

**West Northfield School District 31
Northbrook, Illinois**

Annual Financial Report

Year Ended June 30, 2023

West Northfield School District 31
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
West Northfield School District 31
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 West Northfield School District 31 (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 West Northfield School District No. 31'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 6 through 16, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 75 through 81, the other postemployment benefits data on pages 82 through 87, and the budgetary comparison schedules and notes to the required supplementary information on pages 88 through 109 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 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 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 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.

Supplementary Information (Continued)

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated December 2, 2022 which contained unmodified opinions on the respective financial statements of the governmental activities, and each major fund. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund with comparative actual amounts for the year ended June 30, 2022 are presented for purposes of additional analysis and are 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 2022 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for Capital Projects Fund and Debt Service Fund have been subjected to the auditing procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023, on our consideration of the 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 the District's internal control over financial reporting and

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
November 13, 2023

West Northfield School District 31

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

The management discussion and analysis of West Northfield School District 31'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. Amounts in this section are expressed in thousands of dollars, unless otherwise indicated.

Financial Highlights (in thousands of dollars)

- The General Fund's Schedule of Revenues, Expenditures, and Changes in Fund Balances, which includes the Education and Working Cash accounts, revenues showed an increase of \$898 over the prior year, or 4.5%. The general revenues related to local sources increased by \$2,620, or 15.8%, and accounted for 93% of total General Fund Revenues. This increase was mainly due to the levy adjustment and increased distributions of Corporate Personal Property Replacement Taxes (CPPRT).
- The General Fund had an increase in fund balance in FY23 of \$2,106. In the General Fund, revenues generated from federal sources were significantly lower for the 2022-2023 fiscal year, however, this was offset by the increased distributions from local sources. State receipts are similarly consistent year to year for the General Fund. Expenditures for instructional costs and preschool costs were slightly lower than the prior year, while special education and bilingual programs increased 20%. Overall, the General Fund's fund balance increased from the prior year by 16.6%.
- This same schedule for Operations and Maintenance reports an increase in revenues of 48% due to an allocation from CPPRT funding of \$370. This provided additional support for this fund as the expenses were 7% higher than the prior year. The Transportation Fund experienced a 30% increase in revenues due to a second year of increased ridership. This trend is expected to continue with the influx of additional students. Expenses increased by 10.5%. Revenues decreased for the IMRF and Social Security Funds. This was due to a lesser amount of CPPRT being distributed. Expenditures were very similar between the two years.
- Using the 2022 Agency Tax Rate Report, the District's 2022 total tax rate decreased to 2.734 from 3.174. This includes the debt service rate of 0.1265 and the second year of the levy adjustment created by P.A. 102-0519 of 0.0926, versus the prior year's rate of 0.2519. The Equalized Assessed Valuation (EAV) of the property within its boundaries increased by 16.5%, moving from \$622M to \$725M.
- The Estimated 2024 Financial Profile Designation is anticipated to be a 4.0 score, which is the highest designation, called Recognition.
- The estimated operating expense per pupil (OEPP) decreased 3.6% from the prior year, and stands at \$21,709 per pupil (actual amount, not in thousands).
- The per capita tuition charge (PCTC) increased 3.7% over the previous year, landing at \$20,512 (actual amounts, not in thousands). Average Daily Attendance was 879 compared to last year's 849.

West Northfield School District 31

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

Overview of the Financial Statements

This management discussion and analysis provided intends 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 basic financial statements.

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

Government-wide financial statements

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

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

The Statement of Activities for government activities presents information showing how the government's net position has changed during the fiscal year being reported. All changes in the 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.

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, other instructional programs, state retirement contributions, and supporting services, including general and school administration, business, operations and maintenance of facilities, and transportation services.

Fund financial statements

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

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

West Northfield School District 31

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

Overview of the Financial Statements (Continued)

Fund financial statements (Continued)

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

By doing so, readers may better understand the long-term impact of the District'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 six 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 for the General Fund (Educational account and Working Cash account), Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Debt Service, and Capital Projects, all of which are considered to be major funds.

Notes to the basic financial statements

The notes to the 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 pension data related to the Illinois Municipal Retirement Fund (IMRF), the Teachers' Retirement System (TRS), other postemployment benefit liabilities and budgetary comparison schedules, as well as supplementary financial information and other supplemental information.

District-Wide Financial Analysis

In the Statement of Net Position for Governmental Activities, cash and investments increased from \$16,159 as of June 30, 2022 to \$18,344 as of June 30, 2023, which reflects a 13.5% increase. Total assets, which includes capital assets such as land and depreciable buildings, property and equipment, decreased by 2.0% due to the IMRF net pension liability recorded as of June 30, 2023 compared to the IMRF net pension asset recorded as of June 30, 2022.

Current liabilities as of June 30, 2023 were \$595, or 7.8% higher than the prior year. This is mainly due to the status of the accounts payables to vendors. Long term liabilities reflect a \$4,428 decrease as these reflect the District's outstanding Working Cash Bond balances for projects funded with the 2018 bond issuance, pension liabilities for TRS and IMRF, and THIS (other postemployment health insurance), and lease liabilities.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

District-Wide Financial Analysis (Continued)

Deferred outflows of resources (actuarial losses) including pensions and other postemployment benefits are reported at \$2,857 for the current year compared to \$605 at June 30, 2022. Deferred inflows related to pensions, other postemployment benefits, and taxes levied for a future period increased from last year by 12.5% to \$17,807. The outflows are offset by the deferred inflows (actuarial gains) which over time net to zero. The changes in these two line items depend, in part, on the outcome of the rate of return on investments from the two pension systems.

Total assets decreased 2.0%. During FY22 and FY23, there were no construction projects in progress as all capital project funds were expended and projects had been completed within the timeframe recommended as best practice when utilizing tax exempt bond funds. These factors combined, result in a change of 47.7% for the District's Total Net Position, from a balance of \$7,902 at June 30, 2022 to \$11,674 at June 30, 2023.

TABLE 1:		
<i>Condensed Statements of Net Position</i>		
<i>(in thousands of dollars)</i>		
	<u>2023</u>	<u>2022</u>
Assets:		
Current and other assets	\$28,317	\$28,556
Capital Assets, net	<u>14,440</u>	<u>15,083</u>
Total Assets	<u>42,757</u>	<u>43,639</u>
Deferred Outflow of Resources:		
Pension liabilities	805	176
Other postemployment benefits	<u>2,052</u>	<u>429</u>
Total Deferred Outflow of Resources	<u>2,857</u>	<u>605</u>
Liabilities:		
Current Liabilities	594	552
Long-term Liabilities	<u>15,539</u>	<u>19,967</u>
Total Liabilities	<u>16,133</u>	<u>20,519</u>
Deferred Inflow of Resources:		
Pension liabilities	133	1,437
Other postemployment benefits liabilities	9,093	3,790
Property taxes levied for a future period	<u>8,581</u>	<u>10,596</u>
Total Deferred Inflow of Resources	<u>17,807</u>	<u>15,823</u>
Net Position:		
Net investment in capital assets	5,587	5,651
Restricted	4,241	3,741
Unrestricted	<u>1,846</u>	<u>(1,490)</u>
Total Net Position	\$11,674	\$ 7,902

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

District-Wide Financial Analysis (Continued)

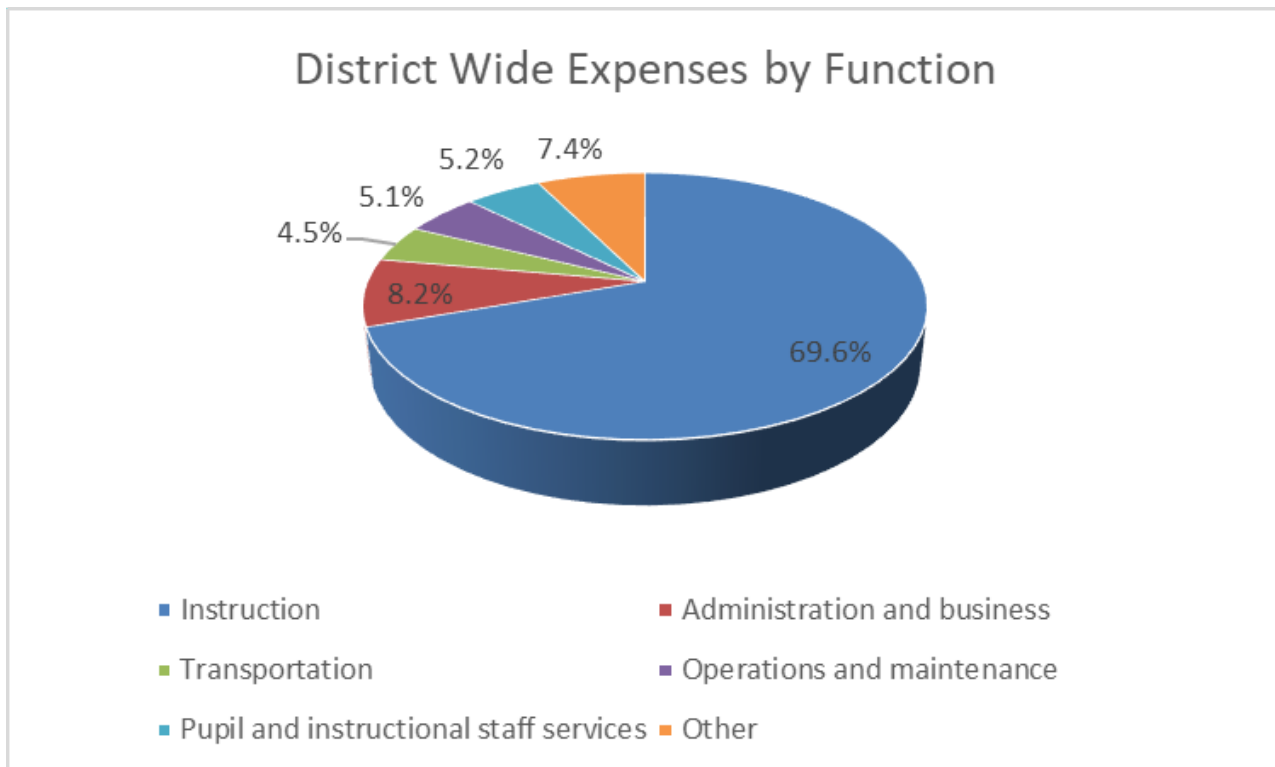
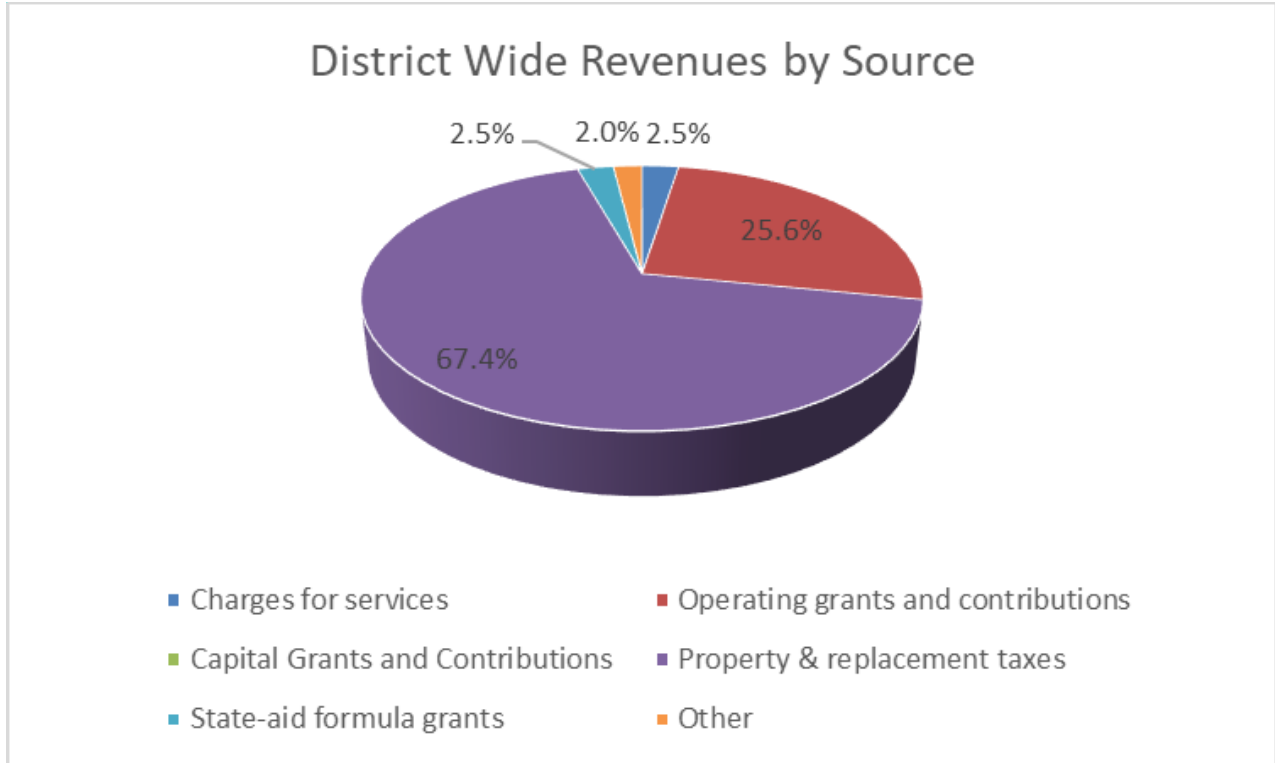
The charts below represent the governmental activity revenues. This view of the revenues has the property and replacement taxes bringing in 67% of the revenues for fiscal year 2022-2023 compared to 61% the prior year. When compared to the General Revenues between the two years, the percentages are very similar with FY23 at 72% versus FY22's 71%. Of the remaining revenues, the second largest component was comprised of operating grants and contributions, which were 11% higher than the prior year. This is due to the increase in the state retirement contributions from the prior year. These contributions were \$7,389 for FY23 and \$4,984 for FY22.

The total cost of programs on the Statement of Activities was \$29,148 for FY23, 6.2% higher than FY22. Instructional expenses were 12.9% higher this year as the costs for state retirement contributions is included in this calculation and is much higher, 48%, than the previous year.

TABLE 2:		
Statement of Activities – Governmental Activities		
(in thousands of dollars)		
	<u>2023</u>	<u>2022</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 823	\$ 932
Operating grants and contributions	8,427	7,605
Capital grants and contributions	-	-
General Revenues:		
Property & replacement taxes	22,184	17,661
State-aid formula grants	808	807
Other	<u>678</u>	<u>1,942</u>
Total Revenues	<u>32,920</u>	<u>28,947</u>
Expenses:		
Instruction	20,285	17,965
Pupil and instructional staff services	1,517	1,628
Administration and business	2,395	2,652
Transportation	1,304	1,180
Operations and maintenance	1,486	1,409
Other	<u>2,161</u>	<u>2,604</u>
Total Expenses	<u>29,148</u>	<u>27,439</u>
Increase in net position	\$ 3,772	\$ 1,508

**West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023**

District-Wide Financial Analysis (Continued)



West Northfield School District 31
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Financial Analysis of the District’s Funds

The financial performance of the District as a whole is reflected in its government funds. At year-end, the District’s Balance Sheet reported the total fund balance for governmental funds at \$19,044. This reflects a 15.9% increase when compared to last year’s \$16,438.

General Fund Budgetary Highlights

The General Fund consists of activity related to the Education and Working Cash accounts. The General Fund also includes the Student Activity accounts.

The District’s General Funds focus is directed to the Education and Working Cash accounts since the Tort Immunity and Judgment accounts are no longer used. The Working Cash account accumulates very minimal amounts of revenues through the levy process and interest earned, and it has incurred no expenses, such as transfers or abatements during the 2022-2023 fiscal year. This account, along with the Education account, represents the vast majority of fund balance and activity from the operating funds.

In this year’s General Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance, the need for a transfer of funds, or abatement, from the working cash account was not needed.

While last year’s activity included a significant increase in federal funding, mainly due to the CARES and ESSER funds received, the 2022-2023 fiscal year’s federal receipts reflect a significant decrease in the federal emergency relief funds.

Capital Assets and Debt Administration

Capital assets

After a few years of numerous building improvements, 2023 marks the third year of no major additions for capital assets and reflects no construction in progress. The data presented reflects a 4.3% decline in capital assets. Total net capital assets at June 30, 2023 is \$642 less than the prior year, representing a 4.3% reduction.

TABLE 3:		
<i>Capital Assets (net of depreciation)</i>		
<i>(in thousands of dollars)</i>		
	<u>2023</u>	<u>2022</u>
Land	\$ 81	\$ 81
Construction in progress	-	-
Depreciable buildings, property and equipment, net	14,302	14,887
Right to use leased assets, net of amortization	<u>58</u>	<u>115</u>
Total	\$14,441	\$15,083

West Northfield School District 31
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Capital Assets and Debt Administration (Continued)

Long-term liabilities

The District’s long-term liabilities decreased 22%, to \$15,539. This is primarily due to the 63% decrease in the obligations to the Teachers’ Health Insurance System’s Other Post Employment Benefits (THIS OPEB). Other contributing factors are offset with this large decrease, such as the increase in the IMRF net pension liability and the TRS net pension liability. These two pension liabilities experienced quite different changes over the year due to the effects of investment income, discount rates, and other variables. The compensated absence liability increased due to an increase in the number of vacation days employees were unable to use by June 30th.

Additional detailed information on long-term liabilities and pension liabilities are available in Note E and F, respectively.

TABLE 4: <i>Outstanding Long-Term Liabilities</i> <i>(in thousands of dollars)</i>		
	<u>2023</u>	<u>2022</u>
General obligation bonds	\$10,505	\$10,970
Finance purchase	140	60
Unamortized premium	199	221
Lease liability	119	177
RHP OPEB	168	177
Compensated absences	88	68
THIS OPEB	2,748	7,510
IMRF net pension liability	697	-
TRS net pension liability	<u>875</u>	<u>784</u>
Total	\$15,539	\$19,967

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, which could significantly impact the financial operations in the future:

- The District continually monitors the impact the current economic climate has on its finances. The 2022-2023 school year has returned the attendance and activities to its normal levels, with 100% of the students learning in person. The continued use and availability of federal grants, though much lower amounts from the prior year, further supported the District in keeping its financial condition stable.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Factors bearing on the District's Future (Continued)

- The amount received from Corporate Personal Property Replacement Taxes (CPPRT) in fiscal year 2021-2022 was significantly higher than prior years. Fiscal year 2022-2023 exceeded those totals by 13%, by providing over \$1,357 in revenues across six funds. The level of contributions from this source are predicted to begin the move towards more normal levels. Though the FY24 level of funding is expected to decrease 40%, the District is likely to receive \$967 for these distributions, while the eleven year average is \$579. For your information, CPPRT funding is based on revenues collected by the state and paid to local governments to replace dollars lost when their powers to tax certain entities were taken away. The funding is based on a percentage of the Illinois net income for corporations, partnerships, trusts, S corporations, and public utilities.
- Efforts to minimize any financial impact of larger property tax appeals or other property tax reductions remains a top priority for the District. As the District is presented with different project initiatives and tax incentive request, the goal is to keep as a priority, the best interests of the District and community in mind. These efforts include actions to avoid large tax refunds, among other situations, as these efforts have provided financial stability for the District. Recognizing potential revenue losses in a timely manner, has greatly mitigated, and in some cases, eliminated the possibility of negative outcomes.
- As reported in last year's audit, the District's largest commercial taxpayer has sold most of their property to an industrial warehousing company, Dermody Properties, an industrial real estate developer. This company has made significant progress with the demolition process. We are continuing to monitor the advancements made in their continuing efforts as they redevelop the property. The main use for this space will be to serve as a distribution center. Their goal includes having other potential tenants on this property. The District views this particular sale optimistically as it may provide for a more stable tax base in unincorporated Northbrook, though tax receipts for the full property value will be delayed due to the issuance of a 6B tax incentive awarded through the Village of Glenview. This reduced assessment of market value provided by a 6B industrial tax incentive provides the same type of incentives as the 7B tax incentive discussed below for commercial property.
- Additional properties are also being considered for purchase with the requirement to also receive the 6B tax incentive. The District will continue to explore these proposals and work in the best interest of the District.
- During the 2013 tax year, the Astellas Corporation, in unincorporated Northbrook, exercised the first year of its 7B tax incentive awarded through the Village of Glenview. Normally, commercial property is assessed at 25% of market value, with the added effect of the equalization factor. Property receiving a 7B tax incentive is assessed at 10% of the market value for the first ten years, 15% for year eleven, and 20% in year twelve. Year thirteen brings back the regular rate of assessment to 25%. The 2022 tax year marks the intended last year of the 10% rate of assessment for one particular development. The 2023 tax year reflected the year the assessment rate increased to 15% for the majority of the property. For the remaining portion, the Village of Glenview granted an extension of the 7B tax incentive for the Astellas Corporation. Astellas, in turn, made a commitment to invest further in their property, which is intended to make up some of the difference resulting from the extension. The ten year extension of the 10% rate of assessment continues.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

Factors bearing on the District's Future (Continued)

- The District remains diligent in working through other potential property tax losses in an effort to protect the District's interests and resources.
- The District's financial management strategy continues to include efforts to maintain consistency within its Debt Service Extension Base (DSEB) while evaluating the needs of the students, staff, and community. This includes continuing the process of implementing improvements to the learning environment and maintaining a strong, fiscally responsible position. This goal has been solidified in the District's most recent **Strategic Plan**, approved by the Board of Education. The strategy is intended to ensure that resources are expended in an equitable and fiscally responsible manner to maximize opportunities for all learners including access to leading-edge technology and responsive learning environments.
- As we continue to focus on our **Strategic Plan** goals, improvements continue to occur as the District furthers the advancement of the following goals:
 - continuing growth for stronger family and community partnerships
 - cultivating professional practices and shared leadership
 - fostering a healthy, supportive learning environment meeting the needs of all learners
 - demonstrating academic and social emotional growth to increase student achievement
 - providing a culture of fiscal responsibility and intentional spending to best support the needs of the students
- This District continues to monitor the state policies and potential and/or realized changes with legislation, including those involving pension changes, state and federal funding, property taxes, and child protection legislation. State funding, or Evidence Based Funding, which includes payments based on individual districts' needs in regards to low-income, English learners, and special education students, will remain at its current level, with very minor increases since the District is considered well-funded and is identified as a Tier IV district.
- The District participates with various cooperatives, including health insurance, worker's compensation, and property/liability insurance. In addition to its regular liability coverage, the District purchases pollution and cyber liability coverage. The need for cyber liability coverage has grown significantly, as the number of breaches continues to escalate. This participation reflects an effort to continually manage costs, while protecting the District's assets, including protecting information within our program applications. The insurance programs provide many cost savings initiatives as well as provide protection from wide swings in the insurance marketplace, which is especially important for a smaller sized district.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

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 dollars it receives.

If you have questions about this report, or need additional financial information, contact the District's Assistant Superintendent for Finance and Operations/CSBO, at 847-313-4413.

BASIC FINANCIAL STATEMENTS

West Northfield School District 31
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2023

ASSETS

Cash and investments	\$ 18,343,737
Receivables (net of allowance for uncollectibles)	
Interest	165,462
Property taxes	9,346,121
Replacement taxes	214,132
Intergovernmental	215,790
Prepaid items	31,287
Capital assets:	
Land	81,393
Depreciable buildings, property, and equipment, net of depreciation	14,301,740
Right to use leased assets, net of amortization	<u>57,610</u>
Total assets	<u>42,757,272</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	805,424
Deferred outflows related to other postemployment benefits	<u>2,051,534</u>
Total deferred outflows	<u>2,856,958</u>

LIABILITIES

Accounts payable	170,176
Other current liabilities	31,597
Interest payable	34,789
Unearned revenue	357,805
Long-term liabilities:	
Due within one year	689,302
Due after one year	<u>14,849,852</u>
Total liabilities	<u>16,133,521</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes levied for a future period	8,580,740
Deferred inflows related to pensions	133,229
Deferred inflows related to other postemployment benefits	<u>9,092,749</u>
Total deferred inflows	<u>17,806,718</u>

NET POSITION

Net investment in capital assets	5,587,258
Restricted for:	
Operations and maintenance	870,644
Debt service	1,816,222
Retirement benefits	258,589
Student transportation	992,448
Capital projects	303,125
Unrestricted	<u>1,845,705</u>
Total net position	<u>\$ 11,673,991</u>

The accompanying notes are an integral part of this statement.

West Northfield School District 31

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	\$ 7,100,825	\$ 668,662	\$ 246,850	\$ (6,185,313)
Special programs	4,162,266	-	292,170	(3,870,096)
Other instructional programs	1,632,960	-	33,670	(1,599,290)
State retirement contributions	7,389,226	-	7,389,226	-
Support services:				
Pupils	893,486	-	24,533	(868,953)
Instructional staff	623,827	-	20,267	(603,560)
General administration	1,016,504	-	-	(1,016,504)
School administration	788,642	-	-	(788,642)
Business	589,427	-	870	(588,557)
Transportation	1,304,423	151,589	419,222	(733,612)
Operations and maintenance	1,485,626	2,900	-	(1,482,726)
Central	716,900	-	-	(716,900)
Other supporting services	875	-	-	(875)
Community services	49,939	-	-	(49,939)
Interest and fees	370,947	-	-	(370,947)
Unallocated depreciation and amortization	1,022,199	-	-	(1,022,199)
Total governmental activities	<u>\$ 29,148,072</u>	<u>\$ 823,151</u>	<u>\$ 8,426,808</u>	<u>(19,898,113)</u>
General revenues:				
Taxes:				
				17,399,341
				2,469,138
				957,119
				1,357,936
				808,370
				589,195
				88,842
				<u>23,669,941</u>
				3,771,828
				<u>7,902,163</u>
				<u>\$ 11,673,991</u>

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Governmental Funds

BALANCE SHEET

June 30, 2023

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 14,151,671	\$ 870,144	\$ 960,677	\$ 236,654
Receivables (net of allowance for uncollectibles):				
Interest	165,462	-	-	-
Property taxes	7,765,333	565,906	424,524	157,990
Replacement taxes	205,132	-	-	9,000
Intergovernmental	112,455	-	103,335	-
Prepaid items	31,287	-	-	-
Total assets	<u>\$ 22,431,340</u>	<u>\$ 1,436,050</u>	<u>\$ 1,488,536</u>	<u>\$ 403,644</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 102,931	\$ 45,810	\$ 15,563	\$ -
Other current liabilities	31,570	27	-	-
Unearned revenue	267,058	-	90,747	-
Total liabilities	<u>401,559</u>	<u>45,837</u>	<u>106,310</u>	<u>-</u>
DEFERRED INFLOWS				
Unavailable interest revenue	132,411	-	-	-
Property taxes levied for a future period	7,129,387	519,569	389,778	145,055
Total deferred inflows	<u>7,261,798</u>	<u>519,569</u>	<u>389,778</u>	<u>145,055</u>
FUND BALANCES				
Nonspendable	31,287	-	-	-
Restricted	-	870,644	992,448	258,589
Assigned	25,474	-	-	-
Unassigned	14,711,222	-	-	-
Total fund balances	<u>14,767,983</u>	<u>870,644</u>	<u>992,448</u>	<u>258,589</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 22,431,340</u>	<u>\$ 1,436,050</u>	<u>\$ 1,488,536</u>	<u>\$ 403,644</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 1,815,594	\$ 308,997	\$ 18,343,737
-	-	165,462
432,368	-	9,346,121
-	-	214,132
-	-	215,790
<u>-</u>	<u>-</u>	<u>31,287</u>
<u>\$ 2,247,962</u>	<u>\$ 308,997</u>	<u>\$ 28,316,529</u>
\$ -	\$ 5,872	\$ 170,176
-	-	31,597
<u>-</u>	<u>-</u>	<u>357,805</u>
<u>-</u>	<u>5,872</u>	<u>559,578</u>
-	-	132,411
<u>396,951</u>	<u>-</u>	<u>8,580,740</u>
<u>396,951</u>	<u>-</u>	<u>8,713,151</u>
-	-	31,287
1,851,011	303,125	4,275,817
-	-	25,474
<u>-</u>	<u>-</u>	<u>14,711,222</u>
<u>1,851,011</u>	<u>303,125</u>	<u>19,043,800</u>
<u>\$ 2,247,962</u>	<u>\$ 308,997</u>	<u>\$ 28,316,529</u>

West Northfield School District 31
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances - total governmental funds	\$	19,043,800
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.		
		14,440,743
Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are reported as deferred inflows of resources in the governmental funds.		
		132,411
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		805,424
Deferred inflows of resources related to pensions		(133,229)
Deferred outflows and inflows of resources related to other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to OPEB		2,051,534
Deferred inflows of resources related to OPEB		(9,092,749)
Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds:		
General obligation bonds	\$ (10,505,000)	
Unamortized bond premiums	(199,349)	
Lease liabilities	(258,907)	
Compensated absences	(87,751)	
IMRF net pension liability	(697,315)	
TRS net pension liability	(874,707)	
RHP total other postemployment benefit liability	(168,310)	
THIS net other postemployment benefit liability	<u>(2,747,815)</u>	(15,539,154)
Interest on long-term liabilities (interest payable) accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.		
		<u>(34,789)</u>
Net position of governmental activities	\$	<u><u>11,673,991</u></u>

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2023

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 17,399,341	\$ 1,263,268	\$ 873,110	\$ 332,760
Replacement taxes	670,900	370,000	25,000	33,897
State aid	5,984,249	-	419,222	-
Federal aid	593,193	-	-	-
Interest	463,385	-	-	-
Other	<u>711,079</u>	<u>2,900</u>	<u>151,589</u>	<u>-</u>
Total revenues	<u>25,822,147</u>	<u>1,636,168</u>	<u>1,468,921</u>	<u>366,657</u>
Expenditures				
Current:				
Instruction:				
Regular programs	7,674,246	-	-	103,960
Special programs	2,216,778	-	-	62,217
Other instructional programs	1,746,799	-	-	47,920
State retirement contributions	5,150,712	-	-	-
Support services:				
Pupils	939,257	-	-	22,434
Instructional staff	638,283	-	-	7,535
General administration	1,050,549	-	-	23,743
School administration	831,172	-	-	29,334
Business	579,214	-	-	24,049
Transportation	-	-	1,304,423	-
Operations and maintenance	-	1,405,339	-	67,433
Central	673,633	-	-	39,875
Other supporting services	875	-	-	-
Community services	48,889	-	-	1,050
Nonprogrammed charges	2,030,667	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>150,023</u>	<u>17,042</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>23,731,097</u>	<u>1,422,381</u>	<u>1,304,423</u>	<u>429,550</u>
Excess (deficiency) of revenues over expenditures	2,091,050	213,787	164,498	(62,893)
Other financing sources				
Transfer to pay principal on capital leases	(117,958)	-	-	-
Transfer to pay interest on capital leases	(6,649)	-	-	-
Capital lease proceeds	<u>139,980</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>15,373</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,106,423	213,787	164,498	(62,893)
Fund balance, beginning of year	<u>12,661,560</u>	<u>656,857</u>	<u>827,950</u>	<u>321,482</u>
Fund balance, end of year	<u>\$ 14,767,983</u>	<u>\$ 870,644</u>	<u>\$ 992,448</u>	<u>\$ 258,589</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 957,119	\$ -	\$ 20,825,598
258,139	-	1,357,936
-	-	6,403,471
-	-	593,193
-	-	463,385
-	46,425	911,993
<u>1,215,258</u>	<u>46,425</u>	<u>30,555,576</u>
-	-	7,778,206
-	-	2,278,995
-	-	1,794,719
-	-	5,150,712
-	-	961,691
-	-	645,818
-	-	1,074,292
-	-	860,506
-	-	603,263
-	-	1,304,423
-	-	1,472,772
-	-	713,508
-	-	875
-	-	49,939
-	-	2,030,667
582,958	-	582,958
393,807	-	393,807
-	225,592	392,657
<u>976,765</u>	<u>225,592</u>	<u>28,089,808</u>
238,493	(179,167)	2,465,768
117,958	-	-
6,649	-	-
-	-	139,980
<u>124,607</u>	<u>-</u>	<u>139,980</u>
363,100	(179,167)	2,605,748
<u>1,487,911</u>	<u>482,292</u>	<u>16,438,052</u>
<u>\$ 1,851,011</u>	<u>\$ 303,125</u>	<u>\$ 19,043,800</u>

West Northfield School District 31

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.	\$	2,605,748
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Amounts reported for governmental activities in the statement of activities are different because:

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.		(999,998)
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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 and amortization expense. This is the amount by which depreciation and amortization expense exceeds capital outlay in the current period.

Capital outlay	\$ 379,803		
Depreciation and amortization expense	<u>(1,022,199)</u>		(642,396)

Interest revenue receivable by the District and recognized in the statement of net position does not provide current financial resources and is included as deferred inflows of resources in the governmental funds.		125,810
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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		1,683,889
Deferred outflows and inflows of resources related to TRS pension		249,948

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		(17,749)
Deferred outflows and inflows of resources related to THIS		(3,662,274)

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		1,243
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Governmental funds report the effect of premiums and discounts when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences.		21,617
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The accompanying notes are an integral part of this statement.		(Continued)
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West Northfield School District 31

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

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:

Finance purchase	\$	(139,980)	
Principal repayments - general obligation bonds		465,000	
Lease liabilities repayments		117,958	
Compensated absences, net		(19,862)	
IMRF pension liability, net		(697,315)	
TRS pension liability, net		(90,500)	
RHP other postemployment benefit liability, net		8,486	
THIS other postemployment benefit liability, net		<u>4,762,203</u>	\$ <u>4,405,990</u>
Change in net position of governmental activities			\$ <u><u>3,771,828</u></u>

The accompanying notes are an integral part of this statement.

(Concluded)

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of West Northfield School District 31 ("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).

The adoption of GASB 96 did not impact the financial position or operations of the District, as the District's SBITAs did not qualify for recording under the standard. Therefore, the District has no right of use asset subscription assets or subscription liabilities as of June 30, 2023.

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.

West Northfield School District 31
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) and the acquisition or construction of major capital facilities (capital projects fund). The General Fund is used to account for all activities of the District 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 collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be abolished and become part of the Educational Account Fund 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 0.05% of the District's current equalized assessed valuation.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the debt service or capital projects) 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 revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes.

Transportation Fund - accounts for all revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes, personal property replacement taxes, transportation fees from pupils or parents, 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, general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service, and transfers from other funds.

d. Capital Projects Fund

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bonds proceeds or transfers from other funds.

West Northfield School District 31
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 of 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. Revenue that are paid to the District by the Illinois State Board of Education are considered available if 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 is recognized when due and certain compensated absences claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable financial resources.

Property taxes, personal property 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 for unearned and 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.

West Northfield School District 31
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. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition net assets that is applicable to a future reporting period. At June 30, 2023, the District reported deferred inflows related to property taxes levied for a future period, pension liabilities, other postemployment benefits, and unavailable interest revenue.

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 remaining balance allocated at the discretion of the District.

9. 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.

10. Capital Assets and Right to Use Assets

Capital assets, which include land, buildings, building improvements, equipment, and vehicles, 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 \$5,000 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 right to use assets are initially recorded at an amount equal to the related lease liability. The right to use assets are amortized on a straight-line basis over the remaining term of the related lease.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Capital Assets and Right to Use Assets (Continued)

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.

Depreciation of capital assets and amortization of right-to-use leased assets is provided over the estimated useful lives or remaining term of related lease using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 40
Building improvements	15 - 20
Equipment	5 - 20
Vehicles	8
Right-to-use leased assets	5

11. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts and losses on refunding of bonds, are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

12. 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, deferred inflows of resources, and the disclosure of contingent assets, 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. 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 these resources are needed.

14. Accumulated Unpaid Vacation Pay and Sick Pay

Administrators and support staff are entitled to be compensated for vacation time. The liability for unused compensated absences is reported on the government-wide financial statements.

For governmental funds, the current portion of the compensated absences is the amount that is normally expected to be paid using expendable and available financial resources. These amounts are recorded in the fund from which the employees who have accumulated vacation leave are paid.

Full or part-time educational support personnel who work at least 600 hours per year receive 10 paid sick leave days per year. Part-time employees will receive sick leave pay equivalent to their regular workday. Unused sick leave shall accumulate to the maximum number of days that the Illinois Municipal Retirement Fund (IMRF) will recognize for retirement credit purposes. Certified employees earn sick days as of the date of hire. Unused sick leave days accumulate with no limit. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward service credit for TRS.

Due to the nature of 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.

15. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teachers' Retirement System pension and the Teacher Health Insurance Security Fund (see the budgetary reconciliation in the notes to the required supplementary information). Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance

In the fund financial statements, 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 and capital project 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 balances 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 Director of Business Services/CSBO may assign amounts for a specific purpose. The District student activity balance of \$25,474 has been assigned at June 30, 2023.
- 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance (Continued)

The nonspendable fund balance in the General Fund consists of \$31,287 for prepaid items. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

17. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB 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.

NOTE B - DEPOSITS AND INVESTMENTS

The Illinois Compiled Statutes require the District to utilize the investment services of the Northfield Township School 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 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 to the School Board. The Treasurer invests excess funds at his/her 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.

West Northfield School District 31
 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:

	Total
Deposits with financial institutions*	\$ 1,158,012
Illinois Funds	645,844
Illinois Trust Term Series	5,425,000
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	359,915
Other Investments	10,754,965
	\$ 18,343,736

*Includes accounts held in demand and savings accounts, but primarily consists of money market savings accounts, which were valued at cost.

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. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and level 2 valuation inputs.

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

District cash and investments (other than the student activity, flexible benefit, e-pay, and imprest funds) 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, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer also holds money-market type investments and deposits with financial institutions, including certificates of deposit. As of June 30, 2023, the fair value of District investments held by the Treasurer's office was \$16,179,965.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

2. Deposit and Investment Risks

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. Maturity information on other investments is shown in the table below.

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Treasury Bill	\$ 10,754,965	\$ 10,754,965	\$ -	\$ -	\$ -

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

		Unfunded	Redemption	Redemption
		s	Frequency	Notice
				Period
ISDLAF+	\$ 359,915	n/a	Daily	1 day
Illinois Funds	645,844	n/a	Daily	1 day
Illinois Trust	5,425,000	n/a	Daily	1 day

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 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

2. Deposit and Investment Risks (Continued)

Credit Risk (Continued)

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price the investment can 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.

3. Cash and Investments in the Custody of the District

At June 30, 2023, the carrying value of the District's student activity, imprest, e-pay, and flexible benefit accounts was \$715,762, all of which was deposited with financial institutions.

4. 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 balance of the District's deposits with financial institutions totaled \$2,465,972, all of which was collateralized and/or insured.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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 15, 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 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.

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 final equalization factor for Cook County for 2022 is 2.9237.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE C - PROPERTY TAXES RECEIVABLE (Continued)

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 2022 tax levy was \$725,023,883.

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 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 1%. 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE D - CAPITAL ASSETS AND RIGHT TO USE ASSETS

Capital asset and right to use asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated				
Land	\$ 81,393	\$ -	\$ -	\$ 81,393
Capital assets, being depreciated				
Buildings	27,195,817	-	-	27,195,817
Building improvements	3,303,975	245,437	-	3,549,412
Equipment	2,928,176	134,366	3,723	3,058,819
Vehicles	51,848	-	-	51,848
Total capital assets, being depreciated	<u>33,479,816</u>	<u>379,803</u>	<u>3,723</u>	<u>33,855,896</u>
Less accumulated depreciation for:				
Buildings	14,634,583	722,229	-	15,356,812
Building improvements	1,775,539	123,323	-	1,898,862
Equipment	2,135,587	114,770	3,723	2,246,634
Vehicles	47,580	4,268	-	51,848
Total accumulated depreciation	<u>18,593,289</u>	<u>964,590</u>	<u>3,723</u>	<u>19,554,156</u>
Total capital assets, being depreciated, net	<u>14,886,527</u>	<u>(584,787)</u>	<u>-</u>	<u>14,301,740</u>
Right to use assets				
Leased equipment	288,047	-	-	288,047
Less accumulated amortization for leased equipment	172,828	57,609	-	230,437
Total right to use assets, net	<u>115,219</u>	<u>(57,609)</u>	<u>-</u>	<u>57,610</u>
Governmental activities capital assets, net	<u>\$ 15,083,139</u>	<u>\$ (642,396)</u>	<u>\$ -</u>	<u>\$ 14,440,743</u>

The District does not allocate depreciation and amortization by function.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE E - LONG-TERM LIABILITIES

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

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>July 1, 2022</u>			<u>June 30, 2023</u>
General obligation bonds	\$ 10,970,000	\$ -	\$ 465,000	\$ 10,505,000
Finance purchase	60,393	139,980	60,393	139,980
Lease liabilities	176,492	-	57,565	118,927
Unamortized premium	220,966	-	21,617	199,349
Compensated absences	67,889	115,944	96,082	87,751
RHP total other postemployment benefit liability	176,796	11,934	20,420	168,310
THIS total other postemployment benefit liability	7,510,018	1,752,168	6,514,371	2,747,815
IMRF net pension liability*	-	1,982,968	1,285,653	697,315
TRS net pension liability	784,207	256,413	165,913	874,707
	<u>\$ 19,966,761</u>	<u>\$ 4,259,407</u>	<u>\$ 8,687,014</u>	<u>\$ 15,539,154</u>

	<u>Due Within</u>
	<u>One Year</u>
General obligation bonds	\$ 495,000
Finance purchase	47,744
Lease liabilities	58,807
Compensated absences	<u>87,751</u>
	<u>\$ 689,302</u>

* At July 1, 2022, the IMRF plan fiduciary net position exceeded the total pension liability resulting in a net pension asset of \$999,998.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE E - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding at June 30, 2023, are as follows:

	Bonds Payable July 1, 2022	Debt Issued	Debt Retired	Bonds Payable June 30, 2023
\$2,985,000 GO Limited School Bonds Series 2015A, dated July 9, 2015, due December 1, 2024, interest at 3.00%.	\$ 1,220,000	\$ -	\$ 465,000	\$ 755,000
\$3,070,000 Taxable GO Limited School Bonds Series 2018A, dated February 27, 2018, due December 1, 2027, interest at 2.10% - 3.35%.	1,775,000	-	-	1,775,000
\$7,975,000 GO Limited School Bonds Series 2018B, dated February 27, 2018, due December 1, 2037, interest at 3.50% - 4.00%.	<u>7,975,000</u>	<u>-</u>	<u>-</u>	<u>7,975,000</u>
Total	<u>\$ 10,970,000</u>	<u>\$ -</u>	<u>\$ 465,000</u>	<u>\$ 10,505,000</u>

At June 30, 2023, the District's annual debt service requirements to maturity for bond principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 495,000	\$ 370,943	\$ 865,943
2025	520,000	355,458	875,458
2026	550,000	338,460	888,460
2027	580,000	319,953	899,953
2028-2032	3,440,000	1,265,871	4,705,871
2033-2038	<u>4,920,000</u>	<u>547,175</u>	<u>5,467,175</u>
Total	<u>\$ 10,505,000</u>	<u>\$ 3,197,859</u>	<u>\$ 13,702,859</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE E - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable (Continued)

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$1,851,011 in the Debt Service Fund to service the outstanding bonds payable.

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 \$50,026,648, of which \$39,521,648 is fully available.

2. Finance Purchase and Lease Liabilities

The District currently has several lease agreements for financing the acquisition of computers and copiers. The copier lease requires monthly installment payments of \$5,070 for sixty consecutive months ending June 2025 and is measured at a stated interest rate of 2.21%. The computer lease (finance purchase) requires annual aggregate payments of approximately \$52,000 beginning July 2023 until July 2025.

The computer lease agreement qualifies as a financed purchase agreement, and therefore, has not been valued under GASB 87. The copier lease qualified as an other than short-term lease under GASB 87 and, therefore, was recorded at the present value of the future minimum lease payments upon implementation of GASB 87 as of July 1, 2021. As a result of the lease, the District has recorded the right to use assets (Note A-10) with a net book value of \$57,609 (Note D) as of June 30, 2023. The obligations for these leases will be repaid from the Debt Service Fund.

At June 30, 2023, the District's future cash flow requirements for retirement of lease liability and finance purchase is follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 106,551	\$ 5,291	\$ 111,842
2025	104,682	7,160	111,842
2026	47,674	3,328	51,002
	\$ 258,907	\$ 15,779	\$ 274,686

3. Compensated Absences

At June 30, 2023 compensated absences amounted to \$87,751. Future payments will be made from the same fund where the employee's salary is recorded.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (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 three 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 \$5,960,081 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$5,058,051 in the General Fund based on the current financial resources measurement basis.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (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 \$59,715, 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, salaries totaling \$17,851 were paid from federal and special trust funds that required employer contributions of \$1,873.

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 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal annual allotment.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (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	\$	874,707
State's proportionate share of the net pension liability associated with the District		<u>75,874,996</u>
 Total		 <u>\$ 76,749,703</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 0.0010433004 percent, which was an increase of 0.0000380524 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 for the support provided by the state pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 5,960,081	\$ 5,058,051
District TRS pension expenditure (benefit)	<u>(99,670)</u>	<u>59,715</u>
Total TRS expense/expenditure	<u>\$ 5,860,411</u>	<u>\$ 5,117,766</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,758	\$ 4,823
Change in assumptions	4,033	1,670
Net difference between projected and actual earnings on pension plan investments	800	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>25,923</u>	<u>126,736</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>32,514</u>	<u>133,229</u>
District contributions subsequent to the measurement date	<u>59,715</u>	<u>-</u>
Total deferred amount related to pension	<u>\$ 92,229</u>	<u>\$ 133,229</u>

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (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 \$59,715 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which 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 in these reporting years:

<u>Year ending June 30:</u>	<u>Net Deferred Inflows (Outflows) of Resources</u>
2024	\$ 90,776
2025	14,531
2026	11,843
2027	(13,707)
2028	<u>(2,728)</u>
Total	<u>\$ 100,715</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, including 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (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	<u>100.0 %</u>	

* Based on the 2021 Horizon Survey of Capital Market Assumptions

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (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 Rates

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:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	(6.00%)	Discount Rate (7.00%)	(8.00%)
District's proportionate share of the net pension liability	\$ <u>1,069,774</u>	\$ <u>874,707</u>	\$ <u>712,950</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*.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (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	68
Inactive plan members entitled to but not yet receiving benefits	174
Active plan members	<u>49</u>
Total	<u><u>291</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 7.76%. For the fiscal year ended June 30, 2023 the District contributed \$132,893 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 Liability

The District's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The amount is included in long-term liabilities on the Statement of Fiduciary Net Position.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

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

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

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equities	35.50%	6.50 %
International equities	18.00%	7.60 %
Fixed income	25.50%	4.90 %
Real estate	10.50%	6.20%
Alternative investments	9.50%	6.25% - 9.90%
Cash equivalents	1.00%	4.00 %
Total	100.00%	

Other information:
Notes

There were no benefit changes during the year.

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%.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability(Asset) (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2021	\$ 8,263,226	\$ 9,263,224	\$ (999,998)
Changes for the year:			
Service cost	145,628	-	145,628
Interest on the total pension liability	586,865	-	586,865
Difference between expected and actual experience of the total pension liability	101,005	-	101,005
Changes of assumptions	-	-	-
Contributions - employer	-	136,552	(136,552)
Contributions - employees	-	79,186	(79,186)
Net investment income	-	(1,149,470)	1,149,470
Benefit payments, including refunds of employee contributions	(482,702)	(482,702)	-
Other (net transfer)	-	69,917	(69,917)
Net changes	<u>350,796</u>	<u>(1,346,517)</u>	<u>1,697,313</u>
Balances at December 31, 2022	<u>\$ 8,614,022</u>	<u>\$ 7,916,707</u>	<u>\$ 697,315</u>

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 (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)	\$ 1,569,629	\$ 697,315	\$ (4,441)
	<u> </u>	<u> </u>	<u> </u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Pension Expense (Income) 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 (income) of \$146,317. At June 30, 2023, the District reported, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<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	\$ 33,830	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>617,666</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>651,496</u>	<u>-</u>
Pension contributions made subsequent to the measurement date	<u>61,699</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 713,195</u></u>	<u><u>\$ -</u></u>

The District reported \$61,699 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2023.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

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

Year Ending June 30,	Net Deferred Outflows of Resources
2024	\$ (14,383)
2025	99,990
2026	203,106
2027	362,783
Thereafter	-
Total	\$ 651,496

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 59,715	\$ 61,699	\$ 121,414
Experience	1,758	33,830	35,588
Assumptions	4,033	-	4,033
Proportionate share	25,923	-	25,923
Investments	800	617,666	618,466
	\$ 92,229	\$ 713,195	\$ 805,424
Net pension liability (asset)	\$ 874,707	\$ 697,315	\$ 1,572,022
Pension expense (income)	\$ 5,860,411	\$ 146,317	\$ 6,006,728

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Deferred inflows of resources:			
Experience	\$ 4,823	\$ -	\$ 4,823
Assumptions	1,670	-	1,670
Investments	-	-	-
Proportionate share	126,736	-	126,736
	\$ 133,229	\$ -	\$ 133,229

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.

5. 457(b) Retirement Plan

On July 1, 2018 (EPIC) and February 23, 2015 (OMNI) the Board of Education approved the establishment of a 457(b) Retirement Plan, which is a defined contribution plan, for District employees. The plan is held in a trust and administered by a third party serving as the plan's trustee. The number of employees participating in the plan on June 30, 2023 was 16. The plan allows for both employee and the District to make optional contributions to the plan. For the fiscal year ended June 30, 2023, the District did not make any contributions to the plan.

6. 403(b) Retirement Plan

The District also has a 403(b) Salary Reduction plan, that also contains a Roth option, which is a defined contribution plan, for District employees. The plan is held in a trust and administered by a third party serving as the plan's trustee. The number of employees participating in the plan on June 30, 2023 was 40. 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE F - PENSION LIABILITIES (Continued)

7. 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. There are no employees participating in the plan on June 30, 2023. 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.

NOTE G - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

The 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>).

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (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 \$1,429,145 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$92,661 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 \$68,981 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.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - 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	\$	2,747,815
State's estimated proportionate share of the net OPEB liability associated with the District*		3,738,132
	\$	6,485,947

* 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 THIS 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 0.040145 percent, which was an increase of 0.006094 percent from its proportion measured as of June 30, 2021.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - 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 (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	\$ 1,429,145	\$ 92,661
District OPEB pension expense (benefit)	<u>(1,028,162)</u>	<u>68,981</u>
Total OPEB expense/expenditure	<u>\$ 400,983</u>	<u>\$ 161,642</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	\$ -	\$ 1,797,206
Changes of assumptions	2,479	6,778,129
Net difference between projected and actual earnings on OPEB plan investments	334	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,847,976</u>	<u>508,506</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>1,850,789</u>	<u>9,083,841</u>
District contributions subsequent to the measurement date	<u>68,981</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 1,919,770</u>	<u>\$ 9,083,841</u>

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - 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 (Continued)

The District reported \$68,981 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:

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2024	1,233,577
2025	1,154,467
2026	1,016,101
2027	968,395
2028	922,684
Thereafter	<u>1,937,828</u>
Total	<u>\$ 7,233,052</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 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.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - 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 (Continued)

Actuarial Assumptions (Continued)

Asset Valuation Method	Market value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.25%
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.
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.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - 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 (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 Rate (3.69%)	1% Increase (4.69%)
District's proportionate share of the net OPEB liability	\$ 3,053,830	\$ 2,747,815	\$ 2,433,398

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - 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 (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.

	<u>1% Decrease*</u>	<u>Current Healthcare Trend Rate</u>	<u>1% Increase **</u>
District's proportionate share of the net OPEB liability	\$ 2,321,980	\$ 2,747,815	\$ 3,215,162

*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 (RHP)

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 IMRF retirees and their spouses, given certain eligibility provisions, to access the District's group health insurance plan during retirement on a pay-all basis, provided they had at least 8 years of credited service if enrolled in IMRF prior to January 1, 2011 or at least 10 years of credited service if enrolled in IMRF after January 1, 2011. Coverage is also available for eligible dependents on a pay-all basis. Coverage can continue upon the participant reaching Medicare eligibility. Coverage for dependents can continue upon the death of the retiree given that contributions continue.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Employees Covered by Benefit Terms

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

Active employees	40
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	<u>1</u>
Total	<u><u>41</u></u>

Contributions

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 contributes 0 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2023, the District contributed \$0 toward the cost of the postemployment benefits for retirees, which was 0% of covered payroll.

Total OPEB Liability

The District's total OPEB liability was determined by an actuarial valuation performed as of July 1, 2021 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	3.00%
Discount rate *	4.13%
Salary rate increase	4.00%
Healthcare inflation rate	HMO initial - 5.50%
	HMO ultimate - 4.50%
	PPO initial - 5.50%
	PPO ultimate - 4.50%
Mortality rates	PubG.H-2010 General Mortality with Mortality Improvement using Scale MP-2020.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Total OPEB Liability (Continued)

Election at retirement	10% of active IMRF employees are assumed to elect coverage continuation at retirement.
Marital status	30% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females.

* In 2023, changes in assumptions related to the discount rate were made (4.09% to 4.13%)

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.

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at July 1, 2022	\$ 176,796	\$ -	\$ 176,796
Changes for the year:			
Service cost	5,117	-	5,117
Interest on the total OPEB liability	6,817	-	6,817
Difference between expected & actual experience	-	-	-
Assumptions and other inputs	(184)	-	(184)
Benefit payments, including the implicit rate subsidy	(20,236)	-	(20,236)
Other changes	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Balances at June 30, 2023	\$ <u>168,310</u>	\$ <u>-</u>	\$ <u>168,310</u>

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (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	\$ <u>172,930</u>	\$ <u>168,310</u>	\$ <u>163,867</u>

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% - 5.50%, 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:

	1% Lower (3.50% - 4.00%)	Current Healthcare Rate (4.50% - 5.00%)	1% Higher (5.50 - 6.00%)
Total OPEB liability	\$ <u>162,958</u>	\$ <u>168,310</u>	\$ <u>173,955</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (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 \$29,499. 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>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Difference between expected and actual experience	\$ 103,460	\$ -
Change of assumptions	<u>28,304</u>	<u>8,908</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	<u>\$ 131,764</u>	<u>\$ 8,908</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 Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2024	\$ 17,565
2025	17,565
2026	17,565
2027	17,565
2028	17,565
Thereafter	<u>35,031</u>
Total	<u>\$ 122,856</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

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

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	\$ 68,981	\$ -	\$ 68,981
Experience	-	103,460	103,460
Assumptions	2,479	28,304	30,783
Proportionate share	1,847,976	-	1,847,976
Investments	334	-	334
	<u>\$ 1,919,770</u>	<u>\$ 131,764</u>	<u>\$ 2,051,534</u>
OPEB liability	<u>\$ 2,747,815</u>	<u>\$ 168,310</u>	<u>\$ 2,916,125</u>
OPEB expense	<u>\$ 400,983</u>	<u>\$ 29,499</u>	<u>\$ 430,482</u>
Deferred inflows of resources:			
Experience	\$ 1,797,206	\$ -	\$ 1,797,206
Assumptions	6,778,129	8,908	6,787,037
Proportionate share	508,506	-	508,506
Investments	-	-	-
	<u>\$ 9,083,841</u>	<u>\$ 8,908</u>	<u>\$ 9,092,749</u>

NOTE H - JOINT AGREEMENTS

The District is a member of the TrueNorth Educational Cooperative 804, a joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pools described in Note I. 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, operation, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE H - JOINT AGREEMENTS (Continued)

The District entered an agreement with the Board of Commissions of the Glenview Park District that allows for School District 31 to rent space and grounds around Winkelman School for lawful Park District purposes on an as needed basis, with no minimum commitment. The original agreement was for 20 years ending May 16, 2010 and was extended for two additional terms of 10 years each ending May 16, 2030.

NOTE I - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, cyber-attacks, pollution, and natural disasters. The District purchases coverage against such risks and participates in the following public entity risk pools: Education Benefit Cooperative (EBC) for health benefit claims; School Employee Loss Fund (SELF) for worker's compensation claims; and 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.

Complete financial statements for the School Employee Loss Fund (SELF) can be obtained from its Treasurer.

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 four fiscal years.

NOTE J - INTERFUND TRANSFERS

The District transferred \$124,607 to the Debt Service Fund from the General Fund (Educational Account) to provide a funding source for principal and interest on leases.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE K - CONTINGENCIES (Continued)

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, to be immaterial.

NOTE J - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 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 position date that require additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

West Northfield School District 31
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
Illinois Municipal Retirement Fund
Nine Most Recent Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability				
Service cost	\$ 145,628	\$ 142,578	\$ 154,778	\$ 150,638
Interest on the total pension liability	586,865	562,844	543,098	527,399
Benefit changes				
Difference between expected and actual experience of the total pension liability	101,005	93,411	103,316	(50,143)
Assumption changes	-	-	(82,299)	-
Benefit payments and refunds	<u>(482,702)</u>	<u>(455,370)</u>	<u>(425,488)</u>	<u>(401,383)</u>
Net change in total pension liability	350,796	343,463	293,405	226,511
Total pension liability, beginning	<u>8,263,226</u>	<u>7,919,763</u>	<u>7,626,358</u>	<u>7,399,847</u>
Total pension liability, ending	<u>\$ 8,614,022</u>	<u>\$ 8,263,226</u>	<u>\$ 7,919,763</u>	<u>\$ 7,626,358</u>
Plan fiduciary net position				
Contributions, employer	\$ 136,552	\$ 152,710	\$ 159,435	\$ 136,987
Contributions, employee	79,186	71,658	69,319	68,799
Net investment income (loss)	(1,149,470)	1,379,059	1,035,389	1,186,419
Benefit payments, including refunds of employee contributions	(482,702)	(455,370)	(425,488)	(401,383)
Other (net transfer)	<u>69,917</u>	<u>(19,181)</u>	<u>54,701</u>	<u>17,867</u>
Net change in plan fiduciary net position	(1,346,517)	1,128,876	893,356	1,008,689
Plan fiduciary net position, beginning	<u>9,263,224</u>	<u>8,134,348</u>	<u>7,240,992</u>	<u>6,232,303</u>
Plan fiduciary net position, ending	<u>\$ 7,916,707</u>	<u>\$ 9,263,224</u>	<u>\$ 8,134,348</u>	<u>\$ 7,240,992</u>
Net pension liability (asset)	<u>\$ 697,315</u>	<u>\$ (999,998)</u>	<u>\$ (214,585)</u>	<u>\$ 385,366</u>
Plan fiduciary net position as a percentage of the total pension liability	91.90 %	112.10 %	102.71 %	94.95 %
Covered Valuation Payroll	\$ 1,759,692	\$ 1,592,390	\$ 1,540,428	\$ 1,528,883
Net pension liability as a percentage of covered valuation payroll	39.63 %	(62.80) %	(13.93) %	25.21 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 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.

	2019	2018	2017	2016	2015
\$	148,694	\$ 132,864	\$ 139,842	\$ 142,986	\$ 149,654
	515,362	501,675	487,022	456,641	422,843
				-	-
	(50,609)	124,087	(60,720)	163,544	(38,191)
	180,242	(210,353)	(14,661)	7,264	245,421
	(381,968)	(365,429)	(374,548)	(334,543)	(300,715)
	411,721	182,844	176,935	435,892	479,012
	6,988,126	6,805,282	6,628,347	6,192,455	5,713,433
\$	<u>7,399,847</u>	<u>\$ 6,988,126</u>	<u>\$ 6,805,282</u>	<u>\$ 6,628,347</u>	<u>\$ 6,192,445</u>
\$	159,493	\$ 156,120	\$ 138,297	\$ 146,889	\$ 134,273
	67,582	64,159	56,525	56,686	55,896
	(379,416)	1,091,285	390,262	28,358	340,352
	(381,968)	(365,429)	(374,548)	(334,543)	(300,715)
	144,948	(322,359)	(2,281)	155,147	(127,516)
	(389,361)	623,776	208,255	52,537	102,290
	6,621,664	5,997,888	5,789,633	5,737,096	5,634,806
\$	<u>6,232,303</u>	<u>\$ 6,621,664</u>	<u>\$ 5,997,888</u>	<u>\$ 5,789,633</u>	<u>\$ 5,737,096</u>
\$	<u>1,167,544</u>	<u>\$ 366,462</u>	<u>\$ 807,394</u>	<u>\$ 838,714</u>	<u>\$ 455,349</u>
	84.22 %	94.76 %	88.14 %	87.35 %	92.65 %
\$	1,501,823	\$ 1,425,759	\$ 1,256,103	\$ 1,259,691	\$ 1,258,038
	77.74 %	25.70 %	64.28 %	66.58 %	36.20 %

West Northfield School District 31
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Nine Most Recent Fiscal Years

<u>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	\$ 136,552 *	\$ 136,552	\$ -	\$ 1,759,692	7.76 %
2022	152,710	152,710	-	1,592,390	9.59
2021	159,434	159,435	(1)	1,540,428	10.35
2020	136,988	136,987	1	1,528,883	8.96
2019	159,494	159,493	1	1,501,823	10.62
2018	156,121	156,120	1	1,425,759	10.95
2017	138,297	138,297	-	1,256,103	11.01
2016	133,653	146,889	(13,236)	1,259,691	11.66
2015	135,994	134,273	1,721	1,258,038	10.67

* Estimated based on contribution rate of 7.76% and covered valuation payroll of \$1,759,692.

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

West Northfield School District 31
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

Fiscal year ended June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.0010433004 %	0.0010052480 %	0.0010387695 %	0.0010909831 %
District's proportionate share of the net pension liability	\$ 874,707	\$ 784,207	\$ 895,578	\$ 884,876
State's proportionate share of the net pension liability associated with the District	<u>75,874,996</u>	<u>65,724,880</u>	<u>70,146,303</u>	<u>62,975,687</u>
Total	<u>\$ 76,749,703</u>	<u>\$ 66,509,087</u>	<u>\$ 71,041,881</u>	<u>\$ 63,860,563</u>
District's covered-employee payroll	\$ 10,663,669	9,115,022	\$ 8,639,774	\$ 8,525,428
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	8.20 %	8.60 %	10.37 %	10.38 %
Plan fiduciary net position as a percentage of the total pension liability	42.80 %	45.10 %	37.80 %	39.60 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pensions 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0011849548 %	0.0023558772 %	0.0018095105 %	0.0018867923 %	0.0017499646 %
\$ 923,611	\$ 1,799,846	\$ 1,428,356	\$ 1,236,039	\$ 1,064,998
<u>63,271,230</u>	<u>61,977,099</u>	<u>65,734,967</u>	<u>50,002,609</u>	<u>43,134,039</u>
<u>\$ 64,194,841</u>	<u>\$ 63,776,945</u>	<u>\$ 67,163,323</u>	<u>\$ 51,238,648</u>	<u>\$ 44,199,037</u>
\$ 8,489,592	\$ 8,370,668	\$ 8,277,863	\$ 7,719,938	\$ 6,993,465
10.88 %	21.50 %	17.26 %	16.01 %	15.23 %
40.00 %	39.30 %	36.40 %	41.50 %	43.00 %

West Northfield School District 31
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>	<u>2020</u>
Contractually required contribution	\$ 61,849	\$ 52,867	\$ 50,111	\$ 49,447
Contributions in relation to the contractually required contribution	<u>61,914</u>	<u>52,293</u>	<u>50,639</u>	<u>49,436</u>
Contribution deficiency (excess)	<u>\$ (65)</u>	<u>\$ 574</u>	<u>\$ (528)</u>	<u>\$ 11</u>
District's covered-employee payroll	\$ 10,295,640	\$ 10,663,669	\$ 9,115,022	\$ 8,639,774
Contributions as a percentage of covered-employee payroll	0.60 %	0.49 %	0.56 %	0.57 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pensions 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 49,234	\$ 97,061	\$ 70,055	\$ 66,100	\$ 66,100
<u>49,234</u>	<u>97,061</u>	<u>70,077</u>	<u>66,113</u>	<u>66,113</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>(22)</u>	\$ <u>(13)</u>	\$ <u>(13)</u>
\$ 8,525,428	\$ 8,489,592	\$ 8,277,863	\$ 7,719,938	\$ 7,719,938
0.58 %	1.14	0.85 %	0.86 %	0.86 %

West Northfield School District 31

MULTIYEAR SCHEDULE OF CHANGES IN TOTAL OTHER POSTRETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS Retiree Health Plan Six Most Recent Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability			
Service cost	\$ 5,117	\$ 5,528	\$ 6,648
Interest on the total OPEB liability	6,817	1,356	1,630
Difference between expected and actual experience of the total OPEB liability	-	126,922	-
Changes of assumptions and other inputs	(184)	(10,506)	1,357
Benefit payments, including the implicit rate subsidy	(20,236)	(17,436)	-
Other changes	-	-	-
Net change in total OPEB liability	<u>(8,486)</u>	<u>105,864</u>	<u>9,635</u>
Total OPEB liability, beginning	<u>176,796</u>	<u>70,932</u>	<u>61,297</u>
Total OPEB liability, ending	<u><u>\$ 168,310</u></u>	<u><u>\$ 176,796</u></u>	<u><u>\$ 70,932</u></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	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>
Net OPEB liability	<u><u>\$ 168,310</u></u>	<u><u>\$ 176,796</u></u>	<u><u>70,932</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered valuation payroll	\$ 1,467,887	\$ 1,467,887	1,479,422
Net OPEB liability as a percentage of covered valuation payroll	11.47 %	12.04 %	4.79 %

Note: 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>
\$ 6,325	\$ 3,710	\$ 3,486
1,013	946	946
5,178	-	-
11,548	-	-
-	(1,465)	(1,496)
937	619	29,550
<u>25,001</u>	<u>3,810</u>	<u>32,486</u>
36,296	32,486	-
<u>\$ 61,297</u>	<u>\$ 36,296</u>	<u>\$ 32,486</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 61,297</u>	<u>\$ 36,296</u>	<u>\$ 32,486</u>
0.00 %	0.00 %	0.00 %
\$ 1,479,422	\$ 1,403,687	\$ 1,403,687
4.14 %	2.59 %	2.31 %

West Northfield School District 31
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' 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	0.0401450000 %	0.0340510000 %	0.0351300000 %
District's proportionate share of the net OPEB liability	\$ 2,747,815	\$ 7,510,018	\$ 9,392,233
State's proportionate share of the net OPEB liability associated with the District	<u>3,738,132</u>	<u>10,182,488</u>	<u>12,723,918</u>
Total	<u>\$ 6,485,947</u>	<u>\$ 17,692,506</u>	<u>\$ 22,116,151</u>
District's covered-employee payroll	\$ 10,663,669	\$ 9,115,022	\$ 8,639,774
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	25.77%	82.39%	108.71%
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>
0.0345960000 %	0.0358050000 %	0.0363890000 %
\$ 9,575,212	\$ 9,433,076	\$ 9,442,883
<u>12,966,059</u>	<u>12,666,587</u>	<u>12,400,852</u>
<u>\$ 22,541,271</u>	<u>\$ 22,099,663</u>	<u>\$ 21,843,735</u>
\$ 8,525,428	\$ 8,489,592	\$ 8,370,668
112.31%	111.11%	112.81%
0.25%	-0.07%	-0.17%

West Northfield School District 31
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
Six Most Recent Fiscal Years

Fiscal year ended June 30,	2023	2022	2021
Contractually required contribution	\$ 71,447	\$ 83,858	\$ 79,486
Contributions in relation to the contractually required contribution	74,236	81,313	81,758
Contribution excess (due)	\$ 2,789	\$ (2,545)	\$ 2,272
District's covered-employee payroll	\$ 10,295,640	\$ 10,663,669	\$ 9,115,022
Contributions as a percentage of covered-employee payroll	0.72%	0.76%	0.90%

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: 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>
\$ 78,434	\$ 74,708	\$ 70,314
<u>78,228</u>	<u>74,693</u>	<u>70,318</u>
\$ <u>(206)</u>	\$ <u>(15)</u>	\$ <u>4</u>
\$ 8,639,774	\$ 8,525,428	\$ 8,489,592
0.91%	0.88%	0.83%

West Northfield School District 31
 General Fund - Budgetary Basis
 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	\$ 17,046,237	\$ 17,399,341	\$ 353,104	\$ 13,753,752
Corporate personal property replacement taxes	670,000	670,900	900	687,234
Interest on investments	65,250	463,385	398,135	16,836
Fees	77,500	431,989	354,489	643,076
Other district/school activity revenue	60,000	64,505	4,505	31,644
Student Activity Fund Revenues	1,000	16,700	15,700	11,106
Rentals - regular textbook	593,000	155,468	(437,532)	96,773
Contributions and donations from private sources	2,500	-	(2,500)	3,000
Other	<u>55,000</u>	<u>42,417</u>	<u>(12,583)</u>	<u>1,381,449</u>
Total local sources	<u>18,570,487</u>	<u>19,244,705</u>	<u>674,218</u>	<u>16,624,870</u>
State sources				
Evidence Based Funding Formula	808,370	808,370	-	807,395
Special Education - Private Facility Tuition	23,350	24,925	1,575	21,648
Special Education - Orphanage - Individual	-	-	-	7,468
State Free Lunch & Breakfast	-	242	242	2,841
Other restricted revenue from state sources	<u>750</u>	<u>-</u>	<u>(750)</u>	<u>100</u>
Total state sources	<u>832,470</u>	<u>833,537</u>	<u>1,067</u>	<u>839,452</u>
Federal sources				
National School Lunch Program	59,360	628	(58,732)	342,471
School Breakfast Program	5,600	-	(5,600)	25,288
Title I - Low Income	150,289	100,349	(49,940)	123,234
Title IV - Student Support & Academic Enrichment Grant	11,889	22,583	10,694	1,889
Federal Special Education - Preschool Flow-Through	7,675	7,147	(528)	8,838

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

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		
Federal sources (Continued)				
Federal Special Education -				
IDEA Flow Through	\$ 223,746	\$ 245,673	\$ 21,927	\$ 188,728
Title III - Instruction for English Learners & Immigrant Students	7,000	4,945	(2,055)	-
Title III - English Language Acquisition	22,493	28,725	6,232	17,005
Title II - Teacher Quality	22,736	20,267	(2,469)	19,640
Medicaid Matching Funds - Fee-For-Service Program	38,000	14,425	(23,575)	36,408
Other Restricted Grants Received from Federal Govt. thru State	<u>373,013</u>	<u>148,451</u>	<u>(224,562)</u>	<u>1,545,986</u>
Total federal sources	<u>921,801</u>	<u>593,193</u>	<u>(328,608)</u>	<u>2,309,487</u>
Total revenues	<u>20,324,758</u>	<u>20,671,435</u>	<u>346,677</u>	<u>19,773,809</u>
Expenditures				
Instruction				
Regular programs				
Salaries	6,149,439	6,112,907	36,532	6,405,189
Employee benefits	1,017,281	1,010,031	7,250	1,055,016
Purchased services	150,800	127,486	23,314	156,246
Supplies and materials	320,410	266,370	54,040	203,785
Capital outlay	9,500	10,994	(1,494)	1,115
Other objects	2,350	2,212	138	1,439
Non-capitalized equipment	-	140,622	(140,622)	-
Termination benefits	<u>14,619</u>	<u>14,618</u>	<u>(1)</u>	<u>13,791</u>
Total	<u>7,664,399</u>	<u>7,685,240</u>	<u>(20,843)</u>	<u>7,836,581</u>
Pre-K programs				
Salaries	164,138	145,948	18,190	163,488
Employee benefits	48,805	22,699	26,106	31,353
Supplies and materials	<u>2,000</u>	<u>394</u>	<u>1,606</u>	<u>262</u>
Total	<u>214,943</u>	<u>169,041</u>	<u>45,902</u>	<u>195,103</u>

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

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	
Special education programs				
Salaries	\$ 1,172,027	\$ 1,231,692	\$ (59,665)	\$ 998,434
Employee benefits	233,953	283,058	(49,105)	219,695
Purchased services	255,200	250,140	5,060	253,884
Supplies and materials	78,975	79,939	(964)	66,149
Capital outlay	1,500	-	1,500	-
Termination benefits	6,522	6,522	-	6,152
Total	<u>1,748,177</u>	<u>1,851,351</u>	<u>(103,174)</u>	<u>1,544,314</u>
Special education programs pre-K				
Salaries	134,866	123,799	11,067	266,417
Employee benefits	26,108	17,837	8,271	50,955
Purchased services	2,800	31,633	(28,833)	2,714
Supplies and materials	16,200	4,120	12,080	27,221
Non-capitalized equipment	-	-	-	610
Total	<u>179,974</u>	<u>177,389</u>	<u>2,585</u>	<u>347,917</u>
CTE programs				
Purchased services	750	-	750	-
Supplies and materials	12,800	8,563	4,237	10,976
Capital outlay	1,000	-	1,000	-
Non-capitalized equipment	500	-	(500)	-
Total	<u>15,050</u>	<u>8,563</u>	<u>5,487</u>	<u>10,976</u>
Interscholastic programs				
Salaries	254,700	167,905	86,795	206,583
Employee benefits	2,600	1,692	908	5,676
Purchased services	8,450	9,490	(1,040)	2,402
Supplies and materials	42,650	25,313	17,337	27,541
Total	<u>308,400</u>	<u>204,400</u>	<u>104,000</u>	<u>242,202</u>
Summer school programs				
Salaries	36,879	65,747	(28,868)	54,223
Employee benefits	137	439	(302)	434
Supplies and materials	100	-	100	21,985
Total	<u>37,116</u>	<u>66,186</u>	<u>(29,070)</u>	<u>76,642</u>

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

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
Gifted programs				
Supplies and materials	\$ 150	\$ 25	\$ 125	\$ 90
Total	<u>150</u>	<u>25</u>	<u>125</u>	<u>90</u>
Bilingual programs				
Salaries	1,011,242	1,056,970	(45,728)	882,181
Employee benefits	123,685	180,648	(56,963)	141,781
Purchased services	500	851	(351)	-
Supplies and materials	19,782	45,293	(25,511)	38,604
Total	<u>1,155,209</u>	<u>1,283,762</u>	<u>(128,553)</u>	<u>1,062,566</u>
Special Education K-12 Programs				
Private Tuition	150,000	188,038	(38,038)	135,288
Student Activity Fund Expenditures	1,000	14,822	(13,822)	8,479
Total	<u>151,000</u>	<u>202,860</u>	<u>(51,860)</u>	<u>143,767</u>
Total instruction	<u>11,474,418</u>	<u>11,648,817</u>	<u>(175,401)</u>	<u>11,460,158</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	294,109	280,516	13,593	269,899
Employee benefits	43,918	57,503	(13,585)	54,142
Purchased services	750	15,000	(14,250)	-
Supplies and materials	11,350	8,690	2,660	3,120
Total	<u>350,127</u>	<u>361,709</u>	<u>(11,582)</u>	<u>327,161</u>
Health services				
Salaries	159,280	123,826	35,454	129,164
Employee benefits	22,847	18,257	4,590	11,101
Purchased services	500	389	111	60
Supplies and materials	1,600	2,081	(481)	1,242
Other objects	180	180	-	180
Total	<u>184,407</u>	<u>144,733</u>	<u>39,674</u>	<u>141,747</u>

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

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	
Psychological services				
Salaries	\$ 86,928	\$ 81,133	\$ 5,795	\$ 83,829
Employee benefits	14,608	14,551	57	13,672
Purchased services	20,700	18,554	2,146	23,980
Supplies and materials	800	480	320	537
Total	<u>123,036</u>	<u>114,718</u>	<u>8,318</u>	<u>122,018</u>
Speech pathology and audiology services				
Salaries	209,809	215,630	(5,821)	214,513
Employee benefits	38,314	29,818	8,496	40,535
Purchased services	2,700	1,229	1,471	5,000
Supplies and materials	2,350	886	1,464	918
Total	<u>253,173</u>	<u>247,563</u>	<u>5,610</u>	<u>260,966</u>
Other support services - pupils				
Salaries	79,000	69,923	9,077	73,595
Employee benefits	700	611	89	663
Total	<u>79,700</u>	<u>70,534</u>	<u>9,166</u>	<u>74,258</u>
Total pupils	<u>990,443</u>	<u>939,257</u>	<u>51,186</u>	<u>926,150</u>
Instructional staff				
Improvement of instruction services				
Salaries	206,078	208,394	(2,316)	220,949
Employee benefits	97,484	93,149	4,335	51,529
Purchased services	214,668	129,869	84,799	208,058
Supplies and materials	10,070	12,643	(2,573)	6,935
Other objects	800	317	483	872
Total	<u>529,100</u>	<u>444,372</u>	<u>84,728</u>	<u>488,343</u>

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

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
Educational media services				
Salaries	\$ 109,902	\$ 109,316	\$ 586	\$ 188,966
Employee benefits	35,926	28,345	7,581	33,439
Purchased services	2,200	516	1,684	657
Supplies and materials	25,260	23,501	1,759	205,099
Non-capitalized equipment	500	-	500	-
Total	173,788	161,678	12,110	428,161
Assessment and testing				
Purchased services	32,000	31,778	222	4,569
Supplies and materials	2,500	455	2,045	1,080
Total	34,500	32,233	2,267	5,649
Total instructional staff	737,388	638,283	99,105	922,153
General administration				
Board of education services				
Salaries	3,756	3,756	-	3,615
Purchased services	141,920	157,519	(15,599)	120,139
Supplies and materials	10,050	3,513	6,537	3,760
Capital outlay	64,081	64,081	-	-
Other objects	1,000	-	1,000	-
Total	220,807	228,869	(8,062)	127,514
Executive administration services				
Salaries	308,752	308,551	201	299,026
Employee benefits	71,178	69,331	1,847	79,067
Purchased services	7,200	22,573	(15,373)	5,710
Supplies and materials	12,000	19,018	(7,018)	8,553
Other objects	12,000	11,503	497	10,345
Total	411,130	430,976	(19,846)	402,701

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

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	
Special area administrative services				
Salaries	\$ 204,005	\$ 184,034	\$ 19,971	\$ 189,584
Employee benefits	53,297	51,107	2,190	47,761
Purchased services	2,000	818	1,182	-
Supplies and materials	1,250	506	744	1,213
Other objects	1,500	1,660	(160)	1,611
Total	262,052	238,125	23,927	240,169
Tort immunity services				
Purchased services	156,715	216,660	(59,945)	150,021
Total	156,715	216,660	(59,945)	150,021
Total general administration	1,050,704	1,114,630	(63,926)	920,405
School administration				
Office of the principal services				
Salaries	637,191	636,994	197	635,148
Employee benefits	180,477	174,370	6,107	172,882
Purchased services	7,500	3,328	4,172	5,432
Supplies and materials	14,200	15,511	(1,311)	17,078
Other objects	1,800	969	831	1,218
Total school administration	841,168	831,172	9,996	831,758
Business				
Direction of business support services				
Salaries	205,117	205,116	1	193,789
Employee benefits	68,037	68,150	(113)	63,652
Purchased services	3,750	3,291	459	3,350
Supplies and materials	16,000	19,277	(3,277)	14,572
Other objects	450	-	450	340
Termination benefits	11,415	11,415	-	10,769
Total	304,769	307,249	(2,480)	286,472

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

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	
Fiscal services				
Salaries	\$ 143,403	\$ 143,080	\$ 323	\$ 137,057
Employee benefits	24,701	24,701	-	22,983
Purchased services	17,850	19,077	(1,227)	16,141
Supplies and materials	600	258	342	307
Other objects	200	400	(200)	195
Total	<u>186,754</u>	<u>187,516</u>	<u>(762)</u>	<u>176,683</u>
Food services				
Purchased services	85,000	3,922	81,078	356,485
Supplies and materials	4,000	2,052	1,948	963
Capital outlay	3,000	-	3,000	-
Total	<u>92,000</u>	<u>5,974</u>	<u>86,026</u>	<u>357,448</u>
Internal services				
Purchased services	100,000	59,214	40,786	91,302
Supplies and materials	21,500	19,261	2,239	26,790
Total	<u>121,500</u>	<u>78,475</u>	<u>43,025</u>	<u>118,092</u>
Total business	<u>705,023</u>	<u>579,214</u>	<u>125,809</u>	<u>938,695</u>
Information services				
Salaries	35,000	30,509	4,491	32,862
Purchased services	9,250	5,496	3,754	7,601
Other objects	300	-	300	295
Total	<u>44,550</u>	<u>36,005</u>	<u>8,545</u>	<u>40,758</u>
Staff services				
Salaries	13,538	13,377	161	12,961
Employee benefits	9	9	-	9
Purchased services	1,500	2,000	(500)	4,090
Total	<u>15,047</u>	<u>15,386</u>	<u>(339)</u>	<u>17,060</u>

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

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	
Data processing services				
Salaries	\$ 249,355	\$ 251,745	\$ (2,390)	\$ 238,988
Employee benefits	36,188	35,043	1,145	33,516
Purchased services	357,340	243,146	114,194	234,579
Supplies and materials	97,250	91,310	5,940	88,331
Capital outlay	70,350	74,948	(4,598)	155,258
Other objects	-	998	(998)	-
Total	810,483	697,190	113,293	750,672
Total central	870,080	748,581	121,499	808,490
Other supporting services				
Purchased services	-	875	(875)	-
Total	-	875	(875)	-
Total support services	5,194,806	4,852,012	342,794	5,347,651
Community services				
Purchased services	21,599	36,572	(14,973)	19,461
Supplies and materials	5,000	12,317	(7,317)	575
Total	26,599	48,889	(22,290)	20,036
Payments to other districts and government units				
Payments for regular programs				
Purchased services	-	51	(51)	-
Total	-	51	(51)	-
Payments for special education programs				
Purchased services	43,428	43,428	-	553,847
Other objects	1,975,000	1,987,188	(12,188)	1,520,018
Total	2,018,428	2,030,616	(12,188)	2,073,865
Total payments to other districts and other government units	2,018,428	2,030,667	(12,239)	2,073,865

(Continued)

West Northfield School District 31
 General Fund - Budgetary Basis
 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	
Provision for contingencies	\$ 5,000	\$ -	\$ 5,000	\$ -
Total expenditures	<u>18,719,251</u>	<u>18,580,385</u>	<u>137,864</u>	<u>18,901,710</u>
Excess of revenues over expenditures	<u>1,605,507</u>	<u>2,091,050</u>	<u>484,541</u>	<u>872,099</u>
Other financing uses				
Transfer to debt service fund for principal on capital leases	-	(117,958)	(117,958)	-
Transfer to debt service fund for interest on capital leases	<u>-</u>	<u>(6,649)</u>	<u>(6,649)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>15,373</u>	<u>(264,587)</u>	<u>-</u>
Net change to fund balance	<u>\$ 1,605,507</u>	2,106,423	<u>\$ 500,916</u>	872,099
Fund balance, beginning of year		<u>12,661,560</u>		<u>11,789,461</u>
Fund balance, end of year		<u>\$ 14,767,983</u>		<u>\$ 12,661,560</u>

(Concluded)

West Northfield School District 31
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			2022 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 1,039,028	\$ 1,263,268	\$ 224,240	\$ 953,107
Corporate personal property replacement taxes	400,000	370,000	(30,000)	-
Rentals	8,000	2,900	(5,100)	6,550
Other	-	-	-	144,785
Total revenues	<u>1,447,028</u>	<u>1,636,168</u>	<u>189,140</u>	<u>1,104,442</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	5,000	11,193	(6,193)	-
Capital outlay	5,000	-	5,000	-
Total	<u>10,000</u>	<u>11,193</u>	<u>(1,193)</u>	<u>-</u>
Operation and maintenance of plant services				
Salaries	485,573	474,470	11,103	434,049
Employee benefits	132,835	130,461	2,374	122,208
Purchased services	408,225	463,105	(54,880)	298,515
Supplies and materials	398,700	287,605	111,095	396,456
Capital outlay	53,500	17,042	36,458	41,272
Other objects	350	-	350	325
Non-capitalized equipment	41,000	38,505	2,495	34,741
Total	<u>1,520,183</u>	<u>1,411,188</u>	<u>108,995</u>	<u>1,327,566</u>
Total support services	<u>1,530,183</u>	<u>1,422,381</u>	<u>107,802</u>	<u>1,327,566</u>

(Continued)

West Northfield School District 31
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			2022 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Provision for contingencies	\$ 10,000	\$ -	\$ 10,000	\$ -
Total expenditures	<u>1,540,183</u>	<u>1,422,381</u>	<u>117,802</u>	<u>1,327,566</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (93,155)</u>	<u>213,787</u>	<u>\$ 306,942</u>	<u>(223,124)</u>
Net change in fund balance	<u>\$ (93,155)</u>	213,787	<u>\$ 306,942</u>	(223,124)
Fund balance, beginning of year		<u>656,857</u>		<u>879,981</u>
Fund balance, end of year		<u>\$ 870,644</u>		<u>\$ 656,857</u>

(Concluded)

West Northfield School District 31
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		Variance From Final Budget	2022 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 722,760	\$ 873,110	\$ 150,350	\$ 626,094
Corporate personal property replacement taxes	50,000	25,000	(25,000)	-
Regular transportation fees from pupils or parents - in state	155,000	151,589	(3,411)	142,513
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,471</u>
Total local sources	<u>927,760</u>	<u>1,049,699</u>	<u>121,939</u>	<u>854,078</u>
State sources				
Transportation - Special Education	<u>294,500</u>	<u>419,222</u>	<u>124,722</u>	<u>278,171</u>
Total state sources	<u>294,500</u>	<u>419,222</u>	<u>124,722</u>	<u>278,171</u>
Total revenues	<u>1,222,260</u>	<u>1,468,921</u>	<u>246,661</u>	<u>1,132,249</u>
Expenditures				
Support services				
Pupil transportation services				
Purchased services	<u>1,295,000</u>	<u>1,304,423</u>	<u>(9,423)</u>	<u>1,179,871</u>
Total support services	<u>1,295,000</u>	<u>1,304,423</u>	<u>(9,423)</u>	<u>1,179,871</u>
Total expenditures	<u>1,295,000</u>	<u>1,304,423</u>	<u>(9,423)</u>	<u>1,179,871</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (72,740)</u>	<u>164,498</u>	<u>\$ 237,238</u>	<u>(47,622)</u>
Net change in fund balance	<u>\$ (72,740)</u>	<u>164,498</u>	<u>\$ 237,238</u>	<u>(47,622)</u>
Fund balance, beginning of year		<u>827,950</u>		<u>875,572</u>
Fund balance, end of year		<u>\$ 992,448</u>		<u>\$ 827,950</u>

West Northfield School District 31
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	Variance		2022
	Final Budget	Actual	From Final Budget	Actual
Revenues				
Local sources				
General levy	\$ 297,615	\$ 118,439	\$ (179,176)	\$ 96,857
Social security/Medicare only levy	-	214,321	214,321	159,005
Corporate personal property replacement taxes	130,000	33,897	(96,103)	339,000
Other	-	-	-	42,834
Total revenues	<u>427,615</u>	<u>366,657</u>	<u>(60,958)</u>	<u>637,696</u>
Expenditures				
Instruction				
Regular programs	122,175	103,960	18,215	115,386
Pre-K programs	5,495	4,053	1,442	3,904
Special education programs	43,262	57,102	(13,840)	41,440
Special education programs pre-K	7,135	5,115	2,020	7,269
Interscholastic programs	11,850	4,945	6,905	4,382
Summer school programs	3,125	3,916	(791)	3,566
Bilingual programs	15,855	35,006	(19,151)	16,726
Total instruction	<u>208,897</u>	<u>214,097</u>	<u>(5,200)</u>	<u>192,673</u>

(Continued)

West Northfield School District 31
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			2022
	Final Budget	Actual	Variance From Final Budget	Actual
Support services				
Pupils				
Attendance and social work services	\$ 6,252	\$ 5,889	\$ 363	\$ 5,896
Health services	8,883	8,822	61	9,335
Psychological services	1,275	1,164	111	1,203
and audiology services	3,173	3,122	51	2,993
Other support services -pupils	<u>3,637</u>	<u>3,437</u>	<u>200</u>	<u>2,836</u>
Total pupils	<u>23,220</u>	<u>22,434</u>	<u>786</u>	<u>22,263</u>
Instructional staff				
Improvement of instruction services	3,470	3,708	(238)	4,718
Educational media services	<u>5,820</u>	<u>3,827</u>	<u>1,993</u>	<u>3,663</u>
Total instructional staff	<u>9,290</u>	<u>7,535</u>	<u>1,755</u>	<u>8,381</u>
General administration				
Board of education services	599	546	53	576
Executive administration services	17,421	15,833	1,588	16,474
Special area administrative services	<u>10,603</u>	<u>7,364</u>	<u>3,239</u>	<u>9,543</u>
Total general administration	<u>28,623</u>	<u>23,743</u>	<u>4,880</u>	<u>26,593</u>
School administration				
Office of the principal services	<u>32,084</u>	<u>29,334</u>	<u>2,750</u>	<u>30,830</u>
Total school administration	<u>32,084</u>	<u>29,334</u>	<u>2,750</u>	<u>30,830</u>

(Continued)

West Northfield School District 31
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	Actual	Variance	2022
	Final Budget		From Final Budget	Actual
Business				
Direction of business support services	\$ 4,635	\$ 4,720	\$ (85)	\$ 4,456
Fiscal services	20,613	19,329	1,284	19,846
Operation and maintenance of plant services	<u>78,756</u>	<u>67,433</u>	<u>11,323</u>	<u>69,289</u>
Total business	<u>104,004</u>	<u>91,482</u>	<u>12,522</u>	<u>93,591</u>
Central				
Information services	2,550	2,334	216	2,514
Staff services	2,200	1,945	255	2,117
Data processing services	<u>40,072</u>	<u>35,596</u>	<u>4,476</u>	<u>38,635</u>
Total central	<u>44,822</u>	<u>39,875</u>	<u>4,947</u>	<u>43,266</u>
Total support services	<u>242,043</u>	<u>214,403</u>	<u>27,640</u>	<u>224,924</u>
Community services	<u>1,090</u>	<u>1,050</u>	<u>40</u>	<u>427</u>
Total expenditures	<u>452,030</u>	<u>429,550</u>	<u>22,480</u>	<u>418,024</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (24,415)</u>	<u>(62,893)</u>	<u>\$ (38,478)</u>	<u>219,672</u>
Net change in fund balance	<u>\$ (24,415)</u>	<u>(62,893)</u>	<u>\$ (38,478)</u>	<u>219,672</u>
Fund balance, beginning of year		<u>321,482</u>		<u>101,810</u>
Fund balance, end of year		<u>\$ 258,589</u>		<u>\$ 321,482</u>

(Concluded)

West Northfield School District 31
 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, except that the District does not budget for "on-behalf" contributions from the State of Illinois for the employer's share of the Teacher Retirement Pension and the Teachers' Health Insurance Security Fund OPEB. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level.

- 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) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) Management is authorized to transfer budget amounts, provided that 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.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 29, 2022.
- g) All budget appropriations 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:

Fund	Variance
Transportation	\$ 9,423
Debt service	\$ 125,207

West Northfield School District 31
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

3. BUDGET RECONCILIATION

The Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers' Retirement System pension and Teacher Health Insurance Security Fund OPEB. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>	
General fund - budgetary basis	\$ 20,671,435	\$ 18,580,385	
To adjust for on-behalf payments received	5,150,712	-	
To adjust for on-behalf payments made	<u>-</u>	<u>5,150,712</u>	
	<u>\$ 25,822,147</u>	<u>\$ 23,731,097</u>	

4. 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 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.25 percent and a real rate of return of 4.75%. Salary increases were assumed to vary by service credit. These actual assumptions were based on a experience study dated September 30, 2021.

For the 2020 - 2017 measurement years, 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 18, 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.

West Northfield School District 31
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

5. 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.

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).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both 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.

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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

Methods and Assumptions Used to Determine the 2021 Contribution Rate: (Continued)

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 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 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.
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".

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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

Change in Assumptions: (Continued)

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

West Northfield School District 31

General Fund

COMBINING BALANCE SHEET

June 30, 2023

	Educational Account	Working Cash Account	Total
ASSETS			
Cash and investments	\$ 8,217,977	\$ 5,933,694	\$ 14,151,671
Receivables (net of allowance for uncollectibles):			
Interest	165,462	-	165,462
Property taxes	7,765,214	119	7,765,333
Replacement taxes	205,132	-	205,132
Intergovernmental	112,455	-	112,455
Prepaid items	<u>31,287</u>	<u>-</u>	<u>31,287</u>
Total assets	<u>\$ 16,497,527</u>	<u>\$ 5,933,813</u>	<u>\$ 22,431,340</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 102,931	\$ -	\$ 102,931
Other current liabilities	31,570	-	31,570
Unearned revenue	<u>267,058</u>	<u>-</u>	<u>267,058</u>
Total liabilities	<u>401,559</u>	<u>-</u>	<u>401,559</u>
DEFERRED INFLOWS			
Unavailable interest revenue	132,411	-	132,411
Property taxes levied for a future period	<u>7,129,296</u>	<u>91</u>	<u>7,129,387</u>
Total deferred inflows	<u>7,261,707</u>	<u>91</u>	<u>7,261,798</u>
FUND BALANCES			
Nonspendable	31,287	-	31,287
Assigned	25,474	-	25,474
Unassigned	<u>8,777,500</u>	<u>5,933,722</u>	<u>14,711,222</u>
Total fund balance	<u>8,834,261</u>	<u>5,933,722</u>	<u>14,767,983</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 16,497,527</u>	<u>\$ 5,933,813</u>	<u>\$ 22,431,340</u>

West Northfield School District 31

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	\$ 17,398,629	\$ 712	\$ 17,399,341
Replacement taxes	670,900	-	670,900
State aid	5,984,249	-	5,984,249
Federal aid	593,193	-	593,193
Interest	462,274	1,111	463,385
Other	711,079	-	711,079
	<u>25,820,324</u>	<u>1,823</u>	<u>25,822,147</u>
Expenditures			
Current:			
Instruction:			
Regular programs	7,674,246	-	7,674,246
Special programs	2,216,778	-	2,216,778
Other instructional programs	1,746,799	-	1,746,799
State retirement contributions	5,150,712	-	5,150,712
Support services:			
Pupils	939,257	-	939,257
Instructional staff	638,283	-	638,283
General administration	1,050,549	-	1,050,549
School administration	831,172	-	831,172
Business	579,214	-	579,214
Central	673,633	-	673,633
Other supporting services	875	-	875
Community services	48,889	-	48,889
Nonprogrammed charges	2,030,667	-	2,030,667
Capital outlay	150,023	-	150,023
	<u>23,731,097</u>	<u>-</u>	<u>23,731,097</u>
Excess of revenues over expenditures	<u>2,089,227</u>	<u>1,823</u>	<u>2,091,050</u>
Other financing sources (uses)			
Transfers (out)	(124,607)	-	(124,607)
Capital lease proceeds	139,980	-	139,980
	<u>15,373</u>	<u>-</u>	<u>15,373</u>
Total other financing sources (uses)	<u>15,373</u>	<u>-</u>	<u>15,373</u>
Net change in fund balance	2,104,600	1,823	2,106,423
Fund balance, beginning of year	<u>6,729,661</u>	<u>5,931,899</u>	<u>12,661,560</u>
Fund balance, end of year	<u>\$ 8,834,261</u>	<u>\$ 5,933,722</u>	<u>\$ 14,767,983</u>

West Northfield School District 31
Debt Service 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	\$ 858,905	\$ 957,119	\$ 98,214	\$ 770,634
Corporate personal property replacement taxes	-	258,139	258,139	275,010
Other	-	-	-	99,813
Total local sources	<u>858,905</u>	<u>1,215,258</u>	<u>356,353</u>	<u>1,145,457</u>
Total revenues	<u>858,905</u>	<u>1,215,258</u>	<u>356,353</u>	<u>1,145,457</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds and other - interest	-	393,807	(393,807)	415,842
Total debt service - interest	-	393,807	(393,807)	415,842
Principal payments on long-term debt	-	582,958	582,958	575,150
Total debt service	-	976,765	(976,765)	990,992
Provision for contingencies	851,558	-	851,558	-
Total expenditures	<u>851,558</u>	<u>976,765</u>	<u>(125,207)</u>	<u>990,992</u>
Excess of revenues over expenditures	<u>7,347</u>	<u>238,493</u>	<u>231,146</u>	<u>154,465</u>
Other financing sources				
Transfer to pay principal on capital leases	-	117,958	(117,958)	-
Transfer to pay interest on capital leases	-	6,649	(6,649)	-
Total other financing sources	-	124,607	(124,607)	-
Net change in fund balance	<u>\$ 7,347</u>	363,100	<u>\$ 355,753</u>	154,465
Fund balance, beginning of year		<u>1,487,911</u>		<u>1,333,446</u>
Fund balance, end of year		<u>\$ 1,851,011</u>		<u>\$ 1,487,911</u>

West Northfield School District 31
 Capital Projects 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		
Revenues				
Local sources				
Impact fees from municipal or county governments	\$ -	\$ 46,425	\$ 46,425	\$ 163,764
Other local fees	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
Total revenues	<u>100,000</u>	<u>46,425</u>	<u>(53,575)</u>	<u>163,764</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	280,000	225,592	54,408	49,413
Other objects	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
Total expenditures	<u>288,000</u>	<u>225,592</u>	<u>62,408</u>	<u>49,413</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (188,000)</u>	<u>(179,167)</u>	<u>\$ 8,833</u>	<u>114,351</u>
Fund balance, beginning of year		<u>482,292</u>		<u>367,941</u>
Fund balance , end of year		<u>\$ 303,125</u>		<u>\$ 482,292</u>

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

West Northfield School District 31
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST FIVE TAX LEVY YEARS

	2022	2021	2020	2019	2018
Assessed Valuation	\$ 725,023,883	\$ 622,047,682	\$ 669,257,911	\$ 675,663,444	\$ 598,973,369
Rates Extended					
Educational	2.1787	2.4162	2.2399	2.0785	2.3196
Educational - PA 102-0519	0.0926	0.2519	-	-	-
Operations and Maintenance	0.1655	0.1929	0.1494	0.2072	0.2235
Debt Service	0.1265	0.1447	0.1327	0.1292	0.1439
Transportation	0.1241	0.1206	0.1046	0.1036	0.0860
Municipal Retirement	0.0152	0.0185	0.0164	0.0222	0.0344
Social Security	0.0310	0.0289	0.0284	0.0355	0.0344
Working Cash	0.0001	0.0001	0.0001	0.0001	0.0001
Total rates extended	2.7337	3.1738	2.6715	2.5763	2.8419
Levies Extended					
Educational	\$ 15,796,147	\$ 15,030,002	\$ 14,990,504	\$ 14,043,774	\$ 13,894,080
Educational - PA 102-0519	671,275	1,567,047	-	-	-
Operations and Maintenance	1,200,000	1,200,000	1,000,000	1,400,000	1,339,000
Debt Service	917,036	900,184	887,794	872,873	861,827
Transportation	900,000	750,000	700,000	700,000	515,000
Municipal Retirement	110,000	115,000	110,000	150,000	206,000
Social Security	225,000	180,000	190,000	240,000	206,000
Working Cash	500	500	500	500	515
Total levies extended	\$ 19,819,958	\$ 19,742,733	\$ 17,878,798	\$ 17,407,147	\$ 17,022,422
Total collections	\$ 10,275,638	\$ 18,957,592	\$ 15,954,988	\$ 16,152,582	\$ 16,779,605
Percentage of extensions collected	51.84%	96.02%	89.24%	92.79%	98.57%

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