Revenues	<u>40,421,432</u>	<u>44,643,950</u>
Expenses:		
Instruction	29,315,084	30,753,927
Pupil and instructional staff services	3,453,466	3,866,510
Administration and business	2,042,414	1,861,330
Transportation	1,282,721	1,604,518
Operations and maintenance	3,156,535	3,482,548
Other	<u>207,212</u>	<u>217,383</u>
Total Expenses	<u>39,457,432</u>	<u>41,786,216</u>
Change in net position	964,000	2,857,734
Net position, beginning of year	<u>20,908,779</u>	<u>21,872,779</u>
Net position, end year	<u>\$21,872,779</u>	<u>\$24,730,513</u>

Reasons for Change in Net Position:

The change in net position between fiscal years 2022 and 2023 is primarily due to two reasons. First, due to the current inflationary period, tax collections increased by 3.5%, aligned with growth in property values for all classes of property in the district. In addition, due to higher interest rates, the district increased interest earnings on invested cash balances. The charts below will detail revenues and expenditures by source for fiscal year 2023.

Revenues by Source:

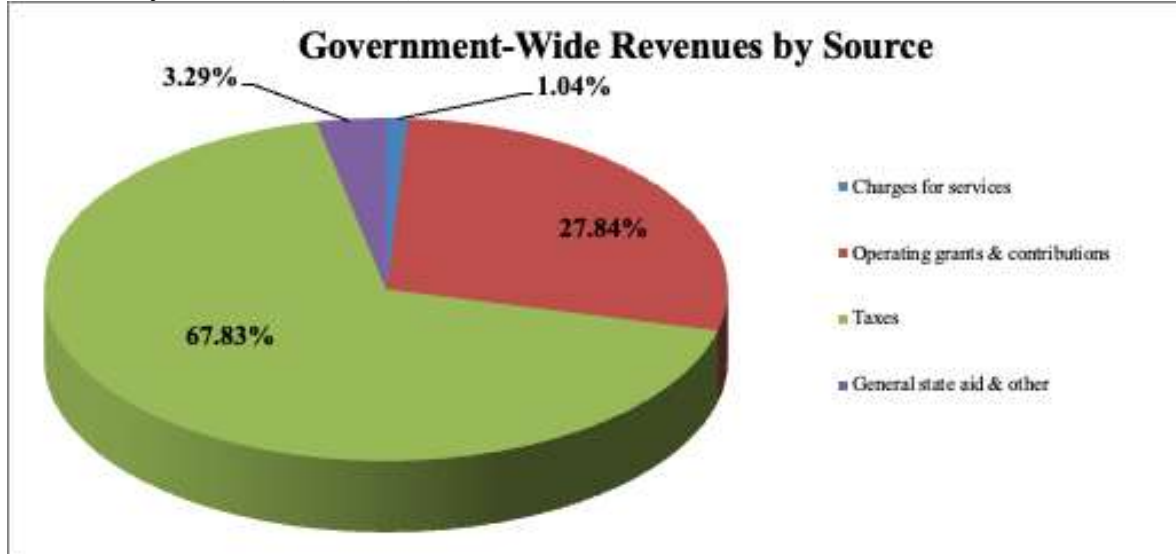
Revenues totaled \$44,643,950 for the fiscal year ended June 30, 2023. Property and replacement taxes in the amount of \$30,279,478 accounted for 67.83% of total revenues and continue to be the primary source of revenue for the District. In addition, operating grants and contributions of \$12,430,863 accounted for 27.84% of total revenues, and charges for services of \$465,039 accounted for 1.04% of total revenue. General state aid, interest, and other miscellaneous sources of revenue of \$1,468,570 accounted for 3.29% of total revenue.



Northbrook School District 27

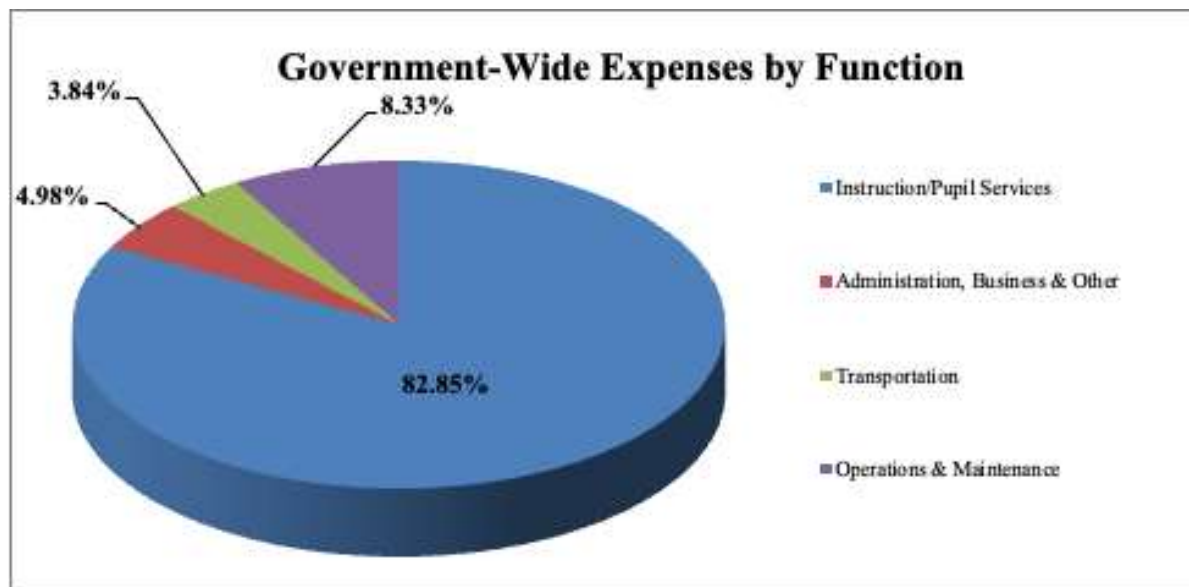
Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023

Revenues by Source: (Continued)



Expenses by Function:

The total cost of all the District's programs was \$41,786,216. Expenses directly related to instruction and support services (pupil and instructional staff) for students totaled \$34,620,437 or 82.85% of total expenses. The cost to transport students totaled \$1,604,518, or 3.84% of total expenses. The District also incurred expenses for maintaining its capital assets in operations and maintenance totaling \$3,482,548 or 8.33% of total expenses, and for administration and other expenses of \$2,078,713 or 4.98%.





Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023

Financial Analysis of the District's Funds

As the District closed the year, its governmental funds reported a combined fund balance of \$19,521,350, an increase of 2.7% from last year's ending fund balance of \$19,016,226. The increase in fund balance is primarily due to higher property tax collections and interest earnings given the current period of inflation. The District ended the 2022-23 fiscal year with revenues exceeding expenditures by \$396,077.

The General Fund is the largest of the governmental funds. The fund balance at the beginning of the year was \$17,896,080. Total revenues were \$35,849,473 and total expenditures were \$34,096,487. The net change in fund balance was a decrease of (\$1,180,285), due to an inter-fund transfer to the Operations and Maintenance Fund to help cover the roof systems and HVAC replacement work at Wood Oaks Junior High. The fund balance at the end of the year was \$16,715,795.

The District ended the 2022-23 fiscal year with revenues exceeding expenditures in the General Fund by \$1,752,986 largely due to increased property tax collections and interest earnings.

The Operations and Maintenance Fund's fund balance at the beginning of the year was (\$244,871). Total revenues were \$3,309,240 and total expenditures were \$4,648,712. The net change in fund balance was an increase of \$1,660,528 and the fund balance at the end of the year was \$1,415,657. The primary reason for the increase in fund balance is due to an inter-fund transfer from the Education Fund to help fund the capital outlay expenditures for the roof system and HVAC replacement work completed at Wood Oaks Junior High.

The Transportation Fund's fund balance at the beginning of the year was \$522,116. Total revenues were \$1,511,710 and total expenditures were \$1,604,518. The net change in fund balance was a decrease of (\$92,808) and the fund balance at the end of the year was \$429,308. The primary reason for expenditures exceeding revenues was due mainly to increased costs for transportation both for regular education and special education services.

The Municipal Retirement/Social Security Fund's fund balance at the beginning of the year was \$842,901. Total revenues were \$901,885 and total expenditures were \$784,196. The net change in fund balance was an increase of \$117,689, primarily as a result of increased property tax revenue and interest earnings and the fund balance at the end of the year was \$960,590.

The District continues to remain in a strong and stable financial position. The District is dedicated to maintaining a reasonable fund balance reserve sufficient to mitigate current and future financial risks. It is the current goal of the Board of Education to target a 65% cumulative fund balance reserve. The Board of Education and Administration will continue diligence in financial management and planning.



Northbrook School District 27

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023

General Fund Budgetary Highlights

The District's final budget for the General Fund anticipated that expenditures would equal revenues. The District ended the fiscal year with revenues exceeding expenditures by \$1,752,986.

- Actual expenditures, exclusive of state on-behalf payments, was less than budgeted expenditures by \$262,532. This is mainly due to contingencies not being spent. In addition, exclusive of state on-behalf payments, revenues exceed budget by \$1,490,454 as a result of increased property tax collections and interest earnings due to the current inflationary time period and increasing interest rates.

Capital Assets and Debt Administration

Capital assets

By the end of 2023, the District had compiled a total investment of \$26,493,328 net of accumulated depreciation, in a broad range of capital assets including buildings, land, equipment, subscription assets, and vehicles. Total depreciation expense for the year was \$1,406,084. More detailed information about capital assets can be found in Note D to the basic financial statements.

Over the years of 1998-2011, the District completed major construction projects at all school buildings; both renovations and additions. Due to the completion of these projects, the District's long-range capital improvement plans include only repair and maintenance of existing facilities. Repair and maintenance of existing facilities will be the main capital needs of the District for the short-term future; including roof systems replacements, HVAC system replacements, and paving.

TABLE 3: Capital Assets (net of depreciation)		
	<u>2022</u>	<u>2023</u>
Land	\$677,542	\$677,542
Land improvements	262,079	224,235
Buildings and improvements	21,293,508	24,713,461
Equipment and vehicles	888,762	804,962
Subscription assets	-	73,128
Construction in progress	<u>2,941,800</u>	<u>-</u>
Total	\$26,063,691	\$26,493,328

Long-term Debt

The District has no outstanding long-term bonded debt.

Long-term Liabilities

The District reports subscription liabilities, compensated absences, pension, and other post-employment benefits as long-term liabilities. See Note A-11, A-12, Note E, Note H, and Note I to the basic financial statements for more detailed information on the various long-term liabilities of the District.



Northbrook School District 27
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Capital Assets and Debt Administration (Continued)

Long-term Liabilities (Continued)

TABLE 4: <i>Long-Term Liabilities</i>		
	<u>2022</u>	<u>2023</u>
Subscription liabilities	\$ -	\$67,530
Compensated absences	141,157	102,349
Other post-employment benefits	13,746,629	4,728,484
Retirement recognition	1,632,486	1,480,650
IMRF Net Pension Liability	-	2,609,553
TRS Net Pension Liability	<u>1,337,952</u>	<u>1,280,110</u>
Total	\$16,858,224	\$10,268,676

Factors bearing on the District's Future

At the time, these financial statements were prepared and audited, the District was aware of the following circumstances that would significantly affect the financial operations in the future:

- The District is in a stable financial position. It is the goal of the Board of Education and Administration to maintain financial solvency and a cumulative fund balance reserve level that is reasonable and sufficient to mitigate future risk. In addition, it is the goal of the District to operate with a balanced budget annually.

The District will continue to monitor local, state, and federal sources of revenue. For state sources, the District will monitor the State's financial stability. Regarding local revenue, the District will continue to monitor the local tax base as the property tax appeals process continues. Finally, with federal sources, the District will continue to monitor federal grant programs in addition to the continued implementation of the requirements for the Patient Protection and Affordable Care Act.

- The District will continue to implement cost containment measures in all operations in order to protect the financial solvency of the District and maintain a balanced budget.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact Dr. Kimberly Rio, CSBO, Assistant Superintendent for Finance & Operations, at 847-498-2610 extension 5117.

BASIC FINANCIAL STATEMENTS

Northbrook School District 27
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2023

ASSETS

Cash and investments	\$ 18,684,111
Receivables (net of allowance for uncollectibles)	
Property taxes	15,351,198
Replacement taxes	164,912
Intergovernmental	197,984
Prepaid items	308,890
Other current assets	19,701
Capital assets:	
Land	677,542
Depreciable buildings, property, and equipment, net	25,742,658
Subscription assets, net	<u>73,128</u>

Total assets	<u>61,220,124</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	1,620,851
Deferred outflows related to other postemployment benefits	<u>1,074,732</u>

Total deferred outflows	<u>2,695,583</u>
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LIABILITIES

Accounts payable	55,692
Salaries and wages payable	14,276
Other current liabilities	28,218
Long-term liabilities:	
Due within one year	635,437
Due after one year	<u>9,633,239</u>

Total liabilities	<u>10,366,862</u>
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DEFERRED INFLOWS OF RESOURCES

Property taxes levied for a future period	15,107,260
Deferred inflows related to pensions	305,557
Deferred inflows related to other postemployment benefits	<u>13,405,515</u>

Total deferred inflows	<u>28,818,332</u>
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NET POSITION

Investment in capital assets	26,493,328
Restricted for:	
Operations and maintenance	1,407,821
Retirement benefits	960,590
Student transportation	429,308
Unrestricted	<u>(4,560,534)</u>
Total net position	<u>\$ 24,730,513</u>

The accompanying notes are an integral part of this statement.

Northbrook School District 27

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 16,026,375	\$ 229,664	\$ 239,967	\$ (15,556,744)
Special programs	3,535,973	-	687,002	(2,848,971)
Other instructional programs	91,055	16,313	-	(74,742)
State retirement contributions	11,100,524	-	11,100,524	-
Support services:				
Pupils	2,320,001	-	12,455	(2,307,546)
Instructional staff	1,546,509	-	41,891	(1,504,618)
General administration	913,679	-	-	(913,679)
School administration	822,021	-	-	(822,021)
Business	125,630	1,300	61,612	(62,718)
Transportation	1,604,518	217,412	287,412	(1,099,694)
Operations and maintenance	3,482,548	350	-	(3,482,198)
Central	160,203	-	-	(160,203)
Community services	56,379	-	-	(56,379)
Interest and fees	801	-	-	(801)
Total governmental activities	<u>\$ 41,786,216</u>	<u>\$ 465,039</u>	<u>\$ 12,430,863</u>	<u>(28,890,314)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				26,027,914
Real estate taxes, levied for specific purposes				3,205,760
Personal property replacement taxes				1,045,804
State aid-formula grants				791,397
Investment earnings				591,433
Miscellaneous				85,740
Total general revenues				<u>31,748,048</u>
Change in net position				2,857,734
Net position, beginning of year				<u>21,872,779</u>
Net position, end of year				\$ 24,730,513

The accompanying notes are an integral part of this statement.

Northbrook School District 27

Governmental Funds

BALANCE SHEET

June 30, 2023

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.	Debt Service	Total
ASSETS						
Cash and investments	\$ 16,132,690	\$ 1,247,640	\$ 350,674	\$ 953,107	\$ -	\$ 18,684,111
Receivables (net of allowance for uncollectibles):						
Property taxes	13,519,035	829,924	531,531	470,708	-	15,351,198
Replacement taxes	-	164,912	-	-	-	164,912
Intergovernmental	127,139	-	70,845	-	-	197,984
Prepaid items	301,054	7,836	-	-	-	308,890
Other current assets	19,701	-	-	-	-	19,701
Total assets	\$ 30,099,619	\$ 2,250,312	\$ 953,050	\$ 1,423,815	\$ -	\$ 34,726,796
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 51,390	\$ 3,644	\$ 658	\$ -	-	\$ 55,692
Salaries and wages payable	-	14,276	-	-	-	14,276
Other current liabilities	28,218	-	-	-	-	28,218
Total liabilities	79,608	17,920	658	-	-	98,186
DEFERRED INFLOWS						
Property taxes levied for a future period	13,304,216	816,735	523,084	463,225	-	15,107,260
Total deferred inflows	13,304,216	816,735	523,084	463,225	-	15,107,260
FUND BALANCES						
Nonspendable	301,054	7,836	-	-	-	308,890
Restricted	-	1,407,821	429,308	960,590	-	2,797,719
Assigned	3,875,332	-	-	-	-	3,875,332
Unassigned	12,539,409	-	-	-	-	12,539,409
Total fund balances	16,715,795	1,415,657	429,308	960,590	-	19,521,350
Total liabilities, deferred inflows, and fund balances	\$ 30,099,619	\$ 2,250,312	\$ 953,050	\$ 1,423,815	\$ -	\$ 34,726,796

The accompanying notes are an integral part of this statement.

Northbrook School District 27
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances - total governmental funds	\$	19,521,350
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Amounts reported for governmental activities in the statement of net position are different because:

Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds.		26,493,328
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	\$ 1,620,851		
Deferred inflows of resources related to pensions	<u>(305,557)</u>		1,315,294

Deferred outflows and inflows of resources related to other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to OPEB	\$ 1,074,732		
Deferred inflows of resources related to OPEB	<u>(13,405,515)</u>		(12,330,783)

Long-term liabilities included in the statement of net position are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Subscription liabilities	\$ (67,530)		
Compensated absences	(102,349)		
IMRF net pension liability	(2,609,553)		
TRS net pension liability	(1,280,110)		
RHP total other postemployment benefit liability	(568,059)		
THIS net other postemployment benefit liability	(4,160,425)		
Retirement recognition payable	<u>(1,480,650)</u>		<u>(10,268,676)</u>

Net position of governmental activities	\$	<u><u>24,730,513</u></u>
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The accompanying notes are an integral part of this statement.

Northbrook School District 27

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

For the Year Ended June 30, 2023

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.	Debt Service	Total
Revenues						
Property taxes	\$ 26,027,914	\$ 1,323,501	\$ 999,062	\$ 883,197	\$ -	\$ 29,233,674
Replacement taxes	-	1,030,804	-	15,000	-	1,045,804
State aid	8,143,783	841,397	287,412	-	-	9,272,592
Federal aid	878,026	-	-	-	-	878,026
Interest	552,253	27,668	7,824	3,688	-	591,433
Other	<u>247,497</u>	<u>85,870</u>	<u>217,412</u>	<u>-</u>	<u>-</u>	<u>550,779</u>
Total revenues	<u>35,849,473</u>	<u>3,309,240</u>	<u>1,511,710</u>	<u>901,885</u>	<u>-</u>	<u>41,572,308</u>
Expenditures						
Current:						
Instruction:						
Regular programs	15,947,597	-	-	373,582	-	16,321,179
Special programs	1,732,338	-	-	35,213	-	1,767,551
Other instructional programs	99,846	-	-	1,168	-	101,014
State retirement contributions	8,028,882	-	-	-	-	8,028,882
Support services:						
Pupils	2,264,374	-	-	67,641	-	2,332,015
Instructional staff	1,503,461	-	-	95,499	-	1,598,960
General administration	951,616	-	-	31,722	-	983,338
School administration	873,262	-	-	33,822	-	907,084
Business	125,630	-	-	-	-	125,630
Transportation	-	-	1,604,518	-	-	1,604,518
Operations and maintenance	7,729	3,097,248	-	140,913	-	3,245,890
Central	160,203	-	-	-	-	160,203
Community services	45,486	-	-	4,636	-	50,122
Nonprogrammed charges	1,832,546	-	-	-	-	1,832,546
Debt service:						
Principal	-	-	-	-	41,517	41,517
Interest and other	-	-	-	-	801	801
Capital outlay	<u>523,517</u>	<u>1,551,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,074,981</u>
Total expenditures	<u>34,096,487</u>	<u>4,648,712</u>	<u>1,604,518</u>	<u>784,196</u>	<u>42,318</u>	<u>41,176,231</u>
Excess (deficiency) of revenues over expenditures	1,752,986	(1,339,472)	(92,808)	117,689	(42,318)	396,077
Other financing sources (uses)						
Transfers in	-	3,000,000	-	-	42,318	3,042,318
Transfers (out)	(3,042,318)	-	-	-	-	(3,042,318)
Subscription liabilities issued	<u>109,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,047</u>
Total other financing sources (uses)	<u>(2,933,271)</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>42,318</u>	<u>109,047</u>
Net change in fund balance	(1,180,285)	1,660,528	(92,808)	117,689	-	505,124
Fund balance (deficit), beginning of year	<u>17,896,080</u>	<u>(244,871)</u>	<u>522,116</u>	<u>842,901</u>	<u>-</u>	<u>19,016,226</u>
Fund balance, end of year	<u>\$ 16,715,795</u>	<u>\$ 1,415,657</u>	<u>\$ 429,308</u>	<u>\$ 960,590</u>	<u>\$ -</u>	<u>\$ 19,521,350</u>

The accompanying notes are an integral part of this statement.

Northbrook School District 27

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds.	\$	505,124
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense and loss on disposal exceeded capital outlay in the current period.

Capital outlay	\$	1,863,745	
Depreciation expense		(1,406,084)	
Gain (loss) on disposal		<u>(28,024)</u>	429,637

The net pension asset resulting from the IMRF plan fiduciary net position exceeding the total pension liability is not a financial resource and therefore is not reported in the governmental funds balance sheet.

(1,032,927)

Changes in deferred outflows and inflows of resources related to pensions are reported only in the statement of activities:

Deferred outflows and inflows of resources related to IMRF pension	\$	3,352,199	
Deferred outflows and inflows of resources related to TRS pension		<u>170,591</u>	3,522,790

Changes in deferred outflows and inflows of resources related to other postemployment benefits are reported only in the statement of activities:

Deferred outflows and inflows of resources related to RHP	\$	(59,664)	
Deferred outflows and inflows of resources related to THIS		<u>(7,096,774)</u>	(7,156,438)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Subscription liabilities issued	\$	(109,047)	
Principal repayments - subscription liabilities		41,517	
Compensated absences, net		38,808	
Retirement recognition payable		151,836	
IMRF pension liability, net		(2,609,553)	
TRS pension liability, net		57,842	
RHP other postemployment benefit liability, net		94,595	
THIS other postemployment benefit liability, net		<u>8,923,550</u>	<u>6,589,548</u>

Change in net position of governmental activities	\$	<u><u>2,857,734</u></u>
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The accompanying notes are an integral part of this statement.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Northbrook School District 27 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Cook County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

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

The District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

2. New Accounting Pronouncement

The GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which was implemented by the District for the year ended June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

Specific changes to the District's financial statements relate to the recording of right-to-use subscription assets and subscription liabilities on the statement of net position.

3. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the servicing of general long-term debt (debt service fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and local fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon the collection of property taxes in the funds loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account, or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. **Government-Wide and Fund Financial Statements** (Continued)

a. **General Fund** (Continued)

The Student Activity balance is accounted for in the Educational Account. The balance accounts for activities such as student yearbooks, student clubs and councils and scholarships. Additionally, the flexible spending balance, which is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations is also included in the Education account. These balances are held by the District and administered by a third party on behalf of the District's employees for personal medical and dependent care purposes.

b. **Special Revenue Funds**

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the debt service or capital projects funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's buildings and land. Revenues consist primarily of local property taxes, personal property replacement taxes, and state reimbursement grants.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

c. **Debt Service Fund**

Debt Service Fund - accounts for the accumulation of resources for, and the payment of subscription liabilities. The primary revenue sources are transfers from other funds.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis and accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if they are vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred, except for unmatured principal and interest on general long-term debt, which are recognized when due, and certain compensated absences, claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available resources.

Property taxes, replacement taxes, interest, and intergovernmental revenues associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental funds also defer revenue recognition in connection with resources received, but not yet earned.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period. At June 30, 2023, the District has deferred outflows of resources related to pensions and other postemployment benefits (OPEB). In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that is applied to a future reporting period. At June 30, 2023, the District reported deferred inflows of resources related to property taxes levied for a future period, pension liabilities and OPEB.

7. Deposits and Investments

The Illinois Compiled Statutes require the District to utilize the investment services of the Northfield Township School Treasurer (the "Treasurer"). Investments are stated at fair value. Changes in fair value are included in investment income.

8. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance allocated at the discretion of the District.

9. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, equipment and vehicles, and subscription assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The District's subscription assets are recorded at an amount equal to the related subscription liability (Note E) and are amortized on a straight-line basis over the remaining term of the related agreement.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Capital Assets (Continued)

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15 - 20
Buildings and improvements	20 - 50
Equipment and vehicles	5 - 20

Construction in progress is stated at cost. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

10. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

11. Compensated Absences

The District grants vacation days earned to twelve-month employees based on individual employment contracts. The vacation days are earned as follows:

<u>Years of Employment</u>	<u>Vacation Time Earned</u>
0 - 1	1 day of vacation per 26 days
1 - 4	2 weeks
5 - 9	3 weeks
10 or more	4 weeks

The twelve-month period is calculated from July 1 through June 30 each fiscal year. Unused vacation time from any twelve-month period must be taken by the following December 31. Upon leaving employment with the District, the District may pay out unused vacation days up to a maximum of 20 days. The amount outstanding at June 30, 2023 is expected to be paid in the next year and thus is considered a current liability. The General and Operations and Maintenance Funds are used to liquidate the liability for compensated absences.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Compensated Absences (Continued)

All full-time employees receive a specified number of sick days per year depending on their years of service, in accordance with the agreement between the Board of Education and the Education Association. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward service credit for TRS. (Teacher's Retirement System of the State of Illinois). TRS employees are also paid out \$60 per unused sick day, up to a maximum of 40 reported unused sick days.

Due to the nature of the policies on sick leave and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

12. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability, and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB/pension expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

13. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

14. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds, except for the debt service fund. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. The District's restricted net position was restricted as a result of enabling legislation.

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

16. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service funds, are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balance at June 30, 2023.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegated the authority to assign amounts to be used for specific purposes. The Board of Education has declared that the Superintendent may assign amounts for a specific purpose. The District has assigned the balance in the Working Cash Account of \$3,852,467 to be used for future operation and maintenance purposes. In addition as of June 30, 2023, the District has assigned \$22,865 to be used for various student activities and clubs.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance (Continued)

- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The District targets a fund balance reserve level of 65%.

The nonspendable fund balances of \$301,054 and \$7,836 in the General Fund and Operations and Maintenance Fund, respectively, are comprised of prepaid items.

The restricted fund balances are for the purposes of the restricted funds as described in Note A-4.

NOTE B - DEPOSITS AND INVESTMENTS

The Illinois Compiled Statutes require the District to utilize the investment services of the Northfield Township Schools Treasurer (the "Treasurer"). As such, the Treasurer is the lawful custodian of these school funds. The Treasurer is appointed by the Township Treasurer's Board of Trustees, an independently elected body, to serve the school districts in the township. The investment policies are established by the Northfield Township Schools Treasurer, as prescribed by the Illinois Compiled Statutes. The Treasurer is the direct recipient of property taxes, replacement taxes, and most state and federal aid and disburses school funds upon lawful order of the School Board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below.

The Treasurer's investment policy, which is the same as the District's, is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2023, the District's cash and investments consisted of the following and for disclosure purposes, are segregated as follows:

	<u>Total</u>
Cash on hand	\$ 300
Deposits with financial institutions*	3,816,495
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	5,500,658
U.S. Treasury Securities**	7,966,658
Illinois Trust Term Series	700,000
Negotiable certificate of deposit***	<u>700,000</u>
	<u>\$ 18,684,111</u>

*Includes accounts held in demand and savings accounts, but primarily consists of non-negotiable certificates of deposit and money market savings accounts which are valued at cost.

**U.S Treasury Securities are valued at the closing price of similar instruments with comparable duration reported on the active market on which individual securities are traded (level 2).

*** Negotiable certificate of deposit is carried at cost as its original term is less than one year.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

1. Cash and Investments Under the Custody of the Township Treasurer

District cash and investments (other than the student activity account, flexible spending account, money market account, and cash on hand) are under the custody of the Township Treasurer. The Treasurer maintains records that segregate the cash and investment balances by district. Cash for all funds, including cash applicable to the Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer also holds money-market type investments, Treasury Bills, and deposits with financial institutions, including certificates of deposit. As of June 30, 2023, the fair value of all investments held by the Treasurer's office was \$13,056,309.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

2. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy, which is the same as the Treasurer's office seeks to ensure preservation of capital in the District's overall portfolio. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles. The investment portfolio is required to provide sufficient liquidity to pay District obligations as they come due, considering maturity and marketability. The investment portfolio is also required to be diversified as to maturities and investments, as appropriate to the nature, purpose, and amount of funds. The U.S Treasury Securities and negotiable certificate of deposit have a maturity of less than one year.

The following investments are measured at net asset value (NAV):

			<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
ISDLAF+	\$	5,500,658	n/a	Daily	1 day
Illinois Trust		700,000	n/a	Daily	1 day

3. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investment policy authorized investments in any type of security as permitted by State statute.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

The Illinois Trust, formerly known as the Illinois Institutional Investors Trust (IIIT), is a trust organized under the laws of the State of Illinois and managed by a Board of Trustees, elected from participating members. The Illinois Trust is not registered with the SEC as an investment company. Investments in the Illinois Trusts are rated AAAM and are valued at Illinois Trust's share price, which is the price for which the investment could be sold. There were no unfunded commitments.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

4. Cash and Investments in the Custody of the District

At June 30, 2023, the carrying values of the District's money market, student activity, and flexible benefit plan accounts totaled \$84,387 all of which was deposited with financial institutions and fully insured. The District also maintains \$300 in petty cash.

5. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2023, the bank balances of the District's deposits with financial institutions totaled \$65,279, all of which was fully insured or collateralized.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government 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 that all investments be in high quality investment pools and/or secured by private insurance or collateral.

NOTE C - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 16, 2022. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date), in any year, is liable for taxes of that year.

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

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

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE C - PROPERTY TAXES RECEIVABLE (Continued)

The Cook County Assessor is responsible for the assessment of all taxable property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of the County is reassessed every year by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The tentative equalization factor for Cook County for 2022 is 2.7230. The final equalization factor for Cook County has not yet been determined for 2022 as Cook County is experiencing a delay in assessing and billing of 2022 property taxes due in 2023.

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2021 tax levy was \$910,939,681 (most recent available).

Property taxes are collected by the Cook County Collector/Treasurer, who remits them to the District. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The delay in assessing and billing of the 2022 property taxes, as discussed above, has also delayed Cook County remitting the second installment of the 2022 property taxes to the District. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment bill is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2022 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 2%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days are reflected as deferred inflow of resources - property taxes levied for a future period.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Increases/ Transfer	Decreases/ Transfer	Balance June 30, 2023
Capital assets, not being depreciated				
Land	\$ 677,542	\$ -	\$ -	\$ 677,542
Construction in progress	2,941,800	-	2,941,800	-
	<u>3,619,342</u>	<u>-</u>	<u>2,941,800</u>	<u>677,542</u>
Total capital assets, not being depreciated	<u>3,619,342</u>	<u>-</u>	<u>2,941,800</u>	<u>677,542</u>
Capital assets, being depreciated/ amortized				
Land improvements	1,573,949	-	-	1,573,949
Buildings and improvements	39,076,852	4,490,071		43,566,923
Equipment and vehicles	5,392,809	206,427	194,387	5,404,849
Subscription assets	-	109,047	-	109,047
	<u>46,043,610</u>	<u>4,805,545</u>	<u>194,387</u>	<u>50,654,768</u>
Total capital assets, being depreciated/ amortized	<u>46,043,610</u>	<u>4,805,545</u>	<u>194,387</u>	<u>50,654,768</u>
Less accumulated depreciation and amortization for:				
Land improvements	1,311,870	37,844	-	1,349,714
Buildings and improvements	17,783,344	1,070,118	-	18,853,462
Equipment and vehicles	4,504,047	262,203	166,363	4,599,887
Subscription assets	-	35,919	-	35,919
	<u>23,599,261</u>	<u>1,406,084</u>	<u>166,363</u>	<u>24,838,982</u>
Total accumulated depreciation and amortization	<u>23,599,261</u>	<u>1,406,084</u>	<u>166,363</u>	<u>24,838,982</u>
Total capital assets, being depreciated/ amortized net	<u>22,444,349</u>	<u>3,399,461</u>	<u>28,024</u>	<u>25,815,786</u>
Governmental activities capital assets, net	<u>\$ 26,063,691</u>	<u>\$ 3,399,461</u>	<u>\$ 2,969,824</u>	<u>\$ 26,493,328</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE D - CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	
Regular programs	\$ 1,233,937
Special programs	99,303
School administration	9,692
Business	4,908
Operations and maintenance	22,325
Subscription assets	35,919
	<u>\$ 1,406,084</u>

NOTE E - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2023:

1. **Changes in General Long-term Liabilities**

During the year ended June 30, 2023, changes in long-term liabilities were as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Subscription liabilities	\$ -	\$ 109,047	\$ 41,517	\$ 67,530	\$ 38,942
Compensated					
absences	141,157	217,177	255,985	102,349	102,349
Retirement recognition					
payable	1,632,486	320,619	472,455	1,480,650	494,146
IMRF net pension					
liability*	-	4,168,262	1,558,709	2,609,553	-
TRS net pension					
liability	1,337,952	179,417	237,259	1,280,110	-
RHP total other					
postemployment					
benefit liability	662,654	32,545	127,140	568,059	-
THIS net other					
postemployment					
benefit liability	13,083,975	372,852	9,296,402	4,160,425	-
	<u>\$ 16,858,224</u>	<u>\$ 5,399,919</u>	<u>\$ 11,989,467</u>	<u>\$ 10,268,676</u>	<u>\$ 635,437</u>

* In 2022, the IMRF plan fiduciary net position exceeded the total pension asset resulting in a net pension asset of \$1,032,927.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE E - LONG-TERM LIABILITIES (Continued)

1. **Changes in General Long-term Liabilities** (Continued)

The General and Operations and Maintenance funds are used to liquidate the long-term liabilities of the District.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2023, the statutory debt limit for the District was \$63,498,656, all of which is fully available.

2. **Retirement Recognition Payable**

If a certified employee notifies the District by April 1, 2019 of an irrevocable intent to retire in June 2020 to June 2023, the certified employee shall receive a lump sum amount payable over the last four years of active employment. In any given year the amount paid does not exceed 6% per year over his or her salary in the previous year. Any amount left unpaid through a salary increase is paid the year after retirement. As of June 30, 2023, the District's liability was \$568,059, which is equal to the present value of future anticipated payments.

3. **Retiree Healthcare Funding Plan (Trust)**

Effective April 1, 2019, the District adopted the Retiree Healthcare Funding Plan. Under the plan, for certified retirees giving notice of the intent to retire in June 2024 through 2028, the Board of Education will make an employer contribution of \$690 per month during each of the last four years of employment (\$33,120 total) into an IRC Section 115 Trust. The Trust shall be used by the retiree for post-retirement health care expenses. For those staff members whose intent is to retire in June 2020-2023, they will retire under the grandfathered provisions of the 2005-2019 Agreement. Whereas, the retiring teacher will be allowed to enroll in the Teachers' Retirement Health Insurance Program (TRIP). For five years after retirement, the Board of Education will pay towards the single TRIP medical insurance premium an amount not to exceed the single TRIP medical insurance premium in effect in the last full month of active employment prior to retirement.

As of June 30, 2023, the District's liability under this plan due to the declaration of intent to retire consistent with the Plan's requirements which is equal to the present value of future anticipated payments to be made proportionately over the next seven years was \$913,030.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE E - LONG-TERM LIABILITIES (Continued)

3. **Retiree Healthcare Funding Plan (Trust)** (Continued)

At June 30, 2023, the District's future obligations under these arrangements were as follows:

Year Ending June 30,	Amount
2024	\$ 494,146
2025	365,611
2026	292,964
2027	227,536
2028	91,576
Thereafter	<u>8,817</u>
Total	<u>\$ 1,480,650</u>

4. **Subscription Liabilities**

The District has entered into multiple subscription-based information technology arrangements with companies for the use of different software. The arrangements have terms of 3 years, with annual payments ranging from \$12,300 - \$16,578. The total contractual payments remaining on the arrangements amount to \$67,530 and are recognized within long-term liabilities in the statement of net position.

At June 30, 2023, the District's future cash flow requirements for the retirement of subscription liability principal and interest are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 38,942	\$ 3,376	\$ 42,318
2025	<u>28,588</u>	<u>1,429</u>	<u>30,017</u>
Total	<u>\$ 67,530</u>	<u>\$ 4,805</u>	<u>\$ 72,335</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - JOINT AGREEMENT

The District is a member of a joint agreement that provides certain special education services to the residents of many school districts (TrueNorth Educational Cooperative 804, formerly NSSD). It is also a member of the risk management pools described in Note G. The District believes that, because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not to be included as component units of the District.

NOTE G - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destructions of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases coverage against such risks and participates in the following public entity risk pools: the School Employee Loss Fund (SELF) for worker's compensation claims; and the Suburban School Cooperative Insurance Pool (SSCIP) for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools. Settled claims have not exceeded coverage for the past three fiscal years, and the pool coverage has not been exceeded. There have been no significant reductions in insurance coverage from coverage in any of the past three years nor claims that exceeded coverage.

Complete financial statements for SELF can be obtained from its business office at 1111 South Dee Road, Park Ridge, Illinois 60068. Complete financial statements for SSCIP can be obtained from its Treasurer at 5540 Arlington Drive, Hanover Park, 60103.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Settled claims have not exceeded commercial insurance coverage, for the past three fiscal years.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS

1. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2022>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

As a multi-employer cost sharing pension plan, TRS employs a methodology to allocate the pension liabilities to each individual district based off of the actual contributions a District makes to the plan in a fiscal year and is re-measured annually, and thus the timing of receipt of contribution payments from the District's or refunds made by TRS to the District can have a significant impact on the District's allocation of the net pension liability that may not be reflective of the District's portion of the total contractual contribution to the Plan. The net pension liability as a whole is a significant accounting estimate that takes into account several assumptions and allocations.

Benefits Provided

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

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

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are 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, 2022, 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, 2023, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$8,722,424 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$7,884,450 in the General Fund based on the current financial resources measurement basis.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

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

Contributions (Continued)

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, 2023, were \$93,078, and are deferred because they were paid after the June 30, 2022 measurement date.

Federal and Special Trust Fund Contributions

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

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

For the year ended June 30, 2023, the employer pension contribution was 10.49 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2023, there were no salaries paid from federal and special trust funds, and thus there were no required employer contributions.

Early Retirement Cost Contributions

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2023, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

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

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 1,280,110
State's proportionate share of the net pension liability associated with the District	<u>111,041,078</u>
Total	<u>\$ 112,321,188</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2022, the District's proportion was 0.0015268429 percent, which was a decrease of 0.0001882313 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue	\$ 8,722,424	\$ 7,884,450
and expense/expenditure		
District TRS pension expense (benefit)	<u>(134,783)</u>	<u>93,078</u>
Total TRS expense/expenditure	<u>\$ 8,587,641</u>	<u>\$ 7,977,528</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

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

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

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,573	\$ 7,058
Net difference between projected and actual earnings on pension plan investments	1,171	-
Changes of assumptions	5,903	2,444
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>7,466</u>	<u>296,055</u>
Total deferred amounts to be recognized in pension expense in the future periods	17,113	305,557
District contributions subsequent to the measurement date	<u>93,078</u>	<u>-</u>
	<u>\$ 110,191</u>	<u>\$ 305,557</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

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

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

The District reported \$93,078 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Net Deferred Inflows of Resources
2024	\$ 132,146
2025	64,889
2026	61,661
2027	17,274
2028	12,474
	<u>\$ 288,444</u>

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, incl. inflation

In the June 30, 2022 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, 2021 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2020.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

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

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

Actuarial Assumptions (Continued)

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>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
U.S. equities large cap	16.3 %	5.73 %
U.S. equities small/mid cap	1.9	6.78
International equities developed	14.1	6.56
Emerging market equities	4.7	8.55
U.S. bonds core	6.9	1.15
International debt developed	1.2	(0.32)
Emerging international debt	0.5	0.33
Cash equivalents	1.2	6.56
TIPS	3.7	3.76
Real estate	16.0	5.42
Hedge funds	12.5	5.29
Infrastructure	4.0	3.48
Private equity	15.0	10.04
Private debt	2.0	5.86
Total	100.0 %	

* Based on the 2021 Horizon Survey of Capital Market Assumptions

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

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

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

Discount Rate

At June 30, 2022, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2021 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, 2022 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District'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 (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ <u>1,565,586</u>	\$ <u>1,280,110</u>	\$ <u>1,043,384</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2022 is available in the separately issued *TRS Annual Comprehensive Financial Report*.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

2. **Illinois Municipal Retirement Fund**

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That 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).

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

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

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Employees Covered by Benefit Terms

As of December 31, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	118
Inactive plan members entitled to but not yet receiving benefits	227
Active plan members	<u>67</u>
Total	<u><u>412</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2022 was 9.07%. For the fiscal year ended June 30, 2023 the District contributed \$304,435 to the plan. The District 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 (Asset) Liability

The District's net pension (asset) liability was measured as of December 31, 2022. The total pension (asset) liability used to calculate the net pension (asset) 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, 2022:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.25%
Salary Increases	2.85% to 13.75%, including inflation
Investment Rate of Return	7.25%

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Actuarial Assumptions (Continued)

Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 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 unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Actuarial Assumptions (Continued)

Long-term Expected Rate of
Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2022:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equities	35.5%	6.50%
International Equities	18.0%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternative Investments	9.5%	6.25% - 9.90%
Cash Equivalents	1.0%	4.00%
Total	100%	

Other information:
Notes

There were no benefit changes during the year.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2022. 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:

- a. 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
- b. 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 pension plan investments is 7.25%, the municipal bond rate is 4.05% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index"), and the resulting single discount rate is 7.25%.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Changes in Net Pension Liability (Asset)

The following table shows the components of the change in the District's net pension liability (asset) for the calendar year ended December 31, 2022:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2021	\$ 16,652,531	\$ 17,685,458	\$ (1,032,927)
Changes for the year:			
Service cost	315,899	-	315,899
Interest on the total pension liability	1,182,891	-	1,182,891
Difference between expected and actual experience of the total pension liability	494,332	-	494,332
Changes of assumptions	-	-	-
Contributions - Employer	-	307,320	(307,320)
Contributions - Employees	-	156,811	(156,811)
Net investment income	-	(2,175,140)	2,175,140
Benefit payments, including refunds of employee contributions	(989,493)	(989,493)	-
Other (net transfer)	-	61,651	(61,651)
Net changes	<u>1,003,629</u>	<u>(2,638,851)</u>	<u>3,642,480</u>
Balances at December 31, 2022	<u>\$ 17,656,160</u>	<u>\$ 15,046,607</u>	<u>\$ 2,609,553</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

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

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability (asset)	\$ 4,455,453	\$ 2,609,553	\$ 1,100,900

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

For the year ended June 30, 2023 the District recognized pension expense of \$594,718. At June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 179,891	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>1,172,563</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>1,352,454</u>	<u>-</u>
Pension contributions made subsequent to the measurement date	<u>158,206</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 1,510,660</u>	<u>\$ -</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The District reported \$158,206 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the reporting year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ending June 30,	Net Deferred Outflows of Resources
2023	\$ 85,495
2024	189,888
2025	388,965
2026	688,106
2027	-
Thereafter	-
Total	\$ <u>1,352,454</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 93,078	\$ 158,206	\$ 251,284
Investments	1,171	1,172,563	1,173,734
Experience	2,573	179,891	182,464
Assumptions	5,903	-	5,903
Proportionate share	<u>7,466</u>	<u>-</u>	<u>7,466</u>
	<u>\$ 110,191</u>	<u>\$ 1,510,660</u>	<u>\$ 1,620,851</u>
Net pension liability	<u>\$ 1,280,110</u>	<u>\$ 2,609,553</u>	<u>\$ 3,889,663</u>
Pension Expense	<u>\$ 8,587,641</u>	<u>\$ 594,718</u>	<u>\$ 9,182,359</u>
Deferred inflows of resources:			
Investments	\$ -	\$ -	\$ -
Experience	7,058	-	7,058
Assumptions	2,444	-	2,444
Proportionate share	<u>296,055</u>	<u>-</u>	<u>296,055</u>
	<u>\$ 305,557</u>	<u>\$ -</u>	<u>\$ 305,557</u>

4. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - PENSION AND OTHER RETIREMENT PLANS (Continued)

5. TRS Supplemental Savings Plan

Illinois Teachers' Retirement System established a Supplemental Savings Plan that is available to Illinois public school teachers employed outside the city of Chicago that is required to be adopted by all public-school districts in Illinois by September 30, 2022. The Board of Education voted to adopt this plan on February 28, 2022. The Supplemental Savings Plan is a of a 457(b) Retirement Plan, which is a defined contribution plan. The plan assets are held in a trust and is administered by a third party serving as the plan's trustee. The number of employees participating in the plan on June 30, 2023 was 0. The plan allows for both employee and the District to make contributions to the plan. For the fiscal year ended June 30, 2023, the District did not make any contributions to the plan.

Northbrook School District 27 joined the Illinois Public Pension Fund Association to participate in the Wise Choice for Educators 403b Plan, effective December 17, 2009. This is a defined contribution plan held in a trust and administered by a third party serving as the plan's trustee. The plan allows for both employee and employer contributions in the following tax-deferred options: 403b, 457, and Section 115. The number of employees participating in the plan on June 30, 2023, was 55 for the 403b option, 80 for the 457 option, and 14 for the Section 115 option. The District did not make any contributions to the plan.

NOTE I - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

Plan Description

The District participates in the Teacher Health Insurance Security Fund (THIS), 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 State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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/ABC-List.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>).

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the 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, 2023. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2023, the District recognized revenue and expenses of \$2,378,100 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$144,432 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.67 percent during the year ended June 30, 2023. For the year ended June 30, 2023, the District paid \$107,521 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2022 measurement date.

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

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB 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 OPEB liability	\$ 4,160,425
State's estimated proportionate share of the net OPEB liability associated with the District *	<u>5,659,849</u>
Total	<u><u>\$ 9,820,274</u></u>

* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022. 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, 2022, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2022, the District's proportion was 0.060783 percent, which was an increase of 0.001460 percent from its proportion measured as of June 30, 2021.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

For the year ended June 30, 2023, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 2,378,100	\$ 144,432
District OPEB pension expense (benefit)	<u>(1,710,864)</u>	<u>107,521</u>
Total OPEB expense/expenditure	<u>\$ 667,236</u>	<u>\$ 251,953</u>

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,721,122
Net difference between projected and actual earnings on OPEB plan investments	506	-
Changes of assumptions	3,753	10,262,661
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>660,507</u>	<u>379,744</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	664,766	13,363,527
District contributions subsequent to the measurement date	<u>107,521</u>	<u>-</u>
	<u>\$ 772,287</u>	<u>\$ 13,363,527</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

The District reported \$107,521 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2024. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year ended June 30:	Net Deferred Inflows of Resources
2024	\$ 2,041,044
2025	1,936,436
2026	1,770,693
2027	1,722,280
2028	1,683,804
Thereafter	<u>3,544,504</u>
	<u>\$ 12,698,761</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you-go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2022, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts, and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Actuarial Assumptions (Continued)

Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation Rate	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non-Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Trend Rate	Trend rates for plan year 2023 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.81% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
Healthcare Trend Rate	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Discount Rate

The State, school districts and active members contribute 0.90 percent, 0.67 percent, 0.90 percent of pay, respectively for fiscal year 2022. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 1.92 percent at June 30, 2021, and 3.69 percent at June 30, 2022, was used to measure the total OPEB liability. The increase in the single discount rate, from 1.92 percent to 3.69 percent, caused the total OPEB liability to decrease by approximately \$1,448 million as of June 30, 2022.

Investment Return

During plan year end June 30, 2022, the trust earned \$143,000 in interest, and the market value of assets at June 30, 2022, is \$378.63 million. The long-term investment return was assumed to be 2.75 percent.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 0.304% for plan year end June 30, 2022, and 0.320% for plan year end June 30, 2021.

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

The following presents the District's proportionate share of the net OPEB liability as of June 30, 2022, using the discount rate of 3.69 percent and sensitivity single discount rates that are either one percentage point higher or lower:

	1% Decrease (2.69%)	Current Discount (3.69%)	1% Increase (4.69%)
District's proportionate share of the net OPEB liability	\$ 4,623,757	\$ 4,160,425	\$ 3,684,372

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following table shows the plan's net OPEB liability as of June 30, 2022, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower.

	1% Decrease *	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability	\$ 3,515,675	\$ 4,160,425	\$ 4,868,028

*One percentage point decrease in healthcare trend rates are 5.00% in 2023, 7.00% in 2024 decreasing to an ultimate trend rate of 3.25% in 2039.

** One percentage point increase in healthcare trend rates are 7.00% in 2023, 9.00 in 2024 decreasing to an ultimate trend rate of 5.25% in 2039.

2. Retiree Health Plan

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

Benefits Provided

The plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. IMRF retirees are eligible to participate in the Retiree Health Plan provided they pay the entire premium. Retirees may also access dental and life insurance benefits on a "direct pay" basis.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

Employees Covered by Benefit Terms

As of June 30, 2022 (most recent available), the following employees were covered by the benefit terms:

Active	70
Inactive entitled to but not yet receiving benefits	-
Inactive currently receiving benefits	<u>19</u>
Total	<u><u>89</u></u>

Contributions

Retirees are responsible to contribute a premium toward the cost of their insurance, which is determined by the Board of Education. The Retiree Healthcare Funding Plan shall be used by the retiree for post-retirement health care expenses.

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District does not contribute for postemployment benefits premiums. The Retiree Healthcare Funding Plan (Trust) shall be used by the retiree for post-retirement health care expenses. See Note E for further information.

Changes in Total OPEB Liability

The following table shows the components of the change in the District's net OPEB liability for the fiscal year ended June 30, 2023 based upon a rollforward actuarial valuation from the actuarial valuation performed July 1, 2021 to the fiscal year-end.

Actuarial valuation date	July 1, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age, Normal

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

Changes in Total OPEB Liability (Continued)

Actuarial assumptions:

Inflation rate	3.00%
Discount rate	4.13%
Projected salary rate increases	4.00%
Healthcare trend	5.00% initial 4.50% ultimate 5.00% for all years - TRIP

Retiree contribution trend	Same as Health Care Trend
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Mortality rates	IMRF employees and retirees rates are from the December 31, 2021 IMRF Actuarial Valuation Report. TRS employees and retirees rates are from the June 30, 2021 Teachers' Retirement System Actuarial Valuation Report.
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Election at Retirement	15% of active IMRF employees are assumed to elect District insurance at retirement. 100% of active Certified Teachers who are grandfathered under the prior retiree healthcare program are assumed to elect it.
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Marital Status	30% of active IMRF employees electing retiree coverage are assumed to be married and to elect spousal coverage with males three years older than females.
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*In 2023, changes in assumptions related to the discount rate were made (4.09% to 4.13%).

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 4.13% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2023.

	Total OPEB Liability (A)	Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at July 1, 2022	\$ 662,654	\$ -	\$ 662,654
Changes for the year:			
Service cost	8,031	-	8,031
Interest on the total OPEB liability	24,514	-	24,514
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of benefit terms	-	-	-
Changes of assumptions	(584)	-	(584)
Contributions - employer	-	-	-
Contributions - employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(126,556)	-	(126,556)
Other	-	-	-
Net changes	<u>(94,595)</u>	<u>-</u>	<u>(94,595)</u>
Balances at June 30, 2023	<u>\$ 568,059</u>	<u>\$ -</u>	<u>\$ 568,059</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 4.13%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (3.13%)	Current Discount Rate (4.13%)	1% Higher (5.13%)
Total OPEB liability	\$ 583,793	\$ 568,059	\$ 553,280

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50% - 5.00%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	4.00% Lower	Current Healthcare Rate	5.50%-6.00% Higher
Total OPEB liability	\$ 554,238	\$ 568,059	\$ 584,022

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

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

For the year ended June 30, 2023 the District recognized OPEB expense of \$91,626. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Amounts Related to OPEB</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ 47,305	\$ 14,748
Change of assumptions	<u>255,140</u>	<u>27,240</u>
 Total deferred amounts to be recognized in OPEB expense in the Future periods	 \$ <u>302,445</u>	 \$ <u>41,988</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2024	\$ 59,081
2025	59,081
2026	59,081
2027	48,280
2028	29,045
Thereafter	<u>5,889</u>
	 \$ <u>260,457</u>

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2023:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 107,521	\$ -	\$ 107,521
Experience	-	47,305	47,305
Assumptions	3,753	255,140	258,893
Proportionate share	660,507	-	660,507
Investments	506	-	506
	<u>\$ 772,287</u>	<u>\$ 302,445</u>	<u>\$ 1,074,732</u>
OPEB liability	<u>\$ 4,160,425</u>	<u>\$ 568,059</u>	<u>\$ 4,728,484</u>
OPEB expense (income)	<u>\$ 667,236</u>	<u>\$ 91,626</u>	<u>\$ 758,862</u>
Deferred inflows of resources:			
Experience	\$ 2,721,122	\$ 14,748	\$ 2,735,870
Assumptions	10,262,661	27,240	10,289,901
Proportionate share	379,744	-	379,744
	<u>\$ 13,363,527</u>	<u>\$ 41,988</u>	<u>\$ 13,405,515</u>

NOTE J - INTERFUND TRANSFERS

The District transferred \$3,000,000 to the Operations and Maintenance Fund from the General Fund (Educational Account) for the funding of capital projects.

The District transferred \$42,318 to the Debt Service Fund from the General Fund (Educational Account) for the payment of principal and interest on the District's subscription liabilities.

Northbrook School District 27
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE K - CONTINGENCIES

1. Litigation

The District, in the normal course of business, is subject to various ongoing property tax appeals and objections, and general litigation. Although the outcome of these matters is not presently determinable, the resolution of these matters, should the outcome be unfavorable, could have a significant impact on future tax revenues.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, not to be significant.

NOTE L - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 13, 2023, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of net position date that require additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Northbrook School District 27

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Illinois Municipal Retirement Fund

Nine Most Recent Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability			
Service cost	\$ 315,899	\$ 343,614	\$ 323,255
Interest on the total pension liability	1,182,891	1,139,953	1,106,208
Benefit changes	-	-	-
Difference between expected and actual experience of the total pension liability	494,332	87,321	106,746
Assumption changes	-	-	(188,821)
Benefit payments, including the implicit rate subsidy	<u>(989,493)</u>	<u>(940,070)</u>	<u>(844,188)</u>
Net change in total pension liability	1,003,629	630,818	503,200
Total pension liability, beginning	<u>16,652,531</u>	<u>16,021,713</u>	<u>15,518,513</u>
Total pension liability, ending	<u><u>\$ 17,656,160</u></u>	<u><u>\$ 16,652,531</u></u>	<u><u>\$ 16,021,713</u></u>
Plan fiduciary net position			
Contributions, employer	\$ 307,320	\$ 401,099	\$ 362,302
Contributions, employee	156,811	157,739	143,916
Net investment income	(2,175,140)	2,616,717	2,008,815
Benefit payments, including refunds of employee contributions	(989,493)	(940,070)	(844,188)
Other (net transfer)	<u>61,651</u>	<u>(406,102)</u>	<u>76,088</u>
Net change in plan fiduciary net position	(2,638,851)	1,829,383	1,746,933
Plan fiduciary net position, beginning	<u>17,685,458</u>	<u>15,856,075</u>	<u>14,109,142</u>
Plan fiduciary net position, ending	<u><u>\$ 15,046,607</u></u>	<u><u>\$ 17,685,458</u></u>	<u><u>\$ 15,856,075</u></u>
Net pension liability (asset)	<u><u>\$ 2,609,553</u></u>	<u><u>\$ (1,032,927)</u></u>	<u><u>\$ 165,638</u></u>
Plan fiduciary net position as a percentage of the total pension liability	85.22 %	106.20 %	98.97 %
Covered Valuation Payroll	\$ 3,388,306	\$ 3,270,301	\$ 3,155,938
Net pension liability as a percentage of covered valuation payroll	77.02 %	(31.59) %	5.25 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, ten years of information is not available.

Note: Actuarial valuations are as of December 31, which is six months prior to the end of the fiscal year.

	2020	2019	2018	2017	2016	2015
\$	322,985	\$ 308,981	\$ 314,044	\$ 297,080	\$ 300,579	\$ 309,019
	1,054,657	982,633	964,048	901,139	848,640	761,619
	-	-	-	-	-	-
	149,463	515,823	31,530	168,904	39,819	44,345
	-	376,553	(426,310)	(29,192)	13,588	507,922
	(788,180)	(703,379)	(562,584)	(516,919)	(450,803)	(435,811)
	738,925	1,480,611	320,728	821,012	751,823	1,187,094
	14,779,588	13,298,977	12,978,249	12,157,237	11,405,414	10,218,320
\$	<u>15,518,513</u>	<u>\$ 14,779,588</u>	<u>\$ 13,298,977</u>	<u>\$ 12,978,249</u>	<u>\$ 12,157,237</u>	<u>\$ 11,405,414</u>
\$	288,295	\$ 333,447	\$ 320,135	\$ 303,980	\$ 288,763	\$ 280,489
	138,138	137,513	144,842	124,108	120,368	119,248
	2,292,168	(653,720)	1,924,547	718,920	52,538	602,659
	(788,180)	(703,379)	(562,584)	(516,919)	(450,803)	(435,811)
	(24,729)	296,384	(270,254)	77,448	(10,342)	64,184
	1,905,692	(589,755)	1,556,686	707,537	524	630,769
	12,203,450	12,793,205	11,236,519	10,528,982	10,528,458	9,897,689
\$	<u>14,109,142</u>	<u>\$ 12,203,450</u>	<u>\$ 12,793,205</u>	<u>\$ 11,236,519</u>	<u>\$ 10,528,982</u>	<u>\$ 10,528,458</u>
\$	<u>1,409,371</u>	<u>\$ 2,576,138</u>	<u>\$ 505,772</u>	<u>\$ 1,741,730</u>	<u>\$ 1,628,255</u>	<u>\$ 876,956</u>
	90.92 %	82.57 %	96.20 %	86.58 %	86.61 %	92.31 %
\$	3,052,771	\$ 3,012,162	\$ 2,912,970	\$ 2,731,172	\$ 2,658,955	\$ 2,598,062
	46.17 %	85.52 %	17.36 %	63.77 %	61.24 %	33.75 %

Northbrook School District 27
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Nine Most Recent Fiscal Years

<u>Fiscal Year</u>		<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2023	* \$	307,319	\$ 307,320	\$ (1)	\$ 3,451,855	8.90 %
2022		401,098	401,099	(1)	3,425,263	11.71
2021		362,302	362,302	-	3,155,938	11.48
2020		281,771	288,295	(6,524)	3,052,771	9.44
2019		333,446	333,447	(1)	3,012,162	11.07
2018		320,135	320,135	-	2,912,970	10.99
2017		303,979	303,980	(1)	2,731,172	11.13
2016		288,763	288,763	-	2,658,955	10.86
2015		278,772	280,489	(1,717)	2,598,062	10.80

* Estimated based on contribution rate of 9.07% and covered valuation payroll of \$3,388,306 (most recent information available).

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, ten years of information is not available.

Northbrook School District 27
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Nine Most Recent Fiscal Years

	<u>2023</u>		<u>2022</u>		<u>2021</u>
District's proportion of the net pension liability (asset)	0.0015268429 %		0.0017150742 %		0.0017630558 %
District's proportionate share of the net pension liability (asset)	\$ 1,280,110		\$ 1,337,952		\$ 1,520,023
State's proportionate share of the net pension liability associated with the District	<u>111,041,078</u>		<u>112,134,562</u>		<u>119,056,103</u>
Total	<u>\$ 112,321,188</u>		<u>\$ 113,472,514</u>		<u>\$ 120,576,126</u>
District's covered payroll	\$ 15,524,089		\$ 14,625,477		\$ 14,870,540
District's proportionate share of the net pension liability as a percentage of its covered payroll	8.25 %		9.15 %		10.22 %
Plan fiduciary net position as a percentage of the total pension liability	42.80 %		45.10 %		37.80 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net position liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0019542856 %	0.0019167001 %	0.0031326327 %	0.0036757189 %	0.0038802991 %	0.0038884613 %
\$ 1,585,085	\$ 1,493,969	\$ 2,393,273	\$ 2,901,467	\$ 2,541,987	\$ 2,366,450
<u>112,808,783</u>	<u>102,343,123</u>	<u>103,110,586</u>	<u>108,272,769</u>	<u>85,297,368</u>	<u>78,647,025</u>
\$ <u><u>114,393,868</u></u>	\$ <u><u>103,837,092</u></u>	\$ <u><u>105,503,859</u></u>	\$ <u><u>111,174,236</u></u>	\$ <u><u>87,839,355</u></u>	\$ <u><u>81,013,475</u></u>
\$ 14,712,324	\$ 14,188,758	\$ 13,918,842	\$ 13,640,291	\$ 13,223,022	\$ 12,818,216
10.77 %	10.53 %	17.19 %	21.27 %	19.22 %	18.46 %
39.60 %	40.00 %	39.30 %	36.40 %	41.50 %	43.00 %

Northbrook School District 27
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
Nine Most Recent Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 90,040	\$ 84,828	\$ 86,249
Contributions in relation to the contractually required contribution	<u>(90,609)</u>	<u>(89,218)</u>	<u>(85,947)</u>
Contribution deficiency (excess)	\$ <u>(569)</u>	\$ <u>(4,390)</u>	\$ <u>302</u>
District's covered payroll	\$ 16,047,946	\$ 15,524,089	\$ 14,625,477
Contributions as a percentage of covered payroll	0.56 %	0.57 %	0.59 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net position liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 85,331	\$ 82,294	\$ 129,021	\$ 144,113	\$ 134,488	\$ 139,146
<u>(88,505)</u>	<u>(79,637)</u>	<u>(129,063)</u>	<u>(142,350)</u>	<u>(135,965)</u>	<u>(138,738)</u>
\$ <u>(3,174)</u>	\$ <u>2,657</u>	\$ <u>(42)</u>	\$ <u>1,763</u>	\$ <u>(1,477)</u>	\$ <u>408</u>
\$ 14,870,540	\$ 14,712,324	\$ 14,188,758	\$ 13,918,842	\$ 13,640,291	\$ 13,223,022
0.60 %	0.54 %	0.91 %	1.02 %	1.00 %	1.05 %

Northbrook School District 27

SCHEDULE OF CHANGES IN TOTAL OTHER POSTRETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

Retiree Health Plan

Six Most Recent Fiscal Years

	2023	2022	2021
Total OPEB liability			
Service cost	\$ 8,031	\$ 16,639	\$ 21,943
Interest on the total OPEB liability	24,514	13,220	18,078
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total OPEB liability	-	75,164	-
Assumption changes	(584)	17,023	11,859
Benefit payments and refunds	(126,556)	(131,587)	(118,649)
Other	-	-	-
Net change in total OPEB liability	(94,595)	(9,541)	(66,769)
Total OPEB liability, beginning	662,654	672,195	738,964
Total OPEB liability, ending	<u>\$ 568,059</u>	<u>\$ 662,654</u>	<u>\$ 672,195</u>
Plan fiduciary net position			
Contributions, employer	\$ -	\$ -	\$ -
Contributions, employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position, beginning	-	-	-
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 568,059</u>	<u>\$ 662,654</u>	<u>\$ 672,195</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered Valuation Payroll	\$ 3,529,485	\$ 3,529,485	\$ 14,921,000
Net OPEB liability as a percentage of covered valuation payroll	16.09 %	18.77 %	4.51 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Note: No assets are accumulated in a trust to pay OPEB benefits.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	24,400	\$ 114,073	\$ 102,406
	51,482	55,892	56,094
	(1,376,485)	-	-
	(15,336)	-	(17,668)
	135,548	70,349	1,627
	(100,633)	(101,871)	(89,898)
	124,436	52,564	21,315
	<u>(1,156,588)</u>	<u>191,007</u>	<u>73,876</u>
	<u>1,895,552</u>	<u>1,704,545</u>	<u>1,630,669</u>
\$	<u><u>738,964</u></u>	\$ <u><u>1,895,552</u></u>	\$ <u><u>1,704,545</u></u>
\$	-	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$	<u><u>738,964</u></u>	\$ <u><u>1,895,552</u></u>	\$ <u><u>1,704,545</u></u>
	0.00 %	0.00	0.00
\$	14,921,000	\$ 16,015,846	\$ 16,015,846
	4.95 %	11.84 %	10.64 %

Northbrook School District 27
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teacher Health Insurance Security Fund
Six Most Recent Fiscal Years

	<u>2023</u>		<u>2022</u>		<u>2021</u>
District's proportion of the net OPEB liability	0.060783 %		0.059323 %		0.058933 %
District's proportionate share of the net OPEB liability	\$ 4,160,425	\$	13,083,975	\$	15,756,329
State's proportionate share of the net OPEB liability associated with the District	<u>5,659,849</u>		<u>17,739,960</u>		<u>21,345,535</u>
Total	<u>\$ 9,820,274</u>	\$	<u>30,823,935</u>	\$	<u>37,101,864</u>
District's covered payroll	\$ 15,524,089	\$	14,625,477	\$	14,870,540
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	26.80%		89.46%		105.96%
Plan fiduciary net position as a percentage of the total OPEB liability	5.24%		1.40%		0.70%

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>
0.060312 %	0.060957 %	0.060514 %
\$ 16,692,872	\$ 16,059,724	\$ 15,703,090
<u>22,604,278</u>	<u>21,564,746</u>	<u>20,622,059</u>
<u>\$ 39,297,150</u>	<u>\$ 37,624,470</u>	<u>\$ 36,325,149</u>
\$ 14,712,324	\$ 14,188,758	\$ 13,918,842
113.46%	113.19%	112.82%
0.25%	-0.07%	-0.17%

Northbrook School District 27
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teacher Health Insurance Security Fund
Six Most Recent Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 104,011	\$ 134,554	\$ 136,809
Contributions in relation to the contractually required contribution	<u>112,399</u>	<u>141,664</u>	<u>137,156</u>
Contribution excess (deficiency)	<u><u>\$ (8,388)</u></u>	<u><u>\$ (7,110)</u></u>	<u><u>\$ (347)</u></u>
District's covered payroll	\$ 16,047,946	\$ 15,524,089	\$ 14,625,477
Contributions as a percentage of covered payroll	0.65%	0.87%	0.94%

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 135,353	\$ 124,861	\$ 116,918
<u>136,378</u>	<u>127,164</u>	<u>116,936</u>
\$ <u>(1,025)</u>	\$ <u>(2,303)</u>	\$ <u>(18)</u>
\$ 14,870,540	\$ 14,712,324	\$ 14,188,758
0.91%	0.85%	0.82%

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			
	Original and Final Budget	Actual	Variance From Final Budget	2022 Actual
Revenues				
Local sources				
General levy	\$ 25,378,826	\$ 26,027,914	\$ 649,088	\$ 25,559,024
Regular tuition from pupils or parents	-	10,500	10,500	-
Summer school tuition from pupils or parents	2,000	16,313	14,313	12,950
Interest on investments	17,000	552,253	535,253	25,859
Sales to pupils - other	1,920	1,300	(620)	2,085
Fees	80,000	105,760	25,760	111,820
Student Activity Fund Revenues	-	10,734	10,734	12,201
Rentals - regular textbook	96,000	102,670	6,670	128,373
Refund of prior years' expenditures	500	-	(500)	-
Other	500	220	(280)	-
Total local sources	25,576,746	26,827,664	1,250,918	25,852,312
State sources				
Special Education - Private Facility Tuition	10,000	113,743	103,743	79,497
Other restricted revenue from state sources	500	1,158	658	1,316
On-Behalf Payments to TRS from the State	12,000,000	8,028,882	(3,971,118)	7,856,911
Total state sources	12,010,500	8,143,783	(3,866,717)	7,937,724
Federal sources				
Special Milk Program	7,000	11,612	4,612	10,020
Title I - Low Income	46,849	60,535	13,686	60,723
Title IV - Student Support & Academic Enrichment Grant	9,080	12,455	3,375	20,000
Federal Special Education - Preschool Flow-Through	13,727	6,009	(7,718)	5,485
Federal Special Education - IDEA Flow Through	446,407	386,206	(60,201)	301,775
Federal Special Education - IDEA Room & Board	100,000	169,549	69,549	131,729
Title II - Teacher Quality	14,000	40,733	26,733	18,235

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			
	Original and Final Budget	Actual	Variance From Final Budget	2022 Actual
Federal sources (Continued)				
Medicaid Matching Funds - Administrative Outreach	\$ -	\$ 9,884	\$ 9,884	\$ 6,728
Medicaid Matching Funds - Fee-For-Service Program	12,000	1,611	(10,389)	3,459
Other Restricted Grants Received from Federal Govt. thru State	<u>93,828</u>	<u>179,432</u>	<u>85,604</u>	<u>498,660</u>
Total federal sources	<u>742,891</u>	<u>878,026</u>	<u>135,135</u>	<u>1,056,814</u>
Total revenues	<u>38,330,137</u>	<u>35,849,473</u>	<u>(2,480,664)</u>	<u>34,846,850</u>
Expenditures				
Instruction				
Regular programs				
Salaries	12,341,724	12,297,792	43,932	11,864,390
Employee benefits	2,405,451	2,346,565	58,886	2,412,714
On-Behalf Payments to TRS from the State	12,000,000	8,028,882	3,971,118	7,856,911
Purchased services	40,000	28,168	11,832	16,503
Supplies and materials	1,633,627	1,249,867	383,760	1,233,935
Capital outlay	375,625	414,470	(38,845)	545,455
Non-capitalized equipment	<u>45,000</u>	<u>17,815</u>	<u>27,185</u>	<u>30,735</u>
Total	<u>28,841,427</u>	<u>24,383,559</u>	<u>4,457,868</u>	<u>23,960,643</u>
Special education programs				
Salaries	1,465,245	1,686,404	(221,159)	1,474,198
Employee benefits	33,043	44,350	(11,307)	54,137
Purchased services	1,500	179	1,321	1,500
Supplies and materials	<u>16,200</u>	<u>1,405</u>	<u>14,795</u>	<u>2,640</u>
Total	<u>1,515,988</u>	<u>1,732,338</u>	<u>(216,350)</u>	<u>1,532,475</u>
Interscholastic programs				
Purchased services	<u>8,600</u>	<u>6,540</u>	<u>2,060</u>	<u>6,095</u>
Total	<u>8,600</u>	<u>6,540</u>	<u>2,060</u>	<u>6,095</u>

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			2022 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Summer school programs				
Salaries	\$ 10,000	\$ 5,206	\$ 4,794	\$ 6,397
Employee benefits	125	65	60	80
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>10,625</u>	<u>5,271</u>	<u>5,354</u>	<u>6,477</u>
Gifted programs				
Salaries	77,879	86,265	(8,386)	82,351
Employee benefits	974	1,076	(102)	1,030
Supplies and materials	<u>2,000</u>	<u>694</u>	<u>1,306</u>	<u>763</u>
Total	<u>80,853</u>	<u>88,035</u>	<u>(7,182)</u>	<u>84,144</u>
Student Activity Fund Expenditures	<u>-</u>	<u>7,390</u>	<u>(7,390)</u>	<u>11,565</u>
Total instruction	<u>30,457,493</u>	<u>26,223,133</u>	<u>4,234,360</u>	<u>25,601,399</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	403,057	327,828	75,229	302,015
Employee benefits	5,038	4,095	943	3,776
Supplies and materials	<u>3,000</u>	<u>256</u>	<u>2,744</u>	<u>1,620</u>
Total	<u>411,095</u>	<u>332,179</u>	<u>78,916</u>	<u>307,411</u>
Guidance services				
Salaries	210,465	212,089	(1,624)	185,352
Employee benefits	2,644	2,651	(7)	2,567
Supplies and materials	<u>45,000</u>	<u>32,447</u>	<u>12,553</u>	<u>35,255</u>
Total	<u>258,109</u>	<u>247,187</u>	<u>10,922</u>	<u>223,174</u>

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			2022 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Health services				
Salaries	\$ 240,669	\$ 241,141	\$ (472)	\$ 226,823
Employee benefits	1,821	1,821	-	1,737
Purchased services	500	-	500	-
Supplies and materials	<u>5,500</u>	<u>4,300</u>	<u>1,200</u>	<u>2,595</u>
Total	<u>248,490</u>	<u>247,262</u>	<u>1,228</u>	<u>231,155</u>
Psychological services				
Salaries	353,494	352,853	641	341,495
Employee benefits	4,418	20,970	(16,552)	20,815
Purchased services	-	3,000	(3,000)	-
Supplies and materials	<u>6,000</u>	<u>3,980</u>	<u>2,020</u>	<u>6,240</u>
Total	<u>363,912</u>	<u>380,803</u>	<u>(16,891)</u>	<u>368,550</u>
Speech pathology and audiology services				
Salaries	448,177	448,476	(299)	424,937
Employee benefits	5,604	5,604	-	5,319
Supplies and materials	<u>3,750</u>	<u>1,443</u>	<u>2,307</u>	<u>480</u>
Total	<u>457,531</u>	<u>455,523</u>	<u>2,008</u>	<u>430,736</u>
Other support services - pupils				
Salaries	625,000	593,735	31,265	591,703
Employee benefits	7,813	5,211	2,602	5,564
Supplies and materials	<u>500</u>	<u>2,474</u>	<u>(1,974)</u>	<u>1,224</u>
Total	<u>633,313</u>	<u>601,420</u>	<u>31,893</u>	<u>598,491</u>
Total pupils	<u>2,372,450</u>	<u>2,264,374</u>	<u>108,076</u>	<u>2,159,517</u>

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			2022 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Instructional staff				
Improvement of instruction services				
Salaries	\$ 1,035,479	\$ 907,563	\$ 127,916	\$ 906,451
Employee benefits	127,469	131,862	(4,393)	192,770
Purchased services	61,600	57,748	3,852	64,244
Supplies and materials	<u>51,000</u>	<u>14,668</u>	<u>36,332</u>	<u>31,981</u>
Total	<u>1,275,548</u>	<u>1,111,841</u>	<u>163,707</u>	<u>1,195,446</u>
Educational media services				
Salaries	320,799	320,899	(100)	321,055
Employee benefits	4,011	2,970	1,041	4,013
Purchased services	-	-	-	-
Supplies and materials	<u>78,700</u>	<u>56,654</u>	<u>22,046</u>	<u>65,359</u>
Total	<u>403,510</u>	<u>380,523</u>	<u>22,987</u>	<u>390,427</u>
Assessment and testing				
Purchased services	<u>15,000</u>	<u>11,097</u>	<u>3,903</u>	<u>8,000</u>
Total	<u>15,000</u>	<u>11,097</u>	<u>3,903</u>	<u>8,000</u>
Total instructional staff	<u>1,694,058</u>	<u>1,503,461</u>	<u>190,597</u>	<u>1,593,873</u>
General administration				
Board of education services				
Purchased services	<u>228,588</u>	<u>278,945</u>	<u>(50,357)</u>	<u>230,501</u>
Total	<u>228,588</u>	<u>278,945</u>	<u>(50,357)</u>	<u>230,501</u>
Executive administration services				
Salaries	614,750	621,371	(6,621)	650,211
Employee benefits	57,313	40,337	16,976	48,077
Purchased services	9,800	1,960	7,840	1,800
Supplies and materials	<u>16,000</u>	<u>9,003</u>	<u>6,997</u>	<u>8,977</u>
Total	<u>697,863</u>	<u>672,671</u>	<u>25,192</u>	<u>709,065</u>
Total general administration	<u>926,451</u>	<u>951,616</u>	<u>(25,165)</u>	<u>939,566</u>

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance From Final Budget	2022 Actual
	Original and Final Budget	Actual		
School administration				
Office of the principal services				
Salaries	\$ 838,469	\$ 788,322	\$ 50,147	\$ 802,029
Employee benefits	74,627	78,425	(3,798)	85,565
Supplies and materials	<u>14,000</u>	<u>6,515</u>	<u>7,485</u>	<u>7,376</u>
Total	<u>927,096</u>	<u>873,262</u>	<u>53,834</u>	<u>894,970</u>
Total school administration	<u>927,096</u>	<u>873,262</u>	<u>53,834</u>	<u>894,970</u>
Business				
Fiscal services				
Purchased services	<u>121,035</u>	<u>107,546</u>	<u>13,489</u>	<u>67,852</u>
Total	<u>121,035</u>	<u>107,546</u>	<u>13,489</u>	<u>67,852</u>
Operation and maintenance of plant services				
Purchased services	<u>40,000</u>	<u>7,729</u>	<u>32,271</u>	<u>8,511</u>
Total	<u>40,000</u>	<u>7,729</u>	<u>32,271</u>	<u>8,511</u>
Food services				
Supplies and materials	<u>15,000</u>	<u>18,084</u>	<u>(3,084)</u>	<u>16,956</u>
Total	<u>15,000</u>	<u>18,084</u>	<u>(3,084)</u>	<u>16,956</u>
Total business	<u>176,035</u>	<u>133,359</u>	<u>42,676</u>	<u>93,319</u>
Central				
Data processing services				
Purchased services	252,000	160,203	91,797	159,863
Capital outlay	<u>-</u>	<u>109,047</u>	<u>(109,047)</u>	<u>-</u>
Total central	<u>252,000</u>	<u>269,250</u>	<u>(17,250)</u>	<u>159,863</u>
Total support services	<u>6,348,090</u>	<u>5,995,322</u>	<u>352,768</u>	<u>5,841,108</u>

(Continued)

Northbrook School District 27

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023				2022 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Community services					
Salaries	\$ 43,161	\$ 28,540	\$ 14,621	\$	43,848
Purchased services	19,771	11,824	7,947		6,881
Supplies and materials	<u>10,170</u>	<u>5,122</u>	<u>5,048</u>		<u>5,380</u>
Total	<u>73,102</u>	<u>45,486</u>	<u>27,616</u>		<u>56,109</u>
Payments for special education programs					
Purchased services	326,432	326,432	-		226,484
Other objects	<u>1,125,000</u>	<u>1,506,114</u>	<u>(381,114)</u>		<u>1,314,559</u>
Total payments to other districts and other government units	<u>1,451,432</u>	<u>1,832,546</u>	<u>(381,114)</u>		<u>1,541,043</u>
Total expenditures	<u>38,330,117</u>	<u>34,096,487</u>	<u>4,233,630</u>		<u>33,039,659</u>
Excess of revenues over expenditures	<u>20</u>	<u>1,752,986</u>	<u>1,752,966</u>		<u>1,807,191</u>
Other financing uses					
Transfers out	-	(3,000,000)	3,000,000		(2,000,000)
Subscription liabilities issued	-	109,047	(109,047)		-
Transfer to debt service fund for principal on subscription liabilities	-	(41,517)	(41,517)		-
Transfer to debt service fund for interest on subscription liabilities	<u>-</u>	<u>(801)</u>	<u>(801)</u>		<u>-</u>
Total other financing uses	<u>-</u>	<u>(2,933,271)</u>	<u>2,848,635</u>		<u>(2,000,000)</u>
Net change to fund balance	<u>\$ 20</u>	<u>(1,180,285)</u>	<u>\$ (1,180,305)</u>		<u>(192,809)</u>
Fund balance, beginning of year		<u>17,896,080</u>			<u>18,088,889</u>
Fund balance, end of year		<u>\$ 16,715,795</u>			<u>\$ 17,896,080</u>

(Concluded)

Northbrook School District 27
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			
	Original and Final Budget	Actual	Variance From Final Budget	2022 Actual
Revenues				
Local sources				
General levy	\$ 1,386,591	\$ 1,323,501	\$ (63,090)	\$ 1,007,731
Corporate personal property replacement taxes	994,000	1,030,804	36,804	987,144
Interest on investments	3,000	27,668	24,668	1,420
Rentals	-	350	350	-
Refund of prior years' expenditures	5,000	85,370	80,370	22,159
Other	500	150	(350)	-
Total local sources	2,389,091	2,467,843	78,752	2,018,454
State sources				
Evidence Based Funding Formula	785,000	791,397	6,397	790,087
School Infrastructure - Maintenance Projects	-	50,000	50,000	50,000
Total state sources	785,000	841,397	56,397	840,087
Total revenues	3,174,091	3,309,240	135,149	2,858,541
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	50,000	-	50,000	80,694
Total	50,000	-	50,000	80,694
Operation and maintenance of plant services				
Salaries	818,258	890,823	(72,565)	798,377
Employee benefits	150,900	142,768	8,132	147,108
Purchased services	1,483,000	1,608,024	(125,024)	1,270,679
Supplies and materials	644,000	455,633	188,367	469,109
Capital outlay	15,000	1,551,464	(1,536,464)	2,946,869
Total	3,111,158	4,648,712	(1,537,554)	5,632,142

(Continued)

Northbrook School District 27
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			
	Original and Final Budget	Actual	Variance From Final Budget	2022 Actual
Total business	\$ 3,161,158	\$ 4,648,712	\$(1,487,554)	\$ 5,712,836
Total support services	3,161,158	4,648,712	(1,487,554)	5,712,836
Total expenditures	3,161,158	4,648,712	(1,487,554)	5,712,836
Excess (deficiency) of revenues over expenditures	12,933	(1,339,472)	(1,352,405)	(2,854,295)
Other financing uses				
Permanent transfer among funds	-	3,000,000	(3,000,000)	2,000,000
Total other financing uses	-	3,000,000	(3,000,000)	2,000,000
Net change in fund balance	\$ 12,933	1,660,528	\$ 1,647,595	(854,295)
Fund balance, beginning of year		(244,871)		609,424
Fund balance, end of year		\$ 1,415,657		\$ (244,871)

(Concluded)

Northbrook School District 27

Transportation Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023				2022 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Revenues					
Local sources					
General levy	\$ 656,650	\$ 999,062	\$ 342,412		\$ 1,030,323
Regular transportation fees from pupils or parents - in state	247,000	217,202	(29,798)		203,509
Regular transportation fees from co-curricular activities - in state	-	210	210		580
Interest on investments	<u>600</u>	<u>7,824</u>	<u>7,224</u>		<u>160</u>
Total local sources	<u>904,250</u>	<u>1,224,298</u>	<u>320,048</u>		<u>1,234,572</u>
State sources					
Transportation - Special Education	<u>350,000</u>	<u>287,412</u>	<u>(62,588)</u>		<u>190,784</u>
Total state sources	<u>350,000</u>	<u>287,412</u>	<u>(62,588)</u>		<u>190,784</u>
Total revenues	<u>1,254,250</u>	<u>1,511,710</u>	<u>257,460</u>		<u>1,425,356</u>
Expenditures					
Support services					
Business					
Pupil transportation services					
Purchased services	<u>1,254,250</u>	<u>1,604,518</u>	<u>(350,268)</u>		<u>1,282,721</u>
Total support services	<u>1,254,250</u>	<u>1,604,518</u>	<u>(350,268)</u>		<u>1,282,721</u>
Total expenditures	<u>1,254,250</u>	<u>1,604,518</u>	<u>(350,268)</u>		<u>1,282,721</u>
Net change in fund balance	<u>\$ -</u>	<u>(92,808)</u>	<u>\$ (92,808)</u>		142,635
Fund balance, beginning of year		<u>522,116</u>			<u>379,481</u>
Fund balance, end of year		<u>\$ 429,308</u>			<u>\$ 522,116</u>

Northbrook School District 27
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023				
	Original and Final Budget	Actual	Variance From Final Budget	2022 Actual	
Revenues					
Local sources					
General levy	\$ 209,545	\$ 183,444	\$ (26,101)	\$ 173,736	
Social security/Medicare only levy	548,607	699,753	151,146	685,983	
Corporate personal property replacement taxes	15,000	15,000	-	15,000	
Interest on investments	<u>700</u>	<u>3,688</u>	<u>2,988</u>	<u>451</u>	
Total local sources	<u>773,852</u>	<u>901,885</u>	<u>128,033</u>	<u>875,170</u>	
Total revenues	<u>773,852</u>	<u>901,885</u>	<u>128,033</u>	<u>875,170</u>	
Expenditures					
Instruction					
Regular programs	378,829	373,582	5,247	380,956	
Special education programs	33,344	35,213	(1,869)	33,374	
Summer school programs	145	72	73	87	
Gifted programs	<u>1,129</u>	<u>1,096</u>	<u>33</u>	<u>898</u>	
Total instruction	<u>413,447</u>	<u>409,963</u>	<u>3,484</u>	<u>415,315</u>	
Support services					
Pupils					
Attendance and social work services	5,844	4,511	1,333	4,131	
Guidance services	3,068	2,986	82	2,889	
Health services	17,778	17,626	152	17,546	
Psychological services	5,126	4,801	325	4,648	
Speech pathology and audiology services	6,502	6,124	378	5,757	
Other support services -pupils	<u>9,063</u>	<u>31,593</u>	<u>(22,530)</u>	<u>27,758</u>	
Total pupils	<u>47,381</u>	<u>67,641</u>	<u>(20,260)</u>	<u>62,729</u>	

(Continued)

Northbrook School District 27
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			
	Original and Final Budget	Actual	Variance From Final Budget	2022 Actual
Instructional staff				
Improvement of instruction services	\$ 109,136	\$ 91,278	\$ 17,858	\$ 92,615
Educational media services	<u>4,652</u>	<u>4,221</u>	<u>431</u>	<u>4,637</u>
Total instructional staff	<u>113,788</u>	<u>95,499</u>	<u>18,289</u>	<u>97,252</u>
General administration				
Executive administration services	<u>31,015</u>	<u>31,722</u>	<u>(707)</u>	<u>43,251</u>
Total general administration	<u>31,015</u>	<u>31,722</u>	<u>(707)</u>	<u>43,251</u>
School administration				
Office of the principal services	<u>44,519</u>	<u>33,822</u>	<u>10,697</u>	<u>37,453</u>
Total school administration	<u>44,519</u>	<u>33,822</u>	<u>10,697</u>	<u>37,453</u>
Business				
Operation and maintenance of plant services	<u>132,240</u>	<u>140,913</u>	<u>(8,673)</u>	<u>142,741</u>
Total business	<u>132,240</u>	<u>140,913</u>	<u>(8,673)</u>	<u>142,741</u>
Total support services	<u>368,943</u>	<u>369,597</u>	<u>(654)</u>	<u>383,426</u>
Community services	<u>4,415</u>	<u>4,636</u>	<u>(221)</u>	<u>7,752</u>
Total expenditures	<u>786,805</u>	<u>784,196</u>	<u>2,609</u>	<u>806,493</u>
Net change in fund balance	<u>\$ (12,953)</u>	117,689	<u>\$ 130,642</u>	68,677
Fund balance, beginning of year		<u>842,901</u>		<u>774,224</u>
Fund balance, end of year		<u>\$ 960,590</u>		<u>\$ 842,901</u>

(Concluded)

Northbrook School District 27
Notes to the Required Supplementary Information
June 30, 2023

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgets are adopted for all funds, except the Debt Service fund. The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law..
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 22, 2022.
- g) All annual budgets lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budget at June 30, 2023:

<u>Fund</u>	<u>Amount</u>
Operations and Maintenance	\$ 1,487,554
Transportation	350,268

Northbrook School District 27
Notes to the Required Supplementary Information
June 30, 2023

3. CHANGES OF ASSUMPTIONS - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

For the 2022 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50 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 2021 - 2016 measurement year, the assumed investment rate of return was 7.00 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. The assumptions used for the 2020 - 2018 and 2017 - 2016 measurement years were based on an experience study dated September 30, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 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.

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2022 IMRF CONTRIBUTION RATE*

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.
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Methods and Assumptions Used to Determine the 2022 Contribution Rate:

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): 21-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 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).

Notes to the Required Supplementary Information
June 30, 2023

Methods and Assumptions Used to Determine the 2022 Contribution Rate: (Continued)

Other Information

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation.

Change in Assumptions:

For the 2022 measurement year, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.25 percent and a real return of 5.00 percent.

For the 2021, 2020, 2019 and 2018 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75 percent.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00 percent.

Northbrook School District 27
Notes to the Required Supplementary Information
June 30, 2023

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2022 THIS CONTRIBUTION RATE

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Fiscal Year End	June 30, 2023

Methods and Assumptions Used to Determine the 2022 Contribution Rate:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you-go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2022, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts, and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Single Equivalent Discount Rate	3.69%
Inflation	2.25%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS Experience. Disabled Annuitants: PubNS-2010 Non-Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2023 are based on actual premium increases. For non-Medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.81% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.

Northbrook School District 27
Notes to the Required Supplementary Information
June 30, 2023

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2022 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2022 Contribution Rate: (Continued)

Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

The Discount Rate was changed from 1.92% used in the Fiscal Year 2022 valuation to 3.69%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 2.45% used in the Fiscal Year 2021 valuation to 1.92%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 3.13% used in the Fiscal Year 2020 valuation to 2.45%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 3.62% used in the Fiscal Year 2019 valuation to 3.13%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

SUPPLEMENTARY FINANCIAL INFORMATION

Northbrook School District 27

General Fund

COMBINING BALANCE SHEETJune 30, 2023

	Educational Account	Working Cash Account	Total
ASSETS			
Cash and investments	\$ 12,280,223	\$ 3,852,467	\$ 16,132,690
Receivables (net of allowance for uncollectibles):			
Property taxes	13,518,909	126	13,519,035
Intergovernmental	127,139	-	127,139
Prepaid items	301,054	-	301,054
Other current assets	<u>19,701</u>	<u>-</u>	<u>19,701</u>
Total assets	<u>\$ 26,247,026</u>	<u>\$ 3,852,593</u>	<u>\$ 30,099,619</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 51,390	\$ -	\$ 51,390
Other current liabilities	<u>28,218</u>	<u>-</u>	<u>28,218</u>
Total liabilities	<u>79,608</u>	<u>-</u>	<u>79,608</u>
DEFERRED INFLOWS			
Property taxes levied for a future period	<u>13,304,090</u>	<u>126</u>	<u>13,304,216</u>
Total deferred inflows	<u>13,304,090</u>	<u>126</u>	<u>13,304,216</u>
FUND BALANCES			
Nonspendable	301,054	-	301,054
Assigned	22,865	3,852,467	3,875,332
Unassigned	<u>12,539,409</u>	<u>-</u>	<u>12,539,409</u>
Total fund balance	<u>12,863,328</u>	<u>3,852,467</u>	<u>16,715,795</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 26,247,026</u>	<u>\$ 3,852,593</u>	<u>\$ 30,099,619</u>

Northbrook School District 27

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2023

	Educational Account	Working Cash Account	Total
Revenues			
Property taxes	\$ 26,027,914	\$ -	\$ 26,027,914
State aid	8,143,783	-	8,143,783
Federal aid	878,026	-	878,026
Interest	455,431	96,822	552,253
Other	247,497	-	247,497
Total revenues	35,752,651	96,822	35,849,473
Expenditures			
Current:			
Instruction:			
Regular programs	15,947,597	-	15,947,597
Special programs	1,732,338	-	1,732,338
Other instructional programs	99,846	-	99,846
State retirement contributions	8,028,882	-	8,028,882
Support services:			
Pupils	2,264,374	-	2,264,374
Instructional staff	1,503,461	-	1,503,461
General administration	951,616	-	951,616
School administration	873,262	-	873,262
Business	125,630	-	125,630
Operations and maintenance	7,729	-	7,729
Central	160,203	-	160,203
Community services	45,486	-	45,486
Nonprogrammed charges	1,832,546	-	1,832,546
Capital outlay	523,517	-	523,517
Total expenditures	34,096,487	-	34,096,487
Excess of revenues over expenditures	1,656,164	96,822	1,752,986
Other financing uses			
Transfers (out)	(3,042,318)	-	(3,042,318)
Subscription liabilities issued	109,047	-	109,047
Total other financing uses	(2,933,271)	-	(2,933,271)
Net change in fund balance	(1,277,107)	96,822	(1,180,285)
Fund balance, beginning of year	14,140,435	3,755,645	17,896,080
Fund balance, end of year	\$ 12,863,328	\$ 3,852,467	\$ 16,715,795

STATISTICAL SECTION
(Unaudited)

Statistical Section

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

104 - 115

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

116 - 121

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

122 - 128

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

129 - 133

Operating Information

These schedules contain information about the District's services and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

134 - 138

SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial statements for the relevant year.

Northbrook School District 27
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	<u>2023</u>		<u>2022</u>		<u>2021***</u>		<u>2020</u>
Governmental Activities							
Investment in capital assets	\$ 26,493,328	\$	26,063,691	\$	24,086,643	\$	23,758,106
Restricted	2,797,719		1,365,017		1,763,129		3,639,685
Unrestricted	<u>(4,560,534)</u>		<u>(5,555,929)</u>		<u>(4,940,993)</u>		<u>(6,749,343)</u>
Total net position	\$ <u>24,730,513</u>	\$	<u>21,872,779</u>	\$	<u>20,908,779</u>	\$	<u>20,648,448</u>

* Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 68.

** Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 75.

*** Amounts prior to 2021 presented as originally reported and not restated due to the implementation of GASB Statement No. 84.

<u>2019</u>	<u>2018</u>	<u>2017**</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>
\$ 23,907,447	\$ 24,157,729	\$ 24,892,617	\$ 25,689,733	\$ 26,706,873	\$ 27,824,441
4,991,483	5,292,752	7,062,998	6,147,766	5,331,887	4,707,082
<u>(8,474,851)</u>	<u>(7,501,341)</u>	<u>8,107,226</u>	<u>8,714,545</u>	<u>8,592,237</u>	<u>10,904,135</u>
<u>\$ 20,424,079</u>	<u>\$ 21,949,140</u>	<u>\$ 40,062,841</u>	<u>\$ 40,552,044</u>	<u>\$ 40,630,997</u>	<u>\$ 43,435,658</u>

Northbrook School District 27**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses				
Instruction	\$ 30,753,927	\$ 29,315,084	\$ 33,279,789	\$ 31,354,863
Support services	10,975,910	10,094,999	9,892,597	11,156,514
Community services	<u>56,379</u>	<u>47,349</u>	<u>39,140</u>	<u>64,349</u>
Total expenses	<u>41,786,216</u>	<u>39,457,432</u>	<u>43,211,526</u>	<u>42,575,726</u>
Program revenues				
Charges for services				
Instruction	245,977	265,344	189,801	175,056
Support services	219,062	206,174	50,303	18,427
Operating grants and contributions				
Instruction	12,027,493	9,360,482	13,910,095	13,784,930
Support services	<u>403,370</u>	<u>290,355</u>	<u>256,307</u>	<u>299,969</u>
Total program revenues	<u>12,895,902</u>	<u>10,122,355</u>	<u>14,406,506</u>	<u>14,278,382</u>
Net expense	<u>(28,890,314)</u>	<u>(29,335,077)</u>	<u>(28,805,020)</u>	<u>(28,297,344)</u>
General revenues				
Taxes:				
Real estate taxes	29,233,674	28,456,797	27,760,623	27,006,119
Personal property replacement taxes	1,045,804	1,002,144	463,489	332,656
Other local sources	85,740	22,159	4,515	21,465
General state aid	791,397	790,087	788,784	788,784
Investment earnings	<u>591,433</u>	<u>27,890</u>	<u>25,110</u>	<u>372,689</u>
Total general revenues	<u>31,748,048</u>	<u>30,299,077</u>	<u>29,042,521</u>	<u>28,521,713</u>
Change in net position	<u>\$ 2,857,734</u>	<u>\$ 964,000</u>	<u>\$ 237,501</u>	<u>\$ 224,369</u>

2019	2018	2017	2016	2015	2014
\$ 29,774,399	\$ 30,995,782	\$ 29,008,748	\$ 24,724,548	\$ 23,487,007	\$ 21,644,567
10,897,221	9,584,713	9,073,696	8,817,983	8,683,472	8,502,482
79,023	65,553	49,319	161,146	99,675	125,421
40,750,643	40,646,048	38,131,763	33,703,677	32,270,154	30,272,470
111,865	193,939	153,053	143,958	110,249	88,643
18,983	28,255	28,020	23,993	25,996	26,856
11,142,515	11,908,984	11,576,106	8,017,042	7,313,766	5,317,753
143,810	132,776	141,399	144,271	147,644	130,658
11,417,173	12,263,954	11,898,578	8,329,264	7,597,655	5,563,910
(29,333,470)	(28,382,094)	(26,233,185)	(25,374,413)	(24,672,499)	(24,708,560)
26,147,623	25,295,028	24,873,736	24,618,618	23,943,335	23,608,309
307,648	276,464	374,524	265,404	332,156	308,976
15,692	62,301	70,369	84,677	42,315	26,905
787,401	786,016	294,702	258,936	239,137	240,826
550,045	336,198	130,651	67,825	40,623	27,500
27,808,409	26,756,007	25,743,982	25,295,460	24,597,566	24,212,516
\$ (1,525,061)	\$ (1,626,087)	\$ (489,203)	\$ (78,953)	\$ (74,933)	\$ (496,044)

Northbrook School District 27
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021*</u>	<u>2020**</u>
General Fund				
Nonspendable	\$ 301,054	\$ 106,164	\$ 92,763	\$ -
Restricted	-	-	-	-
Assigned	3,875,332	3,775,166	3,771,850	3,750,103
Unassigned	<u>12,539,409</u>	<u>14,014,750</u>	<u>14,224,276</u>	<u>12,932,466</u>
 Total General Fund	 <u>16,715,795</u>	 <u>17,896,080</u>	 <u>18,088,889</u>	 <u>16,682,569</u>
 All other governmental funds				
Nonspendable, reporting in:				
Special revenue funds	7,836	7,836	33,921	-
Restricted, reported in:				
Special revenue funds	2,797,719	2,797,719	1,729,208	3,639,685
Unassigned, reported in:				
Special revenue funds	<u>-</u>	<u>(271,064)</u>	<u>-</u>	<u>-</u>
 Total all other governmental funds	 <u>2,805,555</u>	 <u>2,534,491</u>	 <u>1,763,129</u>	 <u>3,639,685</u>
 Total all governmental funds	 <u><u>\$ 19,521,350</u></u>	 <u><u>\$ 20,430,571</u></u>	 <u><u>\$ 19,852,018</u></u>	 <u><u>\$ 20,322,254</u></u>

* Amounts prior to 2021 have not been restated for the implementation of GASB 84.

** In 2019 and prior, the General Fund and Operations and Maintenance Fund were reported together on this schedule. Prior years have not been restated to reflect this change.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 75,555	\$ 2,257	\$ 3,201	\$ 3,800	\$ 13,450	\$ 6,544
4,241,917	4,537,890	6,108,292	5,189,137	4,460,399	3,811,887
3,692,107	3,583,520	3,583,520	3,565,450	3,555,747	3,549,561
<u>11,586,950</u>	<u>11,876,089</u>	<u>9,671,106</u>	<u>9,747,037</u>	<u>8,912,436</u>	<u>8,234,877</u>
<u>19,596,529</u>	<u>19,999,756</u>	<u>19,366,119</u>	<u>18,505,424</u>	<u>16,942,032</u>	<u>15,602,869</u>
-	-	-	-	-	-
709,259	752,605	952,132	956,146	869,126	892,962
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>709,259</u>	<u>752,605</u>	<u>952,132</u>	<u>956,146</u>	<u>869,126</u>	<u>892,962</u>
<u>\$ 20,305,788</u>	<u>\$ 20,752,361</u>	<u>\$ 20,318,251</u>	<u>\$ 19,461,570</u>	<u>\$ 17,811,158</u>	<u>\$ 16,495,831</u>

Northbrook School District 27
GOVERNMENTAL FUNDS REVENUES BY SOURCE AND OTHER FINANCING SOURCES
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Local sources				
Taxes	\$ 30,279,478	\$ 29,458,941	\$ 28,224,112	\$ 27,338,775
Earnings on investments	591,433	27,890	25,110	372,689
Other local sources	<u>550,779</u>	<u>493,677</u>	<u>244,619</u>	<u>214,948</u>
Total local sources	31,421,690	29,980,508	28,493,841	27,926,412
State and federal sources	<u>2,121,736</u>	<u>2,168,498</u>	<u>1,689,141</u>	<u>1,580,054</u>
Total direct revenues	33,543,426	32,149,006	30,182,982	29,506,466
TRS on-behalf receipts	<u>8,028,882</u>	<u>7,856,911</u>	<u>6,923,103</u>	<u>6,834,407</u>
Total revenues	41,572,308	40,005,917	37,106,085	36,340,873
Other financing sources	<u>109,047</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 41,681,355</u>	<u>\$ 40,005,917</u>	<u>\$ 37,106,085</u>	<u>\$ 36,340,873</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	26,455,271	\$ 25,571,492	\$ 25,248,260	\$ 24,884,022	\$ 24,275,491	\$ 23,917,285
	550,045	336,198	130,651	67,825	40,623	27,500
	<u>146,540</u>	<u>284,495</u>	<u>251,442</u>	<u>252,628</u>	<u>178,560</u>	<u>142,404</u>
	27,151,856	26,192,185	25,630,353	25,204,475	24,494,674	24,087,189
	<u>1,272,417</u>	<u>1,204,750</u>	<u>1,223,270</u>	<u>1,286,018</u>	<u>1,233,752</u>	<u>1,090,770</u>
	28,424,273	27,396,935	26,853,623	26,490,493	25,728,426	25,177,959
	<u>6,520,449</u>	<u>11,623,026</u>	<u>10,788,937</u>	<u>7,134,231</u>	<u>6,466,795</u>	<u>4,598,467</u>
	34,944,722	39,019,961	37,642,560	33,624,724	32,195,221	29,776,426
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u><u>34,944,722</u></u>	<u><u>39,019,961</u></u>	<u><u>37,642,560</u></u>	<u><u>33,624,724</u></u>	<u><u>32,195,221</u></u>	<u><u>29,776,426</u></u>

Northbrook School District 27
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Current				
Instruction				
Regular programs	\$ 16,321,179	\$ 15,950,798	\$ 15,290,034	\$ 14,456,398
Special programs	1,767,551	1,565,849	1,567,574	1,399,826
Other instructional programs	101,014	97,701	93,216	104,053
Total instruction	<u>18,189,744</u>	<u>17,614,348</u>	<u>16,950,824</u>	<u>15,960,277</u>
Supporting services				
Pupils	2,332,015	2,222,246	2,172,654	2,219,281
Instructional staff	1,598,960	1,691,125	1,633,764	1,447,701
General administration	983,338	982,817	1,129,016	1,115,981
School administration	907,084	932,423	890,894	918,784
Business	125,630	165,502	67,047	108,499
Transportation	1,604,518	1,282,721	930,187	859,959
Operations and maintenance	3,245,890	2,836,525	3,065,227	2,970,217
Central	160,203	159,863	344,831	225,353
Total supporting services	<u>10,957,638</u>	<u>10,273,222</u>	<u>10,233,620</u>	<u>9,865,775</u>
Community services	<u>50,122</u>	<u>63,861</u>	<u>63,110</u>	<u>55,604</u>
Nonprogrammed charges	<u>1,832,546</u>	<u>1,541,043</u>	<u>1,786,401</u>	<u>2,229,737</u>
Total current	<u>31,030,050</u>	<u>29,492,474</u>	<u>29,033,955</u>	<u>28,111,393</u>
Other				
Debt service:				
Principal	41,517	-	-	-
Interest	801	-	-	-
Capital outlay	2,074,981	3,492,324	1,642,093	1,378,607
Total other	<u>2,117,299</u>	<u>3,492,324</u>	<u>1,642,093</u>	<u>1,378,607</u>
Total direct expenditures	33,147,349	32,984,798	30,676,048	29,490,000
TRS on-behalf payment	<u>8,028,882</u>	<u>7,856,911</u>	<u>6,923,103</u>	<u>6,834,407</u>
Total	<u>\$ 41,176,231</u>	<u>\$ 40,841,709</u>	<u>\$ 37,599,151</u>	<u>\$ 36,324,407</u>
Net change in fund balance	<u>\$ 505,124</u>	<u>\$ (835,792)</u>	<u>\$ (493,066)</u>	<u>\$ 16,466</u>
Debt service as a percentage of noncapital direct expenditures	0.11%	0.00%	0.00%	0.00%

	2019	2018	2017	2016	2015	2014
\$	14,333,467	\$ 13,777,923	\$ 13,545,937	\$ 13,088,493	\$ 12,421,179	\$ 12,438,667
	1,403,689	1,422,773	1,350,608	1,421,534	1,360,830	1,288,386
	91,150	85,325	84,900	81,773	159,042	155,749
	<u>15,828,306</u>	<u>15,286,021</u>	<u>14,981,445</u>	<u>14,591,800</u>	<u>13,941,051</u>	<u>13,882,802</u>
	2,211,511	2,113,906	2,105,220	2,008,119	1,980,854	1,930,776
	1,550,123	1,533,418	1,441,374	1,404,952	1,337,789	1,307,626
	1,111,518	1,124,063	994,216	883,621	860,452	918,419
	916,569	904,936	867,443	766,701	744,361	715,090
	229,917	91,389	94,473	102,102	142,067	158,353
	999,930	775,768	606,797	539,812	636,548	604,563
	2,711,008	2,540,039	2,544,266	2,441,822	2,478,980	2,618,837
	208,811	140,483	179,139	199,552	209,355	213,989
	<u>9,939,387</u>	<u>9,224,002</u>	<u>8,832,928</u>	<u>8,346,681</u>	<u>8,390,406</u>	<u>8,467,653</u>
	<u>72,859</u>	<u>67,754</u>	<u>47,560</u>	<u>149,592</u>	<u>88,756</u>	<u>125,421</u>
	<u>1,999,304</u>	<u>1,927,331</u>	<u>1,692,294</u>	<u>1,525,583</u>	<u>1,762,774</u>	<u>1,693,635</u>
	<u>27,839,856</u>	<u>26,505,108</u>	<u>25,554,227</u>	<u>24,613,656</u>	<u>24,182,987</u>	<u>24,169,511</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,030,990	457,717	442,715	226,425	230,112	285,716
	<u>1,030,990</u>	<u>457,717</u>	<u>442,715</u>	<u>226,425</u>	<u>230,112</u>	<u>285,716</u>
	28,870,846	26,962,825	25,996,942	24,840,081	24,413,099	24,455,227
	<u>6,520,449</u>	<u>11,623,026</u>	<u>10,788,937</u>	<u>7,134,231</u>	<u>6,466,795</u>	<u>4,598,467</u>
\$	<u><u>35,391,295</u></u>	<u><u>38,585,851</u></u>	<u><u>36,785,879</u></u>	<u><u>31,974,312</u></u>	<u><u>30,879,894</u></u>	<u><u>29,053,694</u></u>
\$	<u><u>(446,573)</u></u>	<u><u>434,110</u></u>	<u><u>856,681</u></u>	<u><u>1,650,412</u></u>	<u><u>7,782,122</u></u>	<u><u>722,732</u></u>
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Northbrook School District 27
GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Program revenue				
Charges for services	\$ 465,039	\$ 471,518	\$ 240,104	\$ 193,483
Operating grants	12,430,863	9,650,837	14,166,402	14,084,899
General revenues				
Taxes	30,279,478	29,458,941	28,224,112	27,338,775
Investment income	591,433	27,890	25,110	372,689
Miscellaneous	<u>877,137</u>	<u>812,246</u>	<u>793,299</u>	<u>810,249</u>
Total revenues	\$ <u>44,643,950</u>	\$ <u>40,421,432</u>	\$ <u>43,449,027</u>	\$ <u>42,800,095</u>

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 222,194 12,041,760	\$ 222,194 12,041,760	\$ 181,073 11,717,505	\$ 167,951 8,161,313	\$ 136,245 7,461,410	\$ 115,499 5,448,411
25,571,492 336,198 848,317	25,571,492 336,198 848,317	25,248,260 130,651 365,071	24,884,022 67,825 343,613	24,275,491 40,623 281,452	23,917,285 27,500 267,731
<u>\$ 39,019,961</u>	<u>\$ 39,019,961</u>	<u>\$ 37,642,560</u>	<u>\$ 33,624,724</u>	<u>\$ 32,195,221</u>	<u>\$ 29,776,426</u>

Northbrook School District 27
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST TEN TAX LEVY YEARS

	2022	2021	2020	2019
Annual Levy Amount	\$ 32,188,877	\$ 29,493,977	\$ 28,977,464	\$ 29,084,827
Rates Extended				
Educational	2.9850	2.8928	2.6521	2.5886
Operations and Maintenance	0.1830	0.1144	0.0997	0.0957
Transportation	0.1170	0.1089	0.1053	0.0901
Municipal Retirement/Social Security	0.1040	0.0191	0.0886	0.0859
Total rates extended	3.3890	3.1352	2.9457	2.8603
Levies Extended				
Educational	\$ 27,505,198	\$ 26,351,742	\$ 25,887,242	\$ 25,228,636
Operations and Maintenance	1,688,606	1,042,308	972,934	932,827
Transportation	1,081,500	992,221	1,027,700	878,412
Municipal Retirement/Social Security	957,900	875,237	865,559	836,323
Working Cash	129	115	113	110
Total levies extended	\$ 31,233,333	\$ 29,261,623	\$ 28,753,548	\$ 27,876,308
Collections on levies extended				
Current year	\$ 15,257,468	\$ 15,372,458	\$ 14,913,664	\$ 14,457,852
Subsequent years	-	13,600,543	13,472,772	12,843,811
Total collections	\$ 15,257,468	\$ 28,973,001	\$ 28,386,436	\$ 27,301,663
Percentage of extensions collected				
Current year	48.85%	52.53%	51.87%	51.86%
Subsequent years	0.00%	46.48%	46.86%	46.07%
Percentage of extensions collected	48.85%	99.01%	98.72%	97.94%

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

Source of information: Cook County - Agency Tax Rate Reports and Annual Financial Reports

2018	2017	2016	2015	2014	2013
\$ 28,308,246	\$ 27,259,322	\$ 27,163,147	\$ 26,464,395	\$ 25,686,287	\$ 25,216,282
2.9238	2.5656	2.5725	3.0405	2.9354	2.9118
0.1193	0.3253	0.3200	0.3645	0.3492	0.3422
0.0670	0.0527	0.0532	0.0633	0.0612	0.0608
0.0939	0.0867	0.0845	0.1004	0.0972	0.0965
3.2040	3.0303	3.0302	3.5687	3.4430	3.4113
\$ 24,788,351	\$ 22,378,490	\$ 21,685,433	\$ 21,419,179	\$ 21,216,240	\$ 20,869,266
1,011,306	2,837,156	2,697,837	2,567,544	2,523,645	2,452,915
567,627	459,406	448,703	445,584	442,048	435,515
796,295	755,530	712,550	707,596	701,979	691,605
108	106	104	103	102	100
\$ 27,163,687	\$ 26,430,688	\$ 25,544,627	\$ 25,140,006	\$ 24,884,014	\$ 24,449,401
\$ 14,199,991	\$ 13,691,510	\$ 13,283,571	\$ 12,954,537	\$ 12,620,666	\$ 12,385,402
12,426,551	12,072,861	11,543,207	11,703,923	11,635,660	11,321,649
\$ 26,626,542	\$ 25,764,371	\$ 24,826,778	\$ 24,658,460	\$ 24,256,326	\$ 23,707,051
52.28%	51.80%	52.00%	51.53%	50.72%	50.66%
45.75%	45.68%	45.19%	46.55%	46.76%	46.31%
98.02%	97.48%	97.19%	98.08%	97.48%	96.96%

Northbrook School District 27
EQUALIZED ASSESSED VALUATION AND ESTIMATED
ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN LEVY YEARS

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Amount of Increase (Decrease) Over Previous Year</u>	<u>Percentage Increase (Decrease) Over Previous Year</u>	<u>Actual Estimated Value</u>	<u>Total Direct Rate</u>
2022	\$ 921,249,078 *	\$ 10,309,397	1.13%	\$ 2,763,747,234	3.389
2021	910,939,681	(65,166,977)	-6.68%	2,732,819,043	3.135
2020	976,106,658	28,494,705	3.01%	2,928,319,974	2.946
2019	947,611,953	99,790,219	11.77%	2,842,835,859	2.861
2018	847,821,734	(24,425,070)	-2.80%	2,543,465,202	3.204
2017	872,246,804	29,267,836	3.47%	2,616,740,412	3.031
2016	842,978,968	138,516,596	19.66%	2,528,936,904	3.031
2015	704,462,372	(18,306,477)	-2.53%	2,113,387,116	3.569
2014	722,768,849	6,057,994	0.85%	2,168,306,547	3.443
2013	716,710,855	(95,137,323)	-6.88%	2,150,132,565	3.412

Note: See the Major Categories of Equalized Assessed Valuation table for additional information.

Source of information: Cook County Levy, Rate, and Extension Reports for 2012 to 2022

* 2022 assessed valuation is estimated due to information not available.

Northbrook School District 27
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS*
LAST TEN TAX LEVY YEARS

Taxing District	2022**	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Overlapping</u>										
County of Cook	**	0.446	0.453	0.454	0.489	0.496	0.533	0.552	0.568	0.560
Cook County Forest Preserve District	**	0.058	0.058	0.059	0.060	0.062	0.063	0.069	0.069	0.069
Consolidated Elections	**	0.019	-	0.030	-	0.031	-	0.034	-	0.031
Northfield Township	**	0.025	0.022	0.021	0.024	0.023	0.024	0.028	0.032	0.031
Northfield Township Road and Bridge	**	0.055	0.049	0.047	0.052	0.049	0.049	0.057	0.054	0.053
Northfield Township General Assistance	**	0.008	0.007	0.007	0.007	0.006	0.006	0.007	0.007	0.008
Metropolitan Water Reclamation District	**	0.382	0.378	0.389	0.396	0.402	0.406	0.426	0.430	0.417
North Shore Mosquito Abatement	**	0.011	0.010	0.010	0.011	0.010	0.010	0.012	0.013	0.013
Community College District No. 535	**	0.252	0.227	0.221	0.246	0.232	0.231	0.271	0.258	0.256
Northbrook Park District	**	0.458	0.427	0.416	0.456	0.419	0.423	0.569	0.537	0.536
Village of Northbrook	**	0.825	0.765	0.764	0.772	0.715	0.626	0.676	0.605	0.609
Village of Northbrook Library Fund	**	0.344	0.311	0.314	0.347	0.329	0.329	0.385	0.357	0.359
High School District #225	**	2.310	2.084	2.006	2.216	2.102	2.106	2.493	2.367	2.341
<u>Direct</u>										
Northbrook School District 27	3.389	3.238	2.946	2.861	3.204	3.031	3.031	3.569	3.443	3.412
Total Tax Rates	N/A	8.431	7.737	7.599	8.280	7.907	7.837	8.740	8.695	7.552

*Tax Rates are expressed in dollars per \$100 of assessed valuations.

**2022 direct rates are estimated and overlapping rates were not available.

Note: The totals above reflect the typical tax rates for individual taxpayers within the District.

Source of information: Cook County Clerk's Office

Northbrook School District 27
MAJOR CATEGORIES OF EQUALIZED ASSESSED VALUATION
LAST TEN TAX LEVY YEARS

Category	2021 Valuation	2020 Valuation	2019 Valuation	2018 Valuation
Industrial	\$ 161,671,343	\$ 176,520,073	\$ 167,281,071	\$ 132,147,063
Residential	578,417,518	626,954,613	623,465,158	568,185,479
Commercial	<u>170,850,820</u>	<u>172,631,972</u>	<u>183,865,724</u>	<u>147,489,192</u>
	<u>\$ 910,939,681</u>	<u>\$ 976,106,658</u>	<u>\$ 974,611,953</u>	<u>\$ 847,821,734</u>

Source of information: Cook County Clerk's Office

*2022 Tax Levy data not available at the time of this report.

Note: Most recent information presented.

2017 Valuation	2016 Valuation	2015 Valuation	2014 Valuation	2013 Valuation	2012 Valuation
\$ 130,778,643	\$ 125,050,273	\$ 112,630,420	\$ 114,713,227	\$ 127,724,924	\$ 141,216,385
583,186,852	573,381,001	458,879,540	472,728,361	466,217,426	530,314,974
158,281,309	144,547,694	132,952,412	135,327,261	122,768,505	140,316,819
<u>\$ 872,246,804</u>	<u>\$ 842,978,968</u>	<u>\$ 704,462,372</u>	<u>\$ 722,768,849</u>	<u>\$ 716,710,855</u>	<u>\$ 811,848,178</u>

Northbrook School District 27

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

June 30, 2023

<u>Taxing Authority</u>	<u>Outstanding Bonds</u>	<u>Applicable to District Percentage*</u>	<u>Amount</u>
<u>Direct Debt</u>			
Northbrook School District 27	\$ -	100.000%	\$ -
<u>Overlapping Debt</u>			
Cook County	2,251,061,750	0.521%	11,728,032
Cook County Forest Preserve	98,005,000	0.521%	510,606
Metropolitan Water Reclamation District	2,637,381,349 (1)	0.529%	13,951,747
Village of Deerfield	48,245,000	6.668%	3,216,977
Village of Northbrook	114,265,000	29.756%	34,000,693
Deerfield Park District	5,060,000	6.087%	308,002
Northbrook Park District	15,490,000	29.669%	4,595,728
High School District 225	45,020,000	14.921%	6,717,434
Community College District 535	42,855,000	3.739%	1,602,348
Total Overlapping General Obligation Bonded Debt			<u>\$ 76,631,567</u>

*Tax Year 2021 EAVs were used in this statement.

(1) - Includes IEPA Revolving Loan Fund Bonds.

Sources: Offices of the Cook County Clerk, Cook County Department of Revenue and the Treasurer of the Metropolitan Water Reclamation District

Northbrook School District 27
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt Limit	\$ 63,566,186	\$ 62,854,838	\$ 67,351,359	\$ 67,248,225
Total Net Debt Applicable to Legal Limit	<u>67,530</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 63,498,656</u>	<u>\$ 62,854,838</u>	<u>\$ 67,351,359</u>	<u>\$ 67,248,225</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0%	0%	0%	0%
Equalized Assessed Valuation*	<u>\$ 921,249,078</u>	<u>\$ 910,939,681</u>	<u>\$ 976,106,658</u>	<u>\$ 947,611,953</u>
Voted and Unvoted Debt Limit - 6.9% of Equalized Assessed Valuation	63,566,186	62,854,838	67,351,359	67,248,225
Total Debt Outstanding	67,530	-	-	-
Net Debt Subject to 6.9% Legal Limit	<u>67,530</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Legal Voted and Unvoted Debt Margin	<u>\$ 63,498,656</u>	<u>\$ 62,854,838</u>	<u>\$ 67,351,359</u>	<u>\$ 67,248,225</u>

* 2022 assessed valuation is estimated due to information not available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 58,499,700	\$ 60,185,029	\$ 58,165,549	\$ 48,607,904	\$ 49,871,051	\$ 49,453,049
-	-	-	-	-	-
<u>\$ 58,499,700</u>	<u>\$ 60,185,029</u>	<u>\$ 58,165,549</u>	<u>\$ 48,607,904</u>	<u>\$ 49,871,051</u>	<u>\$ 49,453,049</u>
0%	0%	0%	0%	0%	0%
<u>\$ 847,821,734</u>	<u>\$ 872,246,804</u>	<u>\$ 842,978,968</u>	<u>\$ 704,462,372</u>	<u>\$ 722,768,849</u>	<u>\$ 716,710,855</u>
58,499,700	60,185,029	58,165,549	48,607,904	49,871,051	49,453,049
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 58,499,700</u>	<u>\$ 60,185,029</u>	<u>\$ 58,165,549</u>	<u>\$ 48,607,904</u>	<u>\$ 49,871,051</u>	<u>\$ 49,453,049</u>

Northbrook School District 27
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Levy Year	General Bonded Debt	GASB 96 SBITAs	Total Limited Debt	Equalized Assessed Valuation
2023	2022	\$ -	\$ 67,530	\$ 67,530	\$ 921,249,078
2022	2021	-	-	-	910,939,681
2021	2020	-	-	-	976,106,658
2020	2019	-	-	-	947,611,953
2019	2018	-	-	-	847,821,734
2018	2017	-	-	-	872,246,804
2017	2016	-	-	-	842,978,968
2016	2015	-	-	-	704,462,372
2015	2014	-	-	-	722,768,849
2014	2013	-	-	-	716,710,855

Ratio of Bonded Debt to Equalized Assessed Valuation		Estimated Population	General Bonded Debt Per Capita	
\$	-	11,142	\$	-
	-	11,142		-
	-	11,142		-
	-	11,998		-
	-	11,998		-
	-	11,657		-
	-	11,452		-
	-	11,218		-
	-	11,061		-
	-	10,954		-

Northbrook School District 27
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tax</u> <u>Levy</u> <u>Year</u>	<u>Total</u> <u>General</u> <u>Expenditures</u> <u>(A)</u>	<u>Debt Service</u> <u>Fund</u> <u>Expenditures</u> <u>(B)</u>	<u>Percentage of</u> <u>Annual Debt Service Fund</u> <u>Expenditures to Total</u> <u>General Expenditures</u>
2023	2022	\$ 41,176,231	\$ 42,318	0.10 %
2022	2021	40,841,709	-	-
2021	2020	37,599,151	-	-
2020	2019	36,324,407	-	-
2019	2018	35,391,295	-	-
2018	2017	38,585,851	-	-
2017	2016	36,785,879	-	-
2016	2015	31,974,312	-	-
2015	2014	30,879,894	-	-
2014	2013	29,053,694	-	-

(A) Includes expenditures of all Governmental Fund Types.

(B) Debt Service Fund expenditures represent payment of principal, interest and other charges on subscription liabilities.

Northbrook School District 27
PRINCIPAL TAXPAYERS IN THE DISTRICT
CURRENT TAX YEAR AND NINE YEARS AGO

		2021	Percentage of
		Equalized	Total 2021
		Assessed	Equalized
		Valuation	Assessed
			Valuation
Type of Business, Property			
# 1	Walgreen Co., Two-or-three-story building containing part or all retail and/or commercial space	\$ 27,970,169	3.07%
# 2	SRC Arbor LK, Commercial building over three stories	21,298,148	2.34%
# 3	Korman Lederer, Industrial, commercial and office buildings,	15,980,506	1.75%
# 4	AMLI Residential, Apartment building over three stories	11,996,919	1.32%
# 5	LO Deerfield Operating, Hotel	11,341,756	1.25%
# 6	Wiss Janney Elstner AS, Industrial building	10,501,247	1.15%
# 7	TA Northbrook Industrial, Industrial building	9,833,843	1.08%
# 8	WFC Lincoln Sanders LL, Shopping center	8,387,088	0.92%
# 9	Co Prologis Re Tax, Industrial buildings	6,629,523	0.73%
# 10	White Plains Shopping, Shopping center	6,617,735	0.73%
Total		\$ 130,556,934	14.34%

		2012	Percentage of
		Equalized	Total 2012
		Assessed	Equalized
		Valuation	Assessed
			Valuation
Type of Business, Property			
# 1	Walgreen Co. - office buildings	\$ 42,654,508	5.25%
# 2	Korman Lederer - industrial, commercial and office buildings, one-story store	15,850,299	1.95%
# 3	James Campbell Co. - commercial building over three stories	14,689,339	1.81%
# 4	WFC Lincoln Sanders - shopping center	10,369,200	1.28%
# 5	LO Deerfield Operating - hotel	9,150,380	1.13%
# 6	TI Investors of Northbrook - industrial properties	6,556,673	0.81%
# 7	White Plains Shopping - shopping center	6,222,905	0.77%
# 8	Stuart Levin - Two or three story buildings residential or commercial	5,011,826	0.62%
# 9	Northbrook Real Estate - properties with special commercial improvements	4,675,858	0.58%
# 10	161 Tower Partnership - one-story store	4,215,751	0.52%
Total		\$ 119,396,739	14.72%

Note: The information presented includes taxpayers within Northfield Township.

Information presented is the most recent available. 2022 information not available as of time of publication.

Source of information: Cook County Clerk's and Assessor's Office

Northbrook School District 27
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>2023</u>				
Employer*	Type of Business or Property	Approximate Number Employed	Data Source	Percentage of Estimated Total Employment
Underwriters Laboratories (HQ)	Independent Non-Profit Product Testing & Certification	1,800	(1)	33.70%
Walgreen Co. and Walgreens Boots Alliance Inc.	Corporate HQ and Holding Company HQ	1,250	(1)	23.40%
Astellas US Pharma, Inc. (Corp. HQ)	Pharmaceutical Products; Research & Development	850	(1)	15.90%
Glenbrook High School District #225	Public High schools	805	(1)	15.10%
Essendent	Fulfillment Network for Businesses	700	(1)	13.10%
Highland Baking Company	Commercial Bakery	500	(2)	9.40%
Euromarket Designs, Inc. (Crate & Barrel) (HQ)	Home Furnishing & Housewares Retail Stores	500	(1)	9.40%
Trinity International University	Christian Liberal Arts	500	(2)	9.40%
Deerfield Park District (Full, Part-Time and Seasonal)	Parks & Recreation	400	(2)	7.50%
Northbrook Park District	Parks & Recreation	300	(3)	5.60%
UPS	Shipping Services	300	(3)	5.60%
Total		7,905		

<u>2014</u>			
Employer	Type of Business or Property	Employees	% of Total Employment
Allstate Insurance Co.	Company headquarters and insurance	8,750	33.3%
Walgreen Co.	Company headquarters and offices of the company; local stores	2,500	9.5%
Underwriters Laboratories, Inc.	Corporate headquarters, product testing	2,000	7.6%
CVS/Caremark International	Administrative office for health care services	1,400	5.3%
Astellas US LLC	Corporate headquarters and pharmaceuticals research laboratories	1,150	4.4%
Northbrook Court	Shopping center	1,000	3.8%
Glenbrook High School District #225	Public high schools	849	3.2%
United Parcel Service	Delivery service distribution center	600	2.3%
Euromarket Designs, Inc.	Corporate headquarters, retail store - Home		
Crate & Barrel	Furnishings and housewares	600	2.3%
Highland Banking	Bakery distribution	450	1.7%
W.W. Grainger, Inc.	Industrial equipment and supplies sales office	350	1.3%
Coldwell Banker Residential Brokerage	Real estate services	312	1.2%
The Levy Co.	Painting, drywall, plaster and accoustal	300	1.2%
Total		20,261	77.1%

* Calculating applicable percentages to the Illinois Department of Employment Security Reports the estimated number of persons employed in the District in 2022 (Deerfield & Northbrook) is 5,346.

Data Sources:

- (1) Village Records / School District Records
- (2) Employer Data/Website
- (3) Data Axle Reference Database

Northbrook School District 27
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	(a) District Population	(b) Per Capita Income	(a) x (b) Personal Income	Unemployment Rate
2021	11,638	\$ 78,195	\$ 910,033,410	3.5%
2020	11,998	61,560	738,596,880	3.1%
2019	11,998	61,560	738,596,880	3.1%
2018	11,998	61,560	738,596,880	3.1%
2017	11,657	59,412	692,565,684	3.9%
2016	11,452	58,893	674,442,636	4.2%
2015	11,218	57,694	647,211,292	4.1%
2014	11,061	56,951	629,935,011	4.8%
2013	10,954	62,847	688,426,038	5.1%
2012	10,942	59,899	655,414,858	7.7%
2011	10,935	57,529	629,079,615	6.6%

Source of information: U.S. Census Bureau, IES National Center for Educational Statistics
Bureau of Economic Analysis: Regional Economic Accounts
Illinois Dept. of Commerce and Economic Opportunity

Note: Most recent information available presented.

Northbrook School District 27
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019
Hickory Point School					
Square Feet	54,597	54,597	54,597	54,597	54,597
Student Enrollment	422	422	416	378	378
Shabonee School					
Square Feet	88,576	88,576	88,576	88,576	88,576
Student Enrollment	435	436	435	430	430
Wood Oaks Junior High School					
Square Feet	130,040	130,040	130,040	130,040	130,040
Student Enrollment	478	478	474	452	452
Total Square Footage	273,213	273,213	273,213	273,213	273,213
Total Student Enrollment	1,335	1,336	1,325	1,260	1,260

Source of Information: Architect's Data and Sixth Day Enrollment Forms

2018	2017	2016	2015	2014
54,597 385	54,597 398	54,597 381	54,597 363	54,597 376
88,576 429	88,576 409	88,576 417	88,576 409	88,576 388
130,040 444	130,040 437	130,040 445	130,040 427	130,040 420
273,213 1,258	273,213 1,244	273,213 1,243	273,213 1,199	273,213 1,184

Northbrook School District 27
NUMBER OF EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Administration:				
Superintendent	1.0	1.0	1.0	1.0
District Administrators	6.9	6.6	6.6	6.6
Principals and assistants	5.0	5.0	5.0	5.0
Total administration	12.9	12.6	12.6	12.6
Teachers:				
Regular classroom teachers	96.4	96.9	94.3	92.3
Special education teachers	13.0	13.0	13.0	13.0
Guidance/Counselors	1.0	1.0	1.0	1.0
Psychologists	4.0	4.0	4.0	4.0
Librarians/Media Specialists	4.0	4.0	4.0	4.0
Social workers	4.0	4.0	4.0	4.0
ELL/Bilingual Teachers	3.0	3.0	3.0	3.0
Speech/Language Therapists	5.0	5.0	5.0	5.0
Reading Specialists	2.0	2.0	2.0	2.0
Certified Nurses	1.0	1.0	1.0	1.0
Total teachers	133.4	133.9	131.3	129.3
Coordinators/Supervisors			-	-
Other supporting staff:				
Secretarial/Clerical/Paraprofessionals	52.5	52.5	66.0	53.0
Custodial/Maintenance/Security/Technology	12.0	12.0	12.0	12.0
Total support staff	64.5	64.5	78.0	65.0
Total staff	210.8	211.0	221.9	206.9
Function	2023	2022		
Instruction				
Regular and Special	93.0	93.4		
Support Services				
Pupils	40.0	38.0		
Instructional Staff	38.2	40.0		
General administration	13.6	13.6		
School Administration	14.0	14.0		
Maintenance and Security	12.0	12.0		
Total	210.8	211.0		

Source of information: District Personnel Records, Teacher Service Records

2019	2018	2017	2016	2015	2014
1.0	1.0	1.0	1.0	1.0	1.0
6.6	6.6	7.7	7.7	7.7	7.7
5.0	5.0	5.0	4.0	4.0	4.0
12.6	12.6	13.7	12.7	12.7	12.7
89.2	89.7	82.0	85.1	80.4	78.6
13.0	13.0	13.0	13.0	13.0	12.6
1.0	1.0	1.0	1.0	1.0	1.0
4.0	4.0	4.0	4.0	4.0	4.0
4.0	4.0	4.0	4.0	4.0	4.0
4.0	4.0	4.0	4.0	4.0	4.0
3.0	2.5	2.5	1.5	2.0	2.0
5.0	5.0	5.0	5.0	5.8	6.0
2.0	2.5	2.5	2.5	2.5	3.0
1.0	1.0	1.0	1.0	1.0	1.0
126.2	126.7	119.0	121.1	117.7	116.2
-	-	5.0	5.0	5.0	5.0
52.3	51.5	50.1	49.7	52.3	50.9
12.5	12.5	12.5	12.5	12.5	12.5
64.8	64.0	62.6	62.2	64.8	63.4
203.6	203.3	200.3	201.0	200.2	197.3

Northbrook School District 27
OPERATING INDICATORS BY FUNCTION - LAST NINE FISCAL YEARS
June 30, 2022

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction									
Regular and Special student enrollment	1,335	1,336	1,325	1,300	1,260	1,258	1,244	1,243	1,199
Support Services									
Pupil									
English Language Learners Program - number of languages served	29	20	20	18	18	20	20	18	14
Instructional Staff									
ISAT - overall student performance* (meeting or exceeding Illinois Learning Standards)	73.0%	***	***	***	89.0%	86.0%	81.1%	79.7%	87.4%
School Administration									
Average daily attendance	1,277	1,266	1,261	1,261	1,197	1,190	1,174	1,167	1,083
Fiscal									
Purchase Orders Processed	2342	2041	1,823	2,135	2,339	2,868	2,497	2,554	2,560
Maintenance									
District Square Footage Maintained by Custodians and Maintenance Staff	273,213	273,213	273,213	273,213	273,213	273,213	273,213	273,213	273,213
Acreage Maintained by Grounds Staff	45	45	45	45	45	45	45	45	45
Transportation									
Avg. number of regular pupils transported per year	620	585	270	623	623	660	660	670	679
Avg. number of regular bus runs to/from school	24	18	13	24	24	24	24	24	24
Extra Curricular Activities									
Number of competitive sports	17	***	***	6	6	6	6	6	6
Number of student clubs	12	***	***	11	11	11	11	11	11

Source for information: District financial system, Architect Data and the General State Aid Report

NOTE: Information presented is the most current available at the time of publication.

*New cut scores established by the Illinois State Board of Education for students meeting or exceeding State standards. Cut scores were raised in order for students to be aligned with Partnership for Assessment of Readiness for College and Careers (PARCC) assessments for college and career readiness.

***Due to the COVID pandemic, the Illinois State Board of Education halted testing in the spring of 2020.

Student assessments resumed during the 2021 school year; therefore student performance data will be updated for the 2022 school year.

***Due to the COVID pandemic, competitive sports and clubs were suspended for the 2020-21 school year.

Northbrook School District 27

DISTRICT HISTORY

HIGHLIGHTS

FACILITY RELATED:

- | | |
|------|---|
| 1951 | Original Construction of Grove School |
| 1964 | Original Construction of Indian Ridge School |
| 1968 | Original Construction of Shabonee School |
| 1969 | Original Construction of Hickory Point School |
| 1972 | Original Construction of Wood Oaks Junior High School |
| 1985 | Indian Ridge School sold to Northbrook Park District |
| 1991 | Construction Project - Addition of classrooms and Admin Office at Wood Oaks |
| 1992 | Construction Project - Addition of new gymnasium at Wood Oaks |
| 1998 | Construction Project - Renovation and Additions to Shabonee School |
| 2000 | Construction Project - Renovation and Additions to Hickory Point School |
| 2006 | Construction Project - Renovation and Additions to Wood Oaks Junior High |
| 2010 | Construction Project - Addition of classroom and office space to Hickory Point School |
| 2010 | Construction Project - Razing of Grove School |
| 2010 | Construction Project - Addition of classroom and office space to Shabonee School |

OTHER AREAS:

- | | |
|------|---|
| 2006 | Northbrook District 27 schools ranked in the top 20 of Cook County Schools Chicago Magazine Publication |
| 2006 | District 27 receives the Award of Excellence from the National School Public Relations Association for the District's 2005 Annual Report |
| 2006 | District 27 receives the Shirley Havens Support & Classified Staff Development Award from the National Staff Development Council |
| 2007 | District 27 receives the Facilities Masters Award for the 2006-07 school year from the Association of School Business Officials International |

(Continued)

OTHER AREAS: (Continued)

2008	District 27 receives the Facilities Masters Award for the 2007-08 school year from the Association of School Business Officials International
2009	District 27 receives the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association
2009	District 27 receives the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
2010	District 27 receives the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association
2010	District 27 receives the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
2010	District 27 received the SchoolSearch Bright Red Apple Award
2010	District 27 received the Award of Excellence from the Illinois Chapter of the National School Public Relations Association for the District's Annual Report
2011	District 27 received the SchoolSearch Bright A+ Award
2011	Wood Oaks Junior High received the Academic Award of Excellence from the Illinois State Board of Education
2011	Wood Oaks Junior High was awarded the National Blue Ribbon School Award from the U.S. Department of Education
2011	District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association
2011	District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
2012	District 27 received the SchoolSearch Bright Red Apple Award
2012	District 27 received the SchoolSearch Bright A+ Award
2012	District 27 received the Award of Excellence from the Illinois Chapter of the National School Public Relations Association for the District's website
2012	District 27 received the Award of Merit from the Illinois Chapter of the National School Public Relations Association for the District's Financial Publication on Property Tax Bills
2013	Wood Oaks Junior High named a Gallup High Hope School
2013	Wood Oaks Junior High received the Academic Award of Excellence from the Illinois State Board of Education

(Continued)

OTHER AREAS: (Continued)

2013	District 27 received the School Search Bright Red Apple Award
2013	District 27 received the School Search Bright A+ Award
2013	District 27 received the Award of Merit from the Illinois Chapter of the National School Public Relations Association for the District's Educational Video Publication on Teacher Partnerships
2014	District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association
2014	District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
2015	District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
2015	District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association
2016	District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
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2018	District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
2018	District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
2019	District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
2020	District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International
2020	District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer's Association.
2021	District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International

(Continued)

OTHER AREAS: (Continued)

- | | |
|------|--|
| 2021 | District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer's Association. |
| 2022 | District 27 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials' International. |
| 2022 | District 27 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer's Association. |
| 2022 | Wood Oaks Junior High was awarded the National Blue Ribbon Award from the U.S. Department of Education. |

(Concluded)