

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

Annual Financial Report

Year Ended June 30, 2024

West Northfield School District 31
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2024

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report | 1 - 5 |
| Management's Discussion and Analysis (Unaudited) | 6 - 16 |
| Basic Financial Statements | |
| Government-wide Financial Statements | |
| Statement of Net Position - Governmental Activities | 17 |
| Statement of Activities | 18 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 19 - 20 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 21 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | 22 - 23 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 24 - 25 |
| Notes to the Financial Statements | 26 - 75 |
| Required Supplementary Information (Unaudited) | |
| Multiyear Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Illinois Municipal Retirement Fund | 76 - 77 |
| Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund | 78 |
| Multiyear Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Retirement System of the State of Illinois | 79 - 80 |
| Multiyear Schedule of District Contributions - Teachers' Retirement System of the State of Illinois | 81 - 82 |
| Multiyear Schedule of Changes in Total Other Postretirement Benefits (OPEB) Liability and Related Ratios - Retiree Health Plan | 83 - 84 |
| Multiyear Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit (OPEB) Liability - Teachers' Health Insurance Security Fund | 85 - 86 |
| Multiyear Schedule of District Contributions - Teachers' Health Insurance Security Fund | 87 - 88 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund - Budgetary Basis | 89 - 100 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Operations and Maintenance Fund | 101 - 102 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund | 103 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Retirement/Social Security Fund | 104 - 106 |
| Notes to the Required Supplementary Information | 107 - 112 |

(Continued)

West Northfield School District 31
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2024

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Supplementary Financial Information | |
| Combining Balance Sheet - General Fund | 113 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund | 114 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund | 115 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Projects Fund | 116 |
| Other Supplemental Information (Unaudited) | |
| Property Tax Rates - Levies and Collections - Last Five Tax Levy Years | 117 |

(Concluded)

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, 2024, 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, 2024, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

(Continued)

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

(Continued)

Required Supplementary Information

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

Supplementary Financial Information

Our audit for the year ended June 30, 2024, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary financial information, as listed in the table of contents, for the year ended June 30, 2024, 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, 2024, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary financial information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2024.

(Continued)

Supplementary Financial 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, 2023, (not presented herein), and have issued our report thereon dated November 13, 2023, 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, 2023, 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 2023 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 2023 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, 2023.

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.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, 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 compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
December 4, 2024

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

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, 2024. 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 a decrease of \$260 over the prior year, or -1.0%. The general revenues related to local sources decreased by \$521, or -2.7%, and accounted for 73.2% of total General Fund Revenues. This decrease was mainly due to property tax collections and a decreased distribution of Corporate Personal Property Replacement Taxes (CPPRT).
- The General Fund had a decrease in fund balance in FY24 of \$1.7M. The General Fund fund balance decreased as a result of an additional \$1.8M invested in instructional expenditures during the 2023-2024 school year.
- This same schedule for Operations and Maintenance reports a decrease in revenues of 20% due to decreased property tax receipts and a decreased distribution of CPPRT. The Transportation Fund experienced an 8.6% increase in revenues due to additional state aid receipts. Expenses increased by 20.7% due to the inflation of fuel costs and increased ridership. Revenues increased for the IMRF and Social Security Funds by 41.6%. This was due to allocating more of the CPPRT receipts to those funds. Expenditures increased 1.8% over the prior year.
- Using the 2023 Agency Tax Rate Report, the District's 2023 total tax rate decreased to 2.6199 from 2.7337. This includes the debt service rate of 0.1191 and the third year of the levy adjustment created by P.A. 102-0519 of 0.0098, versus the prior year's rate of 0.0926. The Equalized Assessed Valuation (EAV) of the property within its boundaries increased by 7.4%, moving from \$725M to \$779M.
- The Estimated 2023-2024 Financial Profile Designation is anticipated to be a 3.65 score, which is the highest designation, categorized as Recognition.
- The estimated operating expense per pupil (OEPP) increased 10.6% from the prior year, and stands at \$24,007 per pupil (actual amount, not in thousands).
- The per capita tuition charge (PCTC) increased 10.8% over the previous year, landing at \$22,726 (actual amount, not in thousands). Average Daily Attendance was 927 compared to last year's 879.

West Northfield School District 31

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2024

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, 2024

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 decreased from \$18,344 as of June 30, 2023 to \$16,881 as of June 30, 2024, which reflects a -8.0% decrease. Total assets, which includes capital assets such as land and depreciable buildings, property and equipment, decreased by 2.8% due to a decrease of the total accumulated depreciation and capital assets being depreciated.

Current liabilities as of June 30, 2024 were \$759, or 27.7% higher than the prior year. This is mainly due to the status of the accounts payables due to vendors. Long term liabilities reflect a \$1,323 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, 2024

District-Wide Financial Analysis (Continued)

Deferred outflows of resources (actuarial losses) including pensions and other postemployment benefits are reported at \$2,481 for the current year compared to \$2,857 at June 30, 2023. Deferred inflows related to pensions, other postemployment benefits, and taxes levied for a future period decreased from last year by 3.0% to \$17,266. 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 2.8%. During FY23 and FY24, 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 1.2% for the District's Total Net Position, from a balance of \$11,674 at June 30, 2023 to \$11,814 at June 30, 2024.

| TABLE 1: Condensed Statements of Net Position (in thousands of dollars) | | |
|--|--------------------|--------------------|
| | <u>2024</u> | <u>2023</u> |
| Assets: | | |
| Current and other assets | \$27,738 | \$28,317 |
| Capital Assets, net | <u>13,836</u> | <u>14,440</u> |
| Total Assets | <u>41,574</u> | <u>42,757</u> |
| Deferred Outflow of Resources: | | |
| Pension liabilities | 666 | 805 |
| Other postemployment benefits | <u>1,815</u> | <u>2,052</u> |
| Total Deferred Outflow of Resources | <u>2,481</u> | <u>2,857</u> |
| Liabilities: | | |
| Current Liabilities | 759 | 594 |
| Long-term Liabilities | <u>14,216</u> | <u>15,539</u> |
| Total Liabilities | <u>14,975</u> | <u>16,133</u> |
| Deferred Inflow of Resources: | | |
| Pension liabilities | 85 | 133 |
| Other postemployment benefits liabilities | 7,973 | 9,093 |
| Property taxes levied for a future period | <u>9,208</u> | <u>8,581</u> |
| Total Deferred Inflow of Resources | <u>17,266</u> | <u>17,807</u> |
| Net Position: | | |
| Net investment in capital assets | 5,449 | 5,587 |
| Restricted | 4,650 | 4,241 |
| Unrestricted | <u>1,715</u> | <u>1,846</u> |
| Total Net Position | \$11,814 | \$11,674 |

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

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 65.4% of the revenues for fiscal year 2023-2024 compared to 67.4% the prior year. Of the remaining revenues, the second largest component was comprised of operating grants and contributions, which were 2.2% higher than the prior year. This is due to an increase in the state retirement contributions from the prior year. These contributions were \$7,529 for FY24 and \$7,389 for FY23.

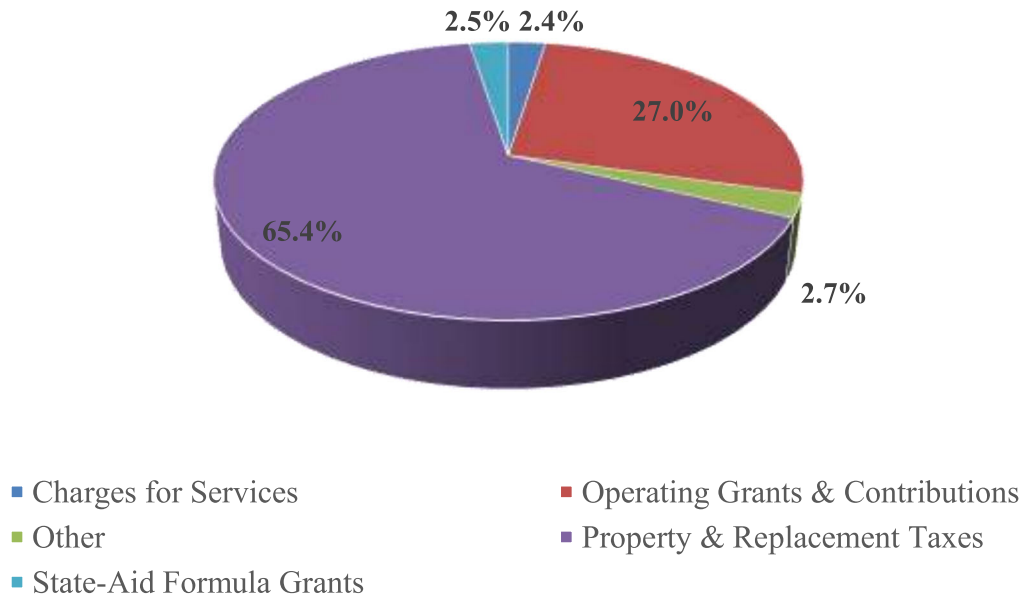
The total cost of programs on the Statement of Activities was \$31,799 for FY24, 9.1% higher than FY23. Instructional expenses were 8.1% higher this year as a result of an additional \$1.8M invested in instructional expenditures during the 2023-2024 school year.

| TABLE 2: Statement of Activities – Governmental Activities (in thousands of dollars) | | |
|---|----------------------|----------------------|
| | <u>2024</u> | <u>2023</u> |
| Revenues: | | |
| Program Revenues: | | |
| Charges for services | \$ 778 | \$ 823 |
| Operating grants and contributions | 8,615 | 8,427 |
| Capital grants and contributions | - | - |
| General Revenues: | | |
| Property & replacement taxes | 20,885 | 22,184 |
| State-aid formula grants | 809 | 808 |
| Other | <u>852</u> | <u>678</u> |
| Total Revenues | <u>31,939</u> | <u>32,920</u> |
| Expenses: | | |
| Instruction | 21,934 | 20,285 |
| Pupil and instructional staff services | 1,995 | 1,517 |
| Administration and business | 2,593 | 2,395 |
| Transportation | 1,575 | 1,304 |
| Operations and maintenance | 1,682 | 1,486 |
| Other | <u>2,020</u> | <u>2,161</u> |
| Total Expenses | <u>31,799</u> | <u>29,148</u> |
| Increase in net position | \$ 140 | \$ 3,772 |

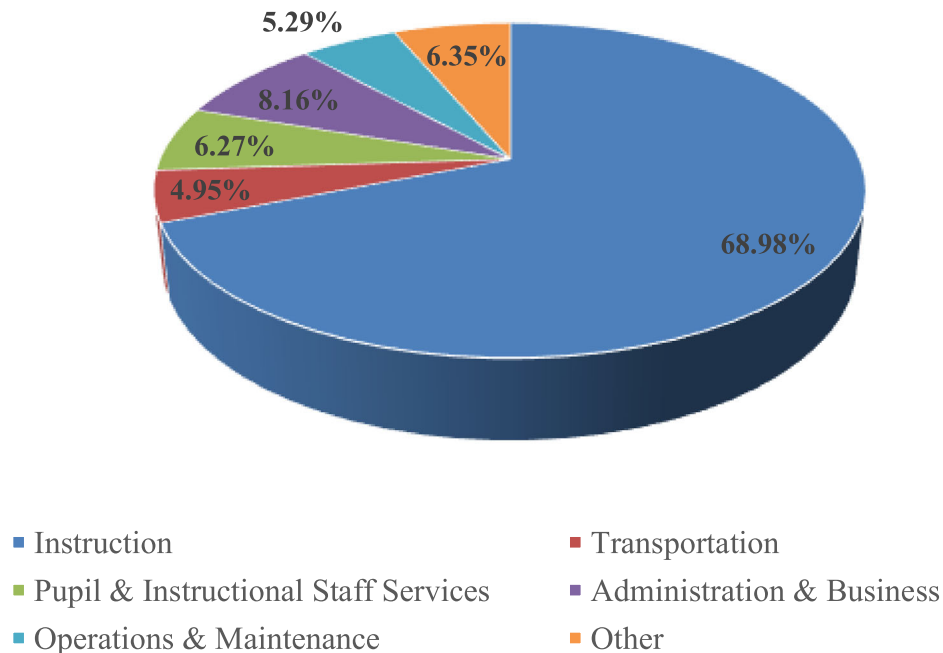
West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

District-Wide Financial Analysis (Continued)

District Wide Revenues by Source



District-Wide Expenses by Function



West Northfield School District 31

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2024

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 \$17,748. This reflects a 6.8% decrease when compared to last year's \$19,044.

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 incurs no expenses unless through transfers or abatements. 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, \$850,000 was transferred out of the working cash fund to other funds to provide funding for board approved capital projects.

Capital Assets and Debt Administration

Capital assets

After a few years of numerous building improvements, 2024 marks the fourth year of no major additions for capital assets and reflects no construction in progress. The data presented reflects a 4.2% decline in capital assets. Total net capital assets at June 30, 2024 is \$605 less than the prior year, representing a 4.2% reduction.

| TABLE 3: <i>Capital Assets (net of depreciation)</i> <i>(in thousands of dollars)</i> | | |
|--|--------------------|--------------------|
| | <u>2024</u> | <u>2023</u> |
| Land | \$ 81 | \$ 81 |
| Construction in progress | - | - |
| Depreciable buildings, property and equipment, net | 13,755 | 14,302 |
| Right to use leased assets, net of amortization | <u>-</u> | <u>58</u> |
| Total | \$13,836 | \$14,441 |

West Northfield School District 31

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2024

Capital Assets and Debt Administration (Continued)

Long-term liabilities

The District reports existing debt, finance and lease obligations, compensated absences, net pension liabilities and other postemployment benefits as long-term liabilities. The District's long-term liabilities decreased 8.5%, to \$14,216. This is primarily due to scheduled payments on financed, leased, and general obligations.

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

| TABLE 4: Outstanding Long-Term Liabilities (in thousands of dollars) | | |
|---|--------------------|--------------------|
| | <u>2024</u> | <u>2023</u> |
| General obligation bonds | \$10,010 | \$10,505 |
| Finance purchase | 92 | 140 |
| Unamortized premium | 178 | 199 |
| Lease liability | 60 | 119 |
| RHP OPEB | 165 | 168 |
| Compensated absences | 50 | 88 |
| THIS OPEB | 2,518 | 2,748 |
| IMRF net pension liability | 308 | 697 |
| TRS net pension liability | <u>835</u> | <u>875</u> |
| Total | \$14,216 | \$15,539 |

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 consistently monitors the effects of the current economic climate on its financial health. Through proactive fiscal management, it regularly reviews and adapts budgeting strategies to address challenges and make the most efficient use of resources. As student enrollment continues to grow, the District actively explores and secures new and existing state and federal grant opportunities, ensuring these funds are effectively utilized to support essential programs and resources that drive classroom success. The District remains steadfast in its commitment to delivering quality education while safeguarding long-term fiscal stability.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Factors bearing on the District's Future (Continued)

- Corporate Personal Property Replacement Taxes (CPPRT) are derived from revenues collected by the state and distributed to local governments to offset the loss of revenue resulting from the elimination of their ability to tax certain entities. These funds are based on a percentage of the Illinois net income generated by corporations, partnerships, trusts, S corporations, and public utilities. In fiscal year 2023-2024, the District experienced a substantial reduction in CPPRT funding compared to the previous year. In fiscal year 2022-2023, the District received \$1,357 in CPPRT revenue, which decreased by 39.7% to \$818 in fiscal year 2023-2024.
- As noted in last year's audit, the District's largest commercial taxpayer has sold most of its property to Dermody Properties, an industrial real estate developer specializing in warehousing. The redevelopment of this property is being closely monitored, as the primary intended use is for a distribution center. The District views this sale optimistically, anticipating it will contribute to a more stable tax base. However, tax receipts reflecting the full property value will be delayed due to the 6B industrial tax incentive granted by the Village of Glenview. This incentive reduces the assessed market value of the property, similar to the 7B tax incentive discussed below, which applies to commercial properties.
- In 2013, the Astellas Corporation in unincorporated Northbrook began utilizing a 7B tax incentive from the Village of Glenview, reducing the property's assessment rate from the standard 25% to 10% for ten years, followed by 15% in year eleven, 20% in year twelve, and returning to 25% in year thirteen. In 2023, the rate increased to 15% for most of the property, but the Village granted an extension of the 10% rate for a portion of it. In return, Astellas committed to further investing in the property, with the 10% assessment extended for an additional ten years.
- Minimizing the financial impact of significant property tax appeals and other property tax reductions remains a top priority for the District. When evaluating various project initiatives and tax incentive requests, the District prioritizes decisions that align with the best interests of both the District and the community. These efforts include proactive measures to prevent large tax refunds and address potential revenue losses. By identifying and addressing these risks early, the District has been able to maintain financial stability, significantly mitigating or, in some cases, entirely avoiding negative financial outcomes. 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 focuses on maintaining stability within its Debt Service Extension Base (DSEB) while addressing the evolving needs of students, staff, and the community. This approach includes ongoing efforts to enhance the learning environment and uphold a strong, fiscally responsible position. These priorities are reinforced in the District's most recent Strategic Plan, approved by the Board of Education. The strategy ensures that resources are allocated equitably and responsibly, maximizing opportunities for all learners by providing access to advanced technology and adaptive, future-focused learning environments.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Factors bearing on the District's Future (Continued)

- As we remain committed to our Strategic Plan, the District continues to make progress in advancing the following goals:
 - Strengthening family and community partnerships to foster collaboration and engagement.
 - Cultivating professional practices and shared leadership to empower staff and enhance effectiveness.
 - Creating a healthy, supportive learning environment that meets the diverse needs of all learners.
 - Promoting academic and social-emotional growth to elevate student achievement.
 - Upholding a culture of fiscal responsibility and intentional spending to effectively support student needs.
 - These ongoing efforts reflect our dedication to achieving meaningful and measurable improvements across all areas of focus.
- The District remains vigilant in monitoring state policies and legislative changes, including those related to pensions, state and federal funding, property taxes, and child protection laws. State funding, provided through the Evidence-Based Funding model, allocates resources based on individual districts' needs, including support for low-income students, English learners, and special education programs. For the District, this funding will remain at its current level with only minimal increases, as it is classified as a Tier IV district and considered well-funded under the state's framework.
- The District actively participates in various insurance cooperatives, including health, workers' compensation, and property/liability coverage, to effectively manage costs and protect its assets. Beyond standard liability insurance, the District also secures pollution and cyber liability coverage, the latter becoming increasingly essential due to the rising number of cyber breaches. This proactive approach safeguards critical information within program applications while maintaining financial stability. Participation in these cooperatives offers cost-saving initiatives and shields the District from significant fluctuations in the insurance marketplace, a crucial advantage for a smaller-sized district.
- The District currently participates in the treasury function provided by the Northfield Township Trustees of Schools. The Township Treasurer serves as the Chief Investment Officer. The Township Treasurer invests funds not required for current operations, in accordance with Board policy and state law. The District 31 Board of Education and Administration have held discussions regarding the withdrawal from the treasury functions, similar to three other school districts in Northfield Township who have already completed the withdrawal process. It is the District's intention to withdraw from the treasury function at the end of the 2024-25 fiscal year. A transition plan will be developed and implemented prior to June 30, 2025.

West Northfield School District 31
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

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 Director of Finance and Operations/CSBO, at 847-313-4413.

BASIC FINANCIAL STATEMENTS

West Northfield School District 31
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2024

ASSETS

| | |
|---|-------------------|
| Cash and investments | \$ 16,881,075 |
| Receivables (net of allowance for uncollectibles) | |
| Interest | 103,535 |
| Property taxes | 10,370,672 |
| Replacement taxes | 138,586 |
| Intergovernmental | 186,409 |
| Prepaid items | 57,046 |
| Capital assets: | |
| Land | 81,393 |
| Depreciable buildings, property, and equipment, net of depreciation | 13,754,940 |
| Right to use leased assets, net of amortization | <u>16</u> |
| Total assets | <u>41,573,672</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--|------------------|
| Deferred outflows related to pensions | 665,999 |
| Deferred outflows related to other postemployment benefits | <u>1,815,498</u> |
| Total deferred outflows | <u>2,481,497</u> |

LIABILITIES

| | |
|---------------------------|-------------------|
| Accounts payable | 323,740 |
| Other current liabilities | 32,594 |
| Interest payable | 37,453 |
| Unearned revenue | 365,055 |
| Long-term liabilities: | |
| Due within one year | 800,856 |
| Due after one year | <u>13,415,464</u> |
| Total liabilities | <u>14,975,162</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|---|-------------------|
| Property taxes levied for a future period | 9,207,968 |
| Deferred inflows related to pensions | 85,367 |
| Deferred inflows related to other postemployment benefits | <u>7,972,818</u> |
| Total deferred inflows | <u>17,266,153</u> |

NET POSITION

| | |
|----------------------------------|-----------------------------|
| Net investment in capital assets | 5,448,993 |
| Restricted for: | |
| Operations and maintenance | 716,646 |
| Debt service | 1,865,905 |
| Retirement benefits | 340,279 |
| Student transportation | 1,012,675 |
| Capital projects | 714,862 |
| Unrestricted | <u>1,714,494</u> |
| Total net position | <u><u>\$ 11,813,854</u></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, 2024

| Functions / Programs | Expenses | PROGRAM REVENUES | | Net (Expenses) Revenue and Changes in Net Position |
|---|----------------------|-------------------------|--|---|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental activities | | | | |
| Instruction: | | | | |
| Regular programs | \$ 7,921,169 | \$ 612,512 | \$ 201,435 | \$ (7,107,222) |
| Special programs | 4,760,776 | - | 300,674 | (4,460,102) |
| Other instructional programs | 1,723,556 | - | 29,903 | (1,693,653) |
| State retirement contributions | 7,528,889 | - | 7,528,889 | - |
| Support services: | | | | |
| Pupils | 1,245,451 | - | 18,472 | (1,226,979) |
| Instructional staff | 749,645 | - | 33,792 | (715,853) |
| General administration | 1,001,113 | - | - | (1,001,113) |
| School administration | 838,453 | - | - | (838,453) |
| Business | 763,170 | - | - | (763,170) |
| Transportation | 1,574,572 | 159,104 | 501,601 | (913,867) |
| Operations and maintenance | 1,682,440 | 6,315 | - | (1,676,125) |
| Central | 566,118 | - | - | (566,118) |
| Other supporting services | - | - | - | - |
| Community services | 44,640 | - | - | (44,640) |
| Interest and fees | 358,355 | - | - | (358,355) |
| Unallocated depreciation and amortization | 1,041,211 | - | - | (1,041,211) |
| Total governmental activities | <u>\$ 31,799,558</u> | <u>\$ 777,931</u> | <u>\$ 8,614,766</u> | <u>(22,406,861)</u> |
| General revenues: | | | | |
| Taxes: | | | | |
| | | | | 16,689,805 |
| | | | | 2,457,996 |
| | | | | 919,364 |
| | | | | 818,263 |
| | | | | 809,236 |
| | | | | 815,405 |
| | | | | <u>36,655</u> |
| | | | | <u>22,546,724</u> |
| | | | | 139,863 |
| | | | | <u>11,673,991</u> |
| | | | | \$ 11,813,854 |

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Governmental Funds

BALANCE SHEET

June 30, 2024

| | General | Operations and Maintenance | Transportation |
|---|----------------------|-------------------------------|---------------------|
| <hr/> | | | |
| ASSETS | | | |
| Cash and investments | \$ 12,247,179 | \$ 674,088 | \$ 1,103,583 |
| Receivables (net of allowance for uncollectibles): | | | |
| Interest | 103,535 | - | - |
| Property taxes | 8,628,430 | 609,845 | 457,290 |
| Replacement taxes | 90,614 | 21,321 | - |
| Intergovernmental | 186,409 | - | - |
| Prepaid items | 57,046 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 21,313,213</u> | <u>\$ 1,305,254</u> | <u>\$ 1,560,873</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 239,504 | \$ 47,125 | \$ 37,111 |
| Other current liabilities | 32,567 | 27 | - |
| Unearned revenue | 259,955 | - | 105,100 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>532,026</u> | <u>47,152</u> | <u>142,211</u> |
| DEFERRED INFLOWS | | | |
| Unavailable interest revenue | 60,394 | - | - |
| Property taxes levied for a future period | 7,661,041 | 541,456 | 405,987 |
| | <hr/> | <hr/> | <hr/> |
| Total deferred inflows | <u>7,721,435</u> | <u>541,456</u> | <u>405,987</u> |
| FUND BALANCES | | | |
| Nonspendable | 57,046 | - | - |
| Restricted | - | 716,646 | 1,012,675 |
| Assigned | 27,008 | - | - |
| Unassigned | 12,975,698 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total fund balances | <u>13,059,752</u> | <u>716,646</u> | <u>1,012,675</u> |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 21,313,213</u> | <u>\$ 1,305,254</u> | <u>\$ 1,560,873</u> |

The accompanying notes are an integral part of this statement.

| Municipal Retirement / Soc. Sec. | Debt Service | Capital Projects | Total |
|--|---------------------|---------------------|----------------------|
| \$ 312,182 | \$ 1,850,502 | \$ 693,541 | \$ 16,881,075 |
| - | - | - | 103,535 |
| 203,532 | 471,575 | - | 10,370,672 |
| 5,330 | - | 21,321 | 138,586 |
| - | - | - | 186,409 |
| - | - | - | 57,046 |
| <u>\$ 521,044</u> | <u>\$ 2,322,077</u> | <u>\$ 714,862</u> | <u>\$ 27,737,323</u> |
| \$ - | \$ - | \$ - | \$ 323,740 |
| - | - | - | 32,594 |
| - | - | - | 365,055 |
| - | - | - | 721,389 |
| - | - | - | 60,394 |
| 180,765 | 418,719 | - | 9,207,968 |
| 180,765 | 418,719 | - | 9,268,362 |
| - | - | - | 57,046 |
| 340,279 | 1,903,358 | 714,862 | 4,687,820 |
| - | - | - | 27,008 |
| - | - | - | 12,975,698 |
| 340,279 | 1,903,358 | 714,862 | 17,747,572 |
| <u>\$ 521,044</u> | <u>\$ 2,322,077</u> | <u>\$ 714,862</u> | <u>\$ 27,737,323</u> |

West Northfield School District 31
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2024

| | | |
|--|----|------------|
| Total fund balances - total governmental funds | \$ | 17,747,572 |
|--|----|------------|

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. | | 13,836,349 |
|--|--|------------|

| | | |
|---|--|--------|
| 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. | | 60,394 |
|---|--|--------|

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 | | 665,999 |
| Deferred inflows of resources related to pensions | | (85,367) |

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 | | 1,815,498 |
| Deferred inflows of resources related to OPEB | | (7,972,818) |

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 | (10,010,000) | |
| Unamortized bond premiums | (177,732) | |
| Installment finance purchase | (92,236) | |
| Lease liabilities | (60,120) | |
| Compensated absences | (49,754) | |
| IMRF net pension liability | (308,465) | |
| TRS net pension liability | (834,731) | |
| RHP total other postemployment benefit liability | (164,873) | |
| THIS net other postemployment benefit liability | (2,518,409) | (14,216,320) |

| | | |
|--|--|----------|
| 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. | | (37,453) |
|--|--|----------|

| | | |
|---|----|------------|
| Net position of governmental activities | \$ | 11,813,854 |
|---|----|------------|

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, 2024

| | General | Operations and Maintenance | Transportation | Municipal Retirement / Soc. Sec. |
|--|----------------------|-------------------------------|---------------------|--|
| Revenues | | | | |
| Property taxes | \$ 16,689,805 | \$ 1,196,023 | \$ 894,094 | \$ 367,879 |
| Replacement taxes | 497,493 | 108,232 | 40,000 | 151,217 |
| State aid | 6,295,678 | - | 501,601 | - |
| Federal aid | 542,531 | - | - | - |
| Interest | 887,422 | - | - | - |
| Other | 649,167 | 6,315 | 159,104 | - |
| Total revenues | <u>25,562,096</u> | <u>1,310,570</u> | <u>1,594,799</u> | <u>519,096</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 8,491,386 | - | - | 121,404 |
| Special programs | 3,105,593 | - | - | 60,901 |
| Other instructional programs | 1,847,567 | - | - | 42,648 |
| State retirement contributions | 5,444,697 | - | - | - |
| Support services: | | | | |
| Pupils | 1,428,039 | - | - | 25,487 |
| Instructional staff | 784,716 | - | - | 8,223 |
| General administration | 1,030,703 | - | - | 23,342 |
| School administration | 875,544 | - | - | 27,944 |
| Business | 794,265 | - | - | 23,474 |
| Transportation | - | - | 1,574,572 | - |
| Operations and maintenance | - | 1,454,292 | - | 65,217 |
| Central | 586,071 | - | - | 37,388 |
| Other supporting services | - | - | - | - |
| Community services | 43,262 | - | - | 1,378 |
| Nonprogrammed charges | 1,741,845 | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and other | - | - | - | - |
| Capital outlay | 261,297 | 55,276 | - | - |
| Total expenditures | <u>26,434,985</u> | <u>1,509,568</u> | <u>1,574,572</u> | <u>437,406</u> |
| Excess (deficiency) of revenues over expenditures | (872,889) | (198,998) | 20,227 | 81,690 |
| Other financing sources (uses) | | | | |
| Transfers in | 126,500 | 723,500 | - | - |
| Transfers (out) | (850,000) | (678,500) | - | - |
| Transfer to pay principal on capital leases | (106,551) | - | - | - |
| Transfer to pay interest on capital leases | (5,291) | - | - | - |
| Capital lease proceeds | - | - | - | - |
| Total other financing sources (uses) | <u>(835,342)</u> | <u>45,000</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (1,708,231) | (153,998) | 20,227 | 81,690 |
| Fund balance, beginning of year | <u>14,767,983</u> | <u>870,644</u> | <u>992,448</u> | <u>258,589</u> |
| Fund balance, end of year | <u>\$ 13,059,752</u> | <u>\$ 716,646</u> | <u>\$ 1,012,675</u> | <u>\$ 340,279</u> |

The accompanying notes are an integral part of this statement.

| Debt Service | Capital Projects | Total |
|---------------------|---------------------|----------------------|
| \$ 919,364 | \$ - | \$ 20,067,165 |
| - | 21,321 | 818,263 |
| - | - | 6,797,279 |
| - | - | 542,531 |
| - | - | 887,422 |
| - | - | 814,586 |
| <u>919,364</u> | <u>21,321</u> | <u>29,927,246</u> |
| - | - | 8,612,790 |
| - | - | 3,166,494 |
| - | - | 1,890,215 |
| - | - | 5,444,697 |
| - | - | 1,453,526 |
| - | - | 792,939 |
| - | - | 1,054,045 |
| - | - | 903,488 |
| - | - | 817,739 |
| - | - | 1,574,572 |
| - | - | 1,519,509 |
| - | - | 623,459 |
| - | - | - |
| - | - | 44,640 |
| - | - | 1,741,845 |
| 601,551 | - | 601,551 |
| 377,308 | - | 377,308 |
| - | 288,084 | 604,657 |
| <u>978,859</u> | <u>288,084</u> | <u>31,223,474</u> |
| (59,495) | (266,763) | (1,296,228) |
| - | 678,500 | 1,528,500 |
| - | - | (1,528,500) |
| 106,551 | - | - |
| 5,291 | - | - |
| - | - | - |
| <u>111,842</u> | <u>678,500</u> | <u>-</u> |
| 52,347 | 411,737 | (1,296,228) |
| <u>1,851,011</u> | <u>303,125</u> | <u>19,043,800</u> |
| <u>\$ 1,903,358</u> | <u>\$ 714,862</u> | <u>\$ 17,747,572</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, 2024

Net change in fund balances - total governmental funds. \$ (1,296,228)

Amounts reported for governmental activities in the statement of activities are different because:

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

| | | |
|---------------------------------------|--------------------|-----------|
| Capital outlay | 436,817 | |
| Depreciation and amortization expense | <u>(1,041,211)</u> | (604,394) |

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. (72,017)

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 | (149,495) |
| Deferred outflows and inflows of resources related to TRS pension | 57,932 |

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 | (9,849) |
| Deferred outflows and inflows of resources related to THIS | 893,744 |

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. (2,664)

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

The accompanying notes are an integral part of this statement.

(Continued)

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, 2024

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 | 47,744 | |
| Principal repayments - general obligation bonds | 495,000 | |
| Lease liabilities repayments | 58,807 | |
| Compensated absences, net | 37,997 | |
| IMRF pension liability, net | 388,850 | |
| TRS pension liability, net | 39,976 | |
| RHP other postemployment benefit liability, net | 3,437 | |
| THIS other postemployment benefit liability, net | <u>229,406</u> | <u>1,301,217</u> |
| Change in net position of governmental activities | | \$ <u><u>139,863</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, 2024

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. 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.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds (Continued)

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, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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, 2024, 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, 2024, the District reported deferred inflows related to property taxes levied for a future period, pension liabilities, other postemployment benefits, and unavailable interest revenue.

6. Deposits and Investments

The District utilizes 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.

7. 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.

8. 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.

9. 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 agreement.

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

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 |

10. 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. 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.

12. 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.

13. 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. 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.

15. 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, 2024.
- 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 \$27,008 has been assigned at June 30, 2024.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Fund Balance (Continued)

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

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

The nonspendable fund balance in the General Fund consists of \$57,046 for prepaid items. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

16. 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 District utilizes 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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.

At June 30, 2024, the District's cash and investments consisted of the following, and for disclosure purposes are segregated as follows:

| | <u>Total</u> |
|---|----------------------|
| Deposits with financial institutions* | \$ 951,998 |
| Illinois Funds | 887,347 |
| Illinois Trust Term Series | 5,250,000 |
| Illinois School District Liquid Asset Fund Plus (ISDLAF+) | 4,434,487 |
| Treasury Securities | <u>5,357,243</u> |
| | <u>\$ 16,881,075</u> |

*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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. **Cash and Investments in the Custody of the District**

At June 30, 2024, the carrying value of the District's student activity, imprest, e-pay, and flexible benefit accounts was \$959,796, all of which was deposited with financial institutions.

2. **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, 2024, the fair value of District investments held by the Treasurer's office was \$13,833,393.

3. **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 Securities | \$ 5,357,243 | \$ 5,357,243 | \$ - | \$ - | \$ - |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

3. Deposit and Investment Risks (Continued)

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

| | | <u>Unfunded Commitments</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
|----------------|--------------|---------------------------------|---------------------------------|---|
| ISDLAF+ | \$ 4,434,487 | n/a | Daily | 1 day |
| Illinois Funds | 887,347 | n/a | Daily | 1 day |
| Illinois Trust | 5,250,000 | 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.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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, 2024, the bank balance of the District's deposits with financial institutions totaled \$2,343,577 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.

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 20, 2023. 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE C - PROPERTY TAXES RECEIVABLE (Continued)

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 2023 is 3.0163.

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 2023 tax levy was \$778,811,111

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 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 2023 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, 2024

NOTE D - CAPITAL ASSETS AND RIGHT TO USE ASSETS

Capital asset and right to use asset activity for the year ended June 30, 2024 was as follows:

| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
|--|-------------------------|--------------|-----------|--------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 81,393 | \$ - | \$ - | \$ 81,393 |
| Capital assets, being depreciated | | | | |
| Buildings | 27,195,817 | - | - | 27,195,817 |
| Building improvements | 3,549,412 | 357,738 | - | 3,907,150 |
| Equipment | 3,058,819 | 79,079 | - | 3,137,898 |
| Vehicles | 51,848 | - | - | 51,848 |
| Total capital assets, being depreciated | 33,855,896 | 436,817 | - | 34,292,713 |
| Less accumulated depreciation for: | | | | |
| Buildings | 15,356,812 | 723,301 | - | 16,080,113 |
| Building improvements | 1,898,862 | 134,333 | - | 2,033,195 |
| Equipment | 2,246,634 | 125,967 | - | 2,372,601 |
| Vehicles | 51,848 | - | - | 51,848 |
| Total accumulated depreciation | 19,554,156 | 983,601 | - | 20,537,757 |
| Total capital assets, being depreciated, net | 14,301,740 | (546,784) | - | 13,754,956 |
| Right to use assets | | | | |
| Leased equipment | 288,047 | - | - | 288,047 |
| Less accumulated amortization for leased equipment | 230,437 | 57,610 | - | 288,047 |
| Total right to use assets, net | 57,610 | (57,610) | - | - |
| Governmental activities capital assets, net | \$ 14,440,743 | \$ (604,394) | \$ - | \$ 13,836,349 |

The District does not allocate depreciation and amortization by function.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE E - LONG-TERM LIABILITIES

During the year ended June 30, 2024, changes in long-term liabilities were as follows:

| | Balance July 1, 2023 | Additions | Deletions | Balance June 30, 2024 |
|---|-------------------------|---------------------|---------------------|--------------------------|
| General obligation bonds | \$ 10,505,000 | \$ - | \$ 495,000 | \$ 10,010,000 |
| Finance purchase | 139,980 | - | 47,744 | 92,236 |
| Lease liabilities | 118,927 | - | 58,807 | 60,120 |
| Unamortized premium | 199,349 | - | 21,617 | 177,732 |
| Compensated absences | 87,751 | 120,329 | 158,326 | 49,754 |
| RHP total other postemployment benefit liability | 168,310 | 21,888 | 25,325 | 164,873 |
| THIS total other postemployment benefit liability | 2,747,815 | 2,250,551 | 2,479,957 | 2,518,409 |
| IMRF net pension liability | 697,315 | 994,756 | 1,383,606 | 308,465 |
| TRS net pension liability | 874,707 | 59,468 | 99,444 | 834,731 |
| | <u>\$ 15,539,154</u> | <u>\$ 3,446,992</u> | <u>\$ 4,769,826</u> | <u>\$ 14,216,320</u> |

| | Due Within One Year |
|--------------------------|------------------------|
| General obligation bonds | \$ 520,000 |
| Finance purchase | 170,982 |
| Lease liabilities | 60,120 |
| Compensated absences | 49,754 |
| | <u>\$ 800,856</u> |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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, 2024, are as follows:

| | <u>Bonds Payable</u> <u>July 1, 2023</u> | <u>Debt Issued</u> | <u>Debt Retired</u> | <u>Bonds Payable</u> <u>June 30, 2024</u> |
|--|---|--------------------|-----------------------|--|
| \$2,985,000 GO Limited School Bonds Series 2015A, dated July 9, 2015, due December 1, 2024, interest at 3.00%. \$ | 755,000 | \$ - | \$ 495,000 | \$ 260,000 |
| \$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 | - | - | 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%. 7,975,000 | 7,975,000 | - | - | 7,975,000 |
| Total \$ | <u>10,505,000</u> | <u>\$ -</u> | <u>\$ 495,000</u> | <u>\$ 10,010,000</u> |

At June 30, 2024, the District's annual debt service requirements to maturity for bond principal and interest were as follows:

| <u>Year Ending</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|-----------------------|-------------------------|--------------------------|
| 2025 \$ | 520,000 | 355,458 | 875,458 |
| 2026 | 550,000 | 338,460 | 888,460 |
| 2027 | 580,000 | 319,953 | 899,953 |
| 2028 | 615,000 | 299,909 | 914,909 |
| 2029-2033 | 3,635,000 | 1,140,008 | 4,775,008 |
| 2034-2038 | 4,110,000 | 372,130 | 4,482,130 |
| Total \$ | <u>10,010,000</u> | <u>\$ 2,825,917</u> | <u>\$ 12,835,917</u> |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 \$1,903,358 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, 2024, the statutory debt limit for the District was \$53,737,967, of which \$43,575,611 is fully available.

2. Finance Purchase and Lease Liabilities

The District currently has 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 \$51,000 which began July 2023 and will continue until July 2025.

The computer lease and ipad lease agreements qualify as financed purchase agreements, and therefore, have 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. The District's recorded right to use asset (Note A-9) is fully amortized (Note D) as of June 30, 2024. The obligations for these leases will be repaid from the Debt Service Fund.

At June 30, 2024, the District's future cash flow requirements for retirement of lease liability and finance purchase is follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-------------------|------------------|-------------------|
| 2025 | 104,682 | 7,160 | 111,842 |
| 2026 | 47,674 | 3,328 | 51,002 |
| | <u>\$ 152,356</u> | <u>\$ 10,488</u> | <u>\$ 162,844</u> |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE E - LONG-TERM LIABILITIES (Continued)

3. **Compensated Absences**

At June 30, 2024, compensated absences amounted to \$49,754. Future payments will be made from the same fund where the employee's salary is recorded.

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/fy2023>; 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

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.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Contributions (Continued)

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, 2023, 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, 2024, 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 \$6,069,865 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$5,342,242 in the General Fund based on the current financial resources measurement basis.

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, 2024, were \$66,027, and are deferred because they were paid after the June 30, 2023 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, 2024, the employer pension contribution was 10.60 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2024, salaries totaling \$0 were paid from federal and special trust funds that required employer contributions of \$0.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Contributions (Continued)

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, 2024, the District paid \$7,125 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2024, 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 | \$ 834,731 |
| State's proportionate share of the net pension liability associated with the District | <u>72,037,718</u> |
| Total | <u><u>\$ 72,872,449</u></u> |

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. 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, 2023, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2023, the District's proportion was 0.0009822610 percent, which was a decrease of 0.0000610394 percent from its proportion measured as of June 30, 2022.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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)

For the year ended June 30, 2024, 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 | \$ 6,069,865 | \$ 5,342,242 |
| District TRS pension expenditure (benefit) | <u>(31,884)</u> | <u>66,027</u> |
| Total TRS expense/expenditure | <u>\$ 6,037,981</u> | <u>\$ 5,408,269</u> |

At June 30, 2024, 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 | \$ 3,470 | \$ 3,365 |
| Change in assumptions | 2,847 | 734 |
| Net difference between projected and actual earnings on pension plan investments | - | 24 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | <u>20,085</u> | <u>71,374</u> |
| Total deferred amounts to be recognized in pension expense in the future periods | <u>26,402</u> | <u>75,497</u> |
| District contributions subsequent to the measurement date | <u>66,027</u> | <u>-</u> |
| Total deferred amount related to pension | <u>\$ 92,429</u> | <u>\$ 75,497</u> |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 \$66,027 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, 2025. 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 Inflows (Outflows) of Resources |
|-------------------------|--|
| 2025 | \$ 22,944 |
| 2026 | 19,826 |
| 2027 | (4,548) |
| 2028 | 5,817 |
| 2029 | <u>5,056</u> |
| Total | <u>\$ 49,095</u> |

Actuarial Assumptions

The total pension liability in the June 30, 2023. 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, 2023 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, 2022 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, 2024

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> |
|-------------------------|------------------------------|---|
| Global Equity | 37.0 % | 5.35 % |
| Private Equity | 15.0 | 8.03 |
| Income | 26.0 | 4.32 |
| Real Assets | 18.0 | 4.60 |
| Diversifying Strategies | 4.0 | 3.40 |
| Total | 100.0 % | |

* Based on the 2023 Horizon Survey of Capital Market Assumptions and TRS's target asset allocation provided by RVK.

Discount Rates

At June 30, 2023, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2022 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 (Continued)

Based on those assumptions, TRS's fiduciary net position at June 30, 2023, 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>(6.00%)</u> | <u>Current</u> <u>Discount Rate</u> <u>(7.00%)</u> | <u>1% Increase</u> <u>(8.00%)</u> |
|---|--------------------------------------|--|--------------------------------------|
| District's proportionate share of the net pension liability | \$ 1,027,436 | \$ 834,731 | \$ 674,806 |

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2023 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

Employees Covered by Benefit Terms

As of December 31, 2023, the following employees were covered by the benefit terms:

| | |
|--|-------------------|
| Retirees and beneficiaries currently receiving benefits | 73 |
| Inactive plan members entitled to but not yet receiving benefits | 182 |
| Active plan members | <u>48</u> |
| Total | <u><u>303</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 2023 was 6.02%. For the fiscal year ended June 30, 2024, the District contributed \$113,991 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 (asset) was measured as of December 31, 2023. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

| | |
|------------------------|------------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market Value of Assets |
| Inflation Rate | 2.25% |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

| | |
|-----------------------------------|---|
| 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 2023 valuation pursuant to an experience study from years 2020 to 2022. |
| Mortality | For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021. |
| 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, 2023: |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return (Continued)

| Asset Class | Portfolio Target Percentage | Long-Term Expected Real Rate of Return |
|-------------------------|-----------------------------------|---|
| Domestic equities | 34.50% | 5.00 % |
| International equities | 18.00% | 6.35 % |
| Fixed income | 24.50% | 4.75 % |
| Real estate | 10.50% | 6.30% |
| Alternative investments | 11.50% | 6.05%-8.65% |
| Cash equivalents | 1.00% | 3.80 % |
| 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, 2023. 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 3.77% (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, 2024

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, 2023:

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability(Asset) (A) - (B) |
|---|-----------------------------------|---------------------------------------|--|
| Balances at December 31, 2022 | \$ 8,614,022 | \$ 7,916,707 | \$ 697,315 |
| Changes for the year: | | | |
| Service cost | 169,765 | - | 169,765 |
| Interest on the total pension liability | 611,285 | - | 611,285 |
| Difference between expected and actual experience of the total pension liability | 213,706 | - | 213,706 |
| Changes of assumptions | (25,396) | - | (25,396) |
| Contributions - employer | - | 119,509 | (119,509) |
| Contributions - employees | - | 89,335 | (89,335) |
| Net investment income | - | 861,926 | (861,926) |
| Benefit payments, including refunds of employee contributions | (534,784) | (534,784) | - |
| Other (net transfer) | - | 287,440 | (287,440) |
| Net changes | 434,576 | 823,426 | (388,850) |
| Balances at December 31, 2023 | \$ 9,048,598 | \$ 8,740,133 | \$ 308,465 |

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%) |
|-------------------------------|---------------------|-------------------------------------|----------------------|
| Net pension liability (asset) | \$ 1,197,111 | \$ 308,465 | \$ (418,566) |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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, 2024, the District recognized a pension benefit of \$125,421. At June 30, 2024, 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 | \$ 83,055 | \$ - |
| Change of assumptions | - | 9,870 |
| Net difference between projected and actual earnings on pension plan investments | <u>434,391</u> | <u>-</u> |
| Total deferred amounts to be recognized in pension expense in the future periods | <u>517,446</u> | <u>9,870</u> |
| Pension contributions made subsequent to the measurement date | <u>56,124</u> | <u>-</u> |
| Total deferred amounts related to pensions | <u><u>\$ 573,570</u></u> | <u><u>\$ 9,870</u></u> |

The District reported \$56,124 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, 2025.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 |
|-------------------------|--|
| 2025 | \$ 115,303 |
| 2026 | 145,234 |
| 2027 | 304,911 |
| 2028 | (57,872) |
| 2029 | - |
| Thereafter | - |
| Total | \$ <u>507,576</u> |

3. Summary of Pension Items

Below is a summary of the various pension items:

| | TRS | IMRF | Total |
|---------------------------------|---------------------|---------------------|---------------------|
| Deferred outflows of resources: | | | |
| Employer contributions | \$ 66,027 | \$ 56,124 | \$ 122,151 |
| Experience | 3,470 | 83,055 | 86,525 |
| Assumptions | 2,847 | - | 2,847 |
| Proportionate share | 20,085 | - | 20,085 |
| Investments | - | 434,391 | 434,391 |
| | \$ <u>92,429</u> | \$ <u>573,570</u> | \$ <u>665,999</u> |
| Net pension liability (asset) | \$ <u>834,731</u> | \$ <u>308,465</u> | \$ <u>1,143,196</u> |
| Pension expense (benefit) | \$ <u>6,037,981</u> | \$ <u>(125,421)</u> | \$ <u>5,912,560</u> |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

| | TRS | IMRF | Total |
|--------------------------------|------------------|-----------------|------------------|
| Deferred inflows of resources: | | | |
| Experience | \$ 3,365 | \$ - | \$ 3,365 |
| Assumptions | 734 | 9,870 | 10,604 |
| Investments | 24 | - | 24 |
| Proportionate share | 71,374 | - | 71,374 |
| | <u>\$ 75,497</u> | <u>\$ 9,870</u> | <u>\$ 85,367</u> |

4. Social Security/Medicare

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

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, 2024, was 6. The plan allows for both employee and the District to make optional contributions to the plan. For the fiscal year ended June 30, 2024, 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, 2024, was 50. The plan allows for both employee and the District to make contributions to the plan. For the fiscal year ended June 30, 2024, the District did not make any contributions to the plan.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 was required to be adopted by all public-school districts in Illinois by September 30, 2022. The Board of Education voted to adopt this plan on February 28, 2022. The Supplemental Savings Plan is a of a 457(b) Retirement Plan, which is a defined contribution plan. The plan assets are held in a trust and is administered by a third party serving as the plan's trustee. The number of employees participating in the plan on June 30, 2024, was 3. The plan allows for both employee and the District to make contributions to the plan. For the fiscal year ended June 30, 2024, 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 reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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, 2024. 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, 2024, the District recognized revenue and expenses of \$1,459,024 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$102,455 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, 2024. For the year ended June 30, 2024, the District paid \$76,272 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2023 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, 2024

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, 2024, 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 | \$ 2,518,409 |
| State's estimated proportionate share of the net OPEB liability associated with the District* | <u>3,405,691</u> |
| | <u>\$ 5,924,100</u> |

- * The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the 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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to June 30, 2023. 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, 2023, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2023, the District's proportion was 0.035334 percent, which was a decrease of 0.004811 percent from its proportion measured as of June 30, 2022.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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, 2024, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

| | Governmental Activities | General Fund |
|---|----------------------------|-------------------|
| State on-behalf contributions - OPEB revenue and expense/expenditure | \$ 1,459,024 | \$ 102,455 |
| District OPEB pension expense (benefit) | <u>(1,049,660)</u> | <u>76,272</u> |
| Total OPEB expense/expenditure | <u>\$ 409,364</u> | <u>\$ 178,727</u> |

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ 1,406,332 |
| Changes of assumptions | 33,381 | 4,950,035 |
| Net difference between projected and actual earnings on OPEB plan investments | 1,002 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | <u>1,581,265</u> | <u>1,605,880</u> |
| Total deferred amounts to be recognized in OPEB expense in future periods | <u>1,615,648</u> | <u>7,962,247</u> |
| District contributions subsequent to the measurement date | <u>76,272</u> | <u>-</u> |
| Total deferred amounts related to OPEB | <u>\$ 1,691,920</u> | <u>\$ 7,962,247</u> |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 \$76,272 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, 2025. 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> |
|---------------------------------|--|
| 2025 | 1,164,322 |
| 2026 | 1,042,899 |
| 2027 | 999,654 |
| 2028 | 955,665 |
| 2029 | 879,623 |
| Thereafter | <u>1,304,436</u> |
| Total | <u>\$ 6,346,599</u> |

Actuarial Assumptions

The total OPEB liability in the June 30, 2023, 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, 2023, 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, 2024

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% |
| Ultimate Salary Increases | 3.50% |
| 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 2024 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 6.08% in 2034, declining gradually to an ultimate rate of 4.25% in 2040. |
| 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, 2024

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 2023. 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 3.69 percent at June 30, 2022, and 3.86 percent at June 30, 2023, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.69 percent to 3.86 percent, caused the total OPEB liability to decrease by approximately \$137 million as of June 30, 2023.

Investment Return

During plan year end June 30, 2023, the trust earned \$2,704,000 in interest, and the market value of assets at June 30, 2023, is \$472.25 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 1.376 percent for plan year end June 30, 2023, and 0.304 percent for plan year end June 30, 2022.

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, 2023, using the discount rate of 3.86 percent and sensitivity single discount rates that are either one percentage point higher or lower:

| | 1% Decrease (2.86%) | Current Discount Rate (3.86%) | 1% Increase (4.86%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net OPEB liability | \$ 2,812,095 | \$ 2,518,409 | \$ 2,259,343 |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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, 2023, 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 | \$ <u>2,143,520</u> | \$ <u>2,518,409</u> | \$ <u>2,977,699</u> |

*Pre-Medicare per capita costs: 6.00% in 2024, 8.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 6.08% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2040.

**One percentage point decrease in healthcare trend rates - Pre-Medicare per capita costs: 5.00% in 2024, 7.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 5.08% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2040.

*** One percentage point increase in healthcare trend rates - Pre-Medicare per capita costs: 7.00% in 2024, 9.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 20.42% from 2029 to 2033, 7.08% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2040.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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.

Employees Covered by Benefit Terms

As of June 30, 2024, the following employees were covered by the benefit terms:

| | |
|---|------------------|
| Active employees | 47 |
| Inactive employees entitled to but not yet receiving benefits | - |
| Inactive employees currently receiving benefits | <u>1</u> |
| Total | <u><u>48</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 2024, 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, 2023, using the following actuarial methods and assumptions:

| | |
|--------------------------|---------------|
| Actuarial valuation date | July 1, 2023 |
| Measurement date | June 30, 2024 |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Total OPEB Liability (Continued)

| | |
|---------------------------|--|
| Actuarial cost method | Entry age normal |
| Actuarial assumptions: | |
| Inflation rate | 3.00% |
| Discount rate * | 4.21% |
| Salary rate increase | 4.00% |
| Healthcare inflation rate | HMO initial - 6.50% |
| | HMO ultimate - 4.50% |
| | PPO initial - 6.50% |
| | PPO ultimate - 4.50% |
| Mortality rates | PubG.H-2010 General Mortality with Mortality Improvement using Scale MP-2020. |
| Election at retirement | 10% of IMRF employees are assumed to elect coverage at retirement. |
| Marital status | 40% of employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females. Actual spouse data was used for current retirees. |

* In 2024, changes in assumptions related to the discount rate were made (4.13% to 4.21%)

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 4.21% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2024.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Changes in the Total OPEB Liability

| | Total OPEB Liability (A) | Plan Fiduciary Net Position (B) | Net OPEB Liability (A) - (B) |
|---|--------------------------------|---------------------------------------|------------------------------------|
| Balances at July 1, 2023 | \$ 168,310 | \$ - | \$ 168,310 |
| Changes for the year: | | | |
| Service cost | 4,214 | - | 4,214 |
| Interest on the total OPEB liability | 6,484 | - | 6,484 |
| Difference between expected & actual experience | (2,693) | - | (2,693) |
| Assumptions and other inputs | 11,190 | - | 11,190 |
| Benefit payments, including the implicit rate subsidy | (22,632) | - | (22,632) |
| Balances at June 30, 2024 | \$ <u>164,873</u> | \$ <u>-</u> | \$ <u>164,873</u> |

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 4.21%, 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 (3.21%) | Current Discount Rate (4.21%) | 1% Higher (5.21%) |
|----------------------|---------------------|-------------------------------------|----------------------|
| Total OPEB liability | \$ <u>169,879</u> | \$ <u>164,873</u> | \$ <u>160,078</u> |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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% - 6.50%, 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 (<u>3.50% - 5.50%</u>) | Current Healthcare Rate (<u>4.50% - 6.50%</u>) | 1% Higher (<u>5.50 - 7.50%</u>) |
|----------------------|--------------------------------------|---|--------------------------------------|
| Total OPEB liability | \$ <u>159,171</u> | \$ <u>164,873</u> | \$ <u>170,911</u> |

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$29,043. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Deferred Amounts to be Recognized in OPEB Expense in Future Periods | | |
| Difference between expected and actual experience | \$ 89,692 | \$ 2,446 |
| Change of assumptions | <u>33,886</u> | <u>8,125</u> |
| Total deferred amounts to be recognized in OPEB expense in the future periods | \$ <u>123,578</u> | \$ <u>10,571</u> |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 (Continued)

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> |
|---------------------------------|---|
| 2025 | \$ 18,345 |
| 2026 | 18,345 |
| 2027 | 18,345 |
| 2028 | 18,345 |
| 2029 | 15,569 |
| Thereafter | <u>24,058</u> |
| Total | <u>\$ 113,007</u> |

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2024:

| | <u>THIS</u> | <u>RHP</u> | <u>Total</u> |
|---------------------------------|---------------------|-------------------|---------------------|
| Deferred outflows of resources: | | | |
| Employer contributions | \$ 76,272 | \$ - | \$ 76,272 |
| Experience | - | 89,692 | 89,692 |
| Investments | 1,002 | - | 1,002 |
| Assumptions | 33,381 | 33,886 | 67,267 |
| Proportionate share | <u>1,581,265</u> | <u>-</u> | <u>1,581,265</u> |
| | <u>\$ 1,691,920</u> | <u>\$ 123,578</u> | <u>\$ 1,815,498</u> |
| OPEB liability | <u>\$ 2,518,409</u> | <u>\$ 164,873</u> | <u>\$ 2,683,282</u> |
| OPEB expense | <u>\$ 409,364</u> | <u>\$ 29,043</u> | <u>\$ 438,407</u> |

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items (Continued)

Deferred inflows of resources:

| | | | |
|---------------------|---------------------|------------------|---------------------|
| Experience | \$ 1,406,332 | \$ 2,446 | \$ 1,408,778 |
| Assumptions | 4,950,035 | 8,125 | 4,958,160 |
| Proportionate share | <u>1,605,880</u> | <u>-</u> | <u>1,605,880</u> |
| | <u>\$ 7,962,247</u> | <u>\$ 10,571</u> | <u>\$ 7,972,818</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.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE I - RISK MANAGEMENT (Continued)

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 \$111,842 to the Debt Service Fund from the General Fund (Educational Account) to provide a funding source for principal and interest on leases.

The District transferred \$850,000 from the Working Cash Account (General Fund) to the Operations and Maintenance Fund and General Fund (Educational Account) for \$723,500 and \$126,500, respectively, to provide a funding source for capital projects approved by the board. Subsequently, the District transferred \$678,500 from the Operations and Maintenance Fund to the Capital Projects Fund for these same projects.

NOTE K - CONSTRUCTION COMMITMENTS

The District has contracts for construction projects which have been approved by the Board of Education at June 30, 2024. Future commitments under these contracts approximate \$630,000 at June 30, 2024.

NOTE L - CONTINGENCIES

1. Litigation

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

2. Grants

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 4, 2024, 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
Ten Most Recent Fiscal Years

| | 2024 | 2023 | 2022 | 2021 |
|--|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | |
| Service cost | \$ 169,765 | \$ 145,628 | \$ 142,578 | \$ 154,778 |
| Interest on the total pension liability | 611,285 | 586,865 | 562,844 | 543,098 |
| Benefit changes | | | | |
| Difference between expected and actual experience of the total pension liability | 213,706 | 101,005 | 93,411 | 103,316 |
| Assumption changes | (25,396) | - | - | (82,299) |
| Benefit payments and refunds | (534,784) | (482,702) | (455,370) | (425,488) |
| Net change in total pension liability | 434,576 | 350,796 | 343,463 | 293,405 |
| Total pension liability, beginning | 8,614,022 | 8,263,226 | 7,919,763 | 7,626,358 |
| Total pension liability, ending | <u>\$ 9,048,598</u> | <u>\$ 8,614,022</u> | <u>\$ 8,263,226</u> | <u>\$ 7,919,763</u> |
| Plan fiduciary net position | | | | |
| Contributions, employer | \$ 119,509 | \$ 136,552 | \$ 152,710 | \$ 159,435 |
| Contributions, employee | 89,335 | 79,186 | 71,658 | 69,319 |
| Net investment income (loss) | 861,926 | (1,149,470) | 1,379,059 | 1,035,389 |
| Benefit payments, including refunds of employee contributions | (534,784) | (482,702) | (455,370) | (425,488) |
| Other (net transfer) | 287,440 | 69,917 | (19,181) | 54,701 |
| Net change in plan fiduciary net position | 823,426 | (1,346,517) | 1,128,876 | 893,356 |
| Plan fiduciary net position, beginning | 7,916,707 | 9,263,224 | 8,134,348 | 7,240,992 |
| Plan fiduciary net position, ending | <u>\$ 8,740,133</u> | <u>\$ 7,916,707</u> | <u>\$ 9,263,224</u> | <u>\$ 8,134,348</u> |
| Net pension liability (asset) | <u>\$ 308,465</u> | <u>\$ 697,315</u> | <u>\$ (999,998)</u> | <u>\$ (214,585)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 96.59 % | 91.90 % | 112.10 % | 102.71 % |
| Covered Valuation Payroll | \$ 1,985,219 | \$ 1,759,692 | \$ 1,592,390 | \$ 1,540,428 |
| Net pension liability as a percentage of covered valuation payroll | 15.54 % | 39.63 % | (62.80) % | (13.93) % |

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ | 150,638 | \$ 148,694 | \$ 132,864 | \$ 139,842 | \$ 142,986 | \$ 149,654 |
| | 527,399 | 515,362 | 501,675 | 487,022 | 456,641 | 422,843 |
| | | | | | - | - |
| | (50,143) | (50,609) | 124,087 | (60,720) | 163,544 | (38,191) |
| | - | 180,242 | (210,353) | (14,661) | 7,264 | 245,421 |
| | (401,383) | (381,968) | (365,429) | (374,548) | (334,543) | (300,715) |
| | 226,511 | 411,721 | 182,844 | 176,935 | 435,892 | 479,012 |
| | 7,399,847 | 6,988,126 | 6,805,282 | 6,628,347 | 6,192,455 | 5,713,433 |
| \$ | <u>7,626,358</u> | <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> |
| | | | | | | |
| \$ | 136,987 | \$ 159,493 | \$ 156,120 | \$ 138,297 | \$ 146,889 | \$ 134,273 |
| | 68,799 | 67,582 | 64,159 | 56,525 | 56,686 | 55,896 |
| | 1,186,419 | (379,416) | 1,091,285 | 390,262 | 28,358 | 340,352 |
| | (401,383) | (381,968) | (365,429) | (374,548) | (334,543) | (300,715) |
| | 17,867 | 144,948 | (322,359) | (2,281) | 155,147 | (127,516) |
| | 1,008,689 | (389,361) | 623,776 | 208,255 | 52,537 | 102,290 |
| | 6,232,303 | 6,621,664 | 5,997,888 | 5,789,633 | 5,737,096 | 5,634,806 |
| \$ | <u>7,240,992</u> | <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>385,366</u> | <u>\$ 1,167,544</u> | <u>\$ 366,462</u> | <u>\$ 807,394</u> | <u>\$ 838,714</u> | <u>\$ 455,349</u> |
| | | | | | | |
| | 94.95 % | 84.22 % | 94.76 % | 88.14 % | 87.35 % | 92.65 % |
| \$ | 1,528,883 | \$ 1,501,823 | \$ 1,425,759 | \$ 1,256,103 | \$ 1,259,691 | \$ 1,258,038 |
| | | | | | | |
| | 25.21 % | 77.74 % | 25.70 % | 64.28 % | 66.58 % | 36.20 % |

West Northfield School District 31
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Ten 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> |
|-------------|--|--------------------------------|---|--|--|
| 2024 | \$ 119,510 * | \$ 119,509 | \$ 1 | \$ 1,985,219 | 6.02 % |
| 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 6.02% and covered valuation payroll of \$1,985,219.

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
Ten Most Recent Fiscal Years

Fiscal year ended June 30,

| | <u>2024</u> | | <u>2023</u> | | <u>2022</u> | | <u>2021</u> | |
|---|----------------------|---|----------------------|---|----------------------|---|----------------------|---|
| District's proportion of the net pension liability | 0.0009822610 | % | 0.0010433004 | % | 0.0010052480 | % | 0.0010387695 | % |
| District's proportionate share of the net pension liability | \$ 834,731 | | \$ 874,707 | | \$ 784,207 | | \$ 895,578 | |
| State's proportionate share of the net pension liability associated with the District | <u>72,037,718</u> | | <u>75,874,996</u> | | <u>65,724,880</u> | | <u>70,146,303</u> | |
| Total | <u>\$ 72,872,449</u> | | <u>\$ 76,749,703</u> | | <u>\$ 66,509,087</u> | | <u>\$ 71,041,881</u> | |
| District's covered-employee payroll | \$ 10,295,640 | | \$ 10,663,669 | | 9,115,022 | | \$ 8,639,774 | |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 8.11 | % | 8.20 | % | 8.60 | % | 10.37 | % |
| Plan fiduciary net position as a percentage of the total pension liability | 43.90 | % | 42.80 | % | 45.10 | % | 37.80 | % |

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

| <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 0.0010909831 % | 0.0011849548 % | 0.0023558772 % | 0.0018095105 % | 0.0018867923 % | 0.0017499646 % |
| \$ 884,876 | \$ 923,611 | \$ 1,799,846 | \$ 1,428,356 | \$ 1,236,039 | \$ 1,064,998 |
| <u>62,975,687</u> | <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>\$ 63,860,563</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> |
| \$ 8,525,428 | \$ 8,489,592 | \$ 8,370,668 | \$ 8,277,863 | \$ 7,719,938 | \$ 6,993,465 |
| 10.38 % | 10.88 % | 21.50 % | 17.26 % | 16.01 % | 15.23 % |
| 39.60 % | 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
Ten Most Recent Fiscal Years

| | <u>2024</u> | | <u>2023</u> | | <u>2022</u> | | <u>2021</u> |
|---|---------------|----|---------------|----|---------------|----|---------------|
| Contractually required contribution | \$ 59,715 | \$ | 61,849 | \$ | 52,867 | \$ | 50,111 |
| Contributions in relation to the contractually required contribution | <u>59,710</u> | | <u>61,914</u> | | <u>52,293</u> | | <u>50,639</u> |
| Contribution deficiency (excess) | \$ <u>5</u> | \$ | <u>(65)</u> | \$ | <u>574</u> | \$ | <u>(528)</u> |
| District's covered-employee payroll | \$ 11,383,900 | \$ | 10,295,640 | \$ | 10,663,669 | \$ | 9,115,022 |
| Contributions as a percentage of covered-employee payroll | 0.52 % | | 0.60 % | | 0.49 % | | 0.56 % |

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.

| <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---------------|---------------|---------------|----------------|----------------|----------------|
| \$ 49,447 | \$ 49,234 | \$ 97,061 | \$ 70,055 | \$ 66,100 | \$ 66,100 |
| <u>49,436</u> | <u>49,234</u> | <u>97,061</u> | <u>70,077</u> | <u>66,113</u> | <u>66,113</u> |
| \$ <u>11</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>(22)</u> | \$ <u>(13)</u> | \$ <u>(13)</u> |
| \$ 8,639,774 | \$ 8,525,428 | \$ 8,489,592 | \$ 8,277,863 | \$ 7,719,938 | \$ 7,719,938 |
| 0.57 % | 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

Seven Most Recent Fiscal Years

| | 2024 | 2023 | 2022 |
|--|-------------------|-------------------|-------------------|
| Total OPEB liability | | | |
| Service cost | \$ 4,214 | \$ 5,117 | \$ 5,528 |
| Interest on the total OPEB liability | 6,484 | 6,817 | 1,356 |
| Difference between expected and actual experience of the total OPEB liability | (2,693) | - | 126,922 |
| Changes of assumptions and other inputs | 11,190 | (184) | (10,506) |
| Benefit payments, including the implicit rate subsidy | (22,632) | (20,236) | (17,436) |
| Other changes | - | - | - |
| Net change in total OPEB liability | (3,437) | (8,486) | 105,864 |
| Total OPEB liability, beginning | 168,310 | 176,796 | 70,932 |
| Total OPEB liability, ending | <u>\$ 164,873</u> | <u>\$ 168,310</u> | <u>\$ 176,796</u> |
| Plan fiduciary net position | | | |
| Contributions, employer | \$ - | \$ - | \$ - |
| Contributions, employee | - | - | - |
| Net investment income | - | - | - |
| Benefit payments, including refunds of employee contributions | - | - | - |
| Other (net transfer) | - | - | - |
| Net change in plan fiduciary net position | - | - | - |
| Plan fiduciary net position, beginning | - | - | - |
| Plan fiduciary net position, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net OPEB liability | <u>\$ 164,873</u> | <u>\$ 168,310</u> | <u>\$ 176,796</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00 % | 0.00 % | 0.00 % |
| Covered valuation payroll | \$ 1,889,236 | \$ 1,467,887 | \$ 1,467,887 |
| Net OPEB liability as a percentage of covered valuation payroll | 8.73 % | 11.47 % | 12.04 % |

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|-----------|----------------------|----------------------|----------------------|----------------------|
| \$ | 6,648 | \$ 6,325 | \$ 3,710 | \$ 3,486 |
| | 1,630 | 1,013 | 946 | 946 |
| | - | 5,178 | - | - |
| | 1,357 | 11,548 | - | - |
| | - | - | (1,465) | (1,496) |
| | - | 937 | 619 | 29,550 |
| | <u>9,635</u> | <u>25,001</u> | <u>3,810</u> | <u>32,486</u> |
| | 61,297 | 36,296 | 32,486 | - |
| \$ | <u><u>70,932</u></u> | <u><u>61,297</u></u> | <u><u>36,296</u></u> | <u><u>32,486</u></u> |
| | | | | |
| \$ | - | \$ - | \$ - | \$ - |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | - | - | - | - |
| | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |
| | <u><u>70,932</u></u> | <u><u>61,297</u></u> | <u><u>36,296</u></u> | <u><u>32,486</u></u> |
| | | | | |
| | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| 1,479,422 | \$ | 1,479,422 | \$ | 1,403,687 |
| | | | | |
| | 4.79 % | 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
Seven Most Recent Fiscal Years

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|----------------------------|----------------------------|-----------------------------|
| District's proportion of the net OPEB liability | 0.0353340000 % | 0.0401450000 % | 0.0340510000 % |
| District's proportionate share of the net OPEB liability | \$ 2,518,409 | \$ 2,747,815 | \$ 7,510,018 |
| State's proportionate share of the net OPEB liability associated with the District | <u>3,405,691</u> | <u>3,738,132</u> | <u>10,182,488</u> |
| Total | \$ <u><u>5,924,100</u></u> | \$ <u><u>6,485,947</u></u> | \$ <u><u>17,692,506</u></u> |
| District's covered-employee payroll | \$ 10,295,640 | \$ 10,663,669 | \$ 9,115,022 |
| District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll | 24.46% | 25.77% | 82.39% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 6.21% | 5.24% | 1.40% |

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>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 0.0351300000 % | 0.0345960000 % | 0.0358050000 % | 0.0363890000 % |
| \$ 9,392,233 | \$ 9,575,212 | \$ 9,433,076 | \$ 9,442,883 |
| <u>12,723,918</u> | <u>12,966,059</u> | <u>12,666,587</u> | <u>12,400,852</u> |
| \$ <u><u>22,116,151</u></u> | \$ <u><u>22,541,271</u></u> | \$ <u><u>22,099,663</u></u> | \$ <u><u>21,843,735</u></u> |
| \$ 8,639,774 | \$ 8,525,428 | \$ 8,489,592 | \$ 8,370,668 |
| 108.71% | 112.31% | 111.11% | 112.81% |
| 0.70% | 0.25% | -0.07% | -0.17% |

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

| Fiscal year ended June 30, | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---|-------------------|-----------------|-------------------|
| Contractually required contribution | \$ 68,981 | \$ 71,447 | \$ 83,858 |
| Contributions in relation to the contractually required contribution | <u>66,198</u> | <u>74,236</u> | <u>81,313</u> |
| Contribution excess (due) | <u>\$ (2,783)</u> | <u>\$ 2,789</u> | <u>\$ (2,545)</u> |
| District's covered-employee payroll | \$ 11,383,900 | \$ 10,295,640 | \$ 10,663,669 |
| Contributions as a percentage of covered-employee payroll | 0.58% | 0.72% | 0.76% |

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>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|------------------------|------------------------|-----------------------|--------------------|
| \$ 79,486 | \$ 78,434 | \$ 74,708 | \$ 70,314 |
| <u>81,758</u> | <u>78,228</u> | <u>74,693</u> | <u>70,318</u> |
| \$ <u><u>2,272</u></u> | \$ <u><u>(206)</u></u> | \$ <u><u>(15)</u></u> | \$ <u><u>4</u></u> |
| \$ 9,115,022 | \$ 8,639,774 | \$ 8,525,428 | \$ 8,489,592 |
| 0.90% | 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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 Actual |
|---|---------------------------------|---------------|----------------------------------|----------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Local sources | | | | |
| General levy | \$ 16,930,065 | \$ 16,689,805 | \$ (240,260) | \$ 17,399,341 |
| Other tax levies | 670,000 | - | (670,000) | - |
| Corporate personal property replacement taxes | 666,694 | 497,493 | (169,201) | 670,900 |
| Interest on investments | 402,200 | 887,422 | 485,222 | 463,385 |
| Fees | 81,150 | 369,297 | 288,147 | 431,989 |
| Other district/school activity revenue | 66,000 | 65,658 | (342) | 64,505 |
| Student Activity Fund Revenues | 2,000 | 22,169 | 20,169 | 16,700 |
| Rentals - regular textbook | 374,793 | 155,388 | (219,405) | 155,468 |
| Contributions and donations from private sources | 2,500 | - | (2,500) | - |
| Refund of prior years' expenditures | - | 1,860 | 1,860 | - |
| Other | 55,000 | 34,795 | (20,205) | 42,417 |
| Total local sources | 19,250,402 | 18,723,887 | (526,515) | 19,244,705 |
| State sources | | | | |
| Evidence Based Funding Formula | 809,237 | 809,236 | (1) | 808,370 |
| Special Education - Private Facility Tuition | 26,199 | 41,745 | 15,546 | 24,925 |
| State Free Lunch & Breakfast | - | - | - | 242 |
| Other restricted revenue from state sources | 750 | - | (750) | - |
| Total state sources | 836,186 | 850,981 | 14,795 | 833,537 |

(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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | |
|--|---------------------------------|------------|----------------------------------|----------------|
| | Original and Final Budget | Actual | Variance From Final Budget | 2023 Actual |
| Federal sources | | | | |
| National School Lunch Program | \$ - | \$ - | \$ - | \$ 628 |
| Title I - Low Income | 143,569 | 208,867 | 65,298 | 100,349 |
| Title IV - Student Support & Academic Enrichment Grant | 30,633 | 9,236 | (21,397) | 22,583 |
| Federal Special Education - Preschool Flow-Through | 9,203 | 9,290 | 87 | 7,147 |
| Federal Special Education - IDEA Flow Through | 257,386 | 199,938 | (57,448) | 245,673 |
| Title III - Instruction for English Learners & Immigrant Students | 7,000 | 2,171 | (4,829) | 4,945 |
| Title III - English Language Acquisition | 33,442 | 27,732 | (5,710) | 28,725 |
| Title II - Teacher Quality | 28,356 | 33,792 | 5,436 | 20,267 |
| Medicaid Matching Funds - Fee-For-Service Program | 20,000 | 49,701 | 29,701 | 14,425 |
| Other Restricted Grants Received from Federal Govt. thru State | 9,951 | 1,804 | (8,147) | 148,451 |
| Total federal sources | 539,540 | 542,531 | 2,991 | 593,193 |
| Total revenues | 20,626,128 | 20,117,399 | (508,729) | 20,671,435 |
| Expenditures | | | | |
| Instruction | | | | |
| Regular programs | | | | |
| Salaries | 6,803,250 | 6,691,464 | 111,786 | 6,112,907 |
| Employee benefits | 1,186,817 | 1,098,210 | 88,607 | 1,010,031 |
| Purchased services | 124,800 | 125,947 | (1,147) | 127,486 |
| Supplies and materials | 577,235 | 566,405 | 10,830 | 266,370 |
| Capital outlay | 9,000 | 3,690 | 5,310 | 10,994 |
| Other objects | 2,800 | 1,486 | 1,314 | 2,212 |
| Non-capitalized equipment | 2,250 | - | 2,250 | 140,622 |
| Termination benefits | 7,874 | 7,874 | - | 14,618 |
| Total | 8,714,026 | 8,495,076 | 218,950 | 7,685,240 |

(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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 Actual |
|----------------------------------|---------------------------------|------------------|----------------------------------|------------------|
| | Original and Final Budget | Actual | | |
| Pre-K programs | | | | |
| Salaries | \$ 89,851 | \$ 72,587 | \$ 17,264 | \$ 145,948 |
| Employee benefits | 8,225 | 8,477 | (252) | 22,699 |
| Supplies and materials | <u>1,500</u> | <u>-</u> | <u>1,500</u> | <u>394</u> |
| Total | <u>99,576</u> | <u>81,064</u> | <u>18,512</u> | <u>169,041</u> |
| Special education programs | | | | |
| Salaries | 1,421,450 | 1,381,456 | 39,994 | 1,231,692 |
| Employee benefits | 307,357 | 304,601 | 2,756 | 283,058 |
| Purchased services | 336,470 | 958,183 | (621,713) | 250,140 |
| Supplies and materials | 83,353 | 85,611 | (2,258) | 79,939 |
| Capital outlay | 1,500 | - | 1,500 | - |
| Non-capitalized equipment | - | 3,882 | (3,882) | - |
| Termination benefits | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,522</u> |
| Total | <u>2,150,130</u> | <u>2,733,733</u> | <u>(583,603)</u> | <u>1,851,351</u> |
| Special education programs pre-K | | | | |
| Salaries | 87,125 | 82,633 | 4,492 | 123,799 |
| Employee benefits | 9,910 | 10,356 | (446) | 17,837 |
| Purchased services | 85,130 | 69,609 | 15,521 | 31,633 |
| Supplies and materials | <u>4,300</u> | <u>10,124</u> | <u>(5,824)</u> | <u>4,120</u> |
| Total | <u>186,465</u> | <u>172,722</u> | <u>13,743</u> | <u>177,389</u> |
| CTE programs | | | | |
| Purchased services | 750 | - | 750 | - |
| Supplies and materials | 14,400 | 40,388 | (25,988) | 8,563 |
| Capital outlay | 1,000 | 1,000 | - | - |
| Non-capitalized equipment | <u>500</u> | <u>-</u> | <u>(500)</u> | <u>-</u> |
| Total | <u>16,650</u> | <u>41,388</u> | <u>(25,738)</u> | <u>8,563</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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 Actual |
|------------------------------------|---------------------------------|------------|----------------------------------|----------------|
| | Original and Final Budget | Actual | | |
| Interscholastic programs | | | | |
| Salaries | \$ 193,500 | \$ 170,406 | \$ 23,094 | \$ 167,905 |
| Employee benefits | 2,050 | 1,762 | 288 | 1,692 |
| Purchased services | 10,250 | 11,043 | (793) | 9,490 |
| Supplies and materials | 33,000 | 27,114 | 5,886 | 25,313 |
| Total | 238,800 | 210,325 | 28,475 | 204,400 |
| Summer school programs | | | | |
| Salaries | 61,000 | 32,279 | 28,721 | 65,747 |
| Employee benefits | 365 | 251 | 114 | 439 |
| Supplies and materials | - | 99 | (99) | - |
| Total | 61,365 | 32,629 | 28,736 | 66,186 |
| Gifted programs | | | | |
| Supplies and materials | 150 | - | 150 | 25 |
| Total | 150 | - | 150 | 25 |
| Bilingual programs | | | | |
| Salaries | 1,238,350 | 1,218,359 | 19,991 | 1,056,970 |
| Employee benefits | 240,310 | 208,462 | 31,848 | 180,648 |
| Purchased services | - | 25,068 | (25,068) | 851 |
| Supplies and materials | 58,000 | 10,638 | 47,362 | 45,293 |
| Total | 1,536,660 | 1,462,527 | 74,133 | 1,283,762 |
| Special Education K-12 Programs | | | | |
| Private Tuition | 200,000 | 199,138 | 862 | 188,038 |
| Student Activity Fund Expenditures | - | 20,634 | (20,634) | 14,822 |
| Total | 200,000 | 219,772 | (19,772) | 202,860 |
| Total instruction | 13,203,822 | 13,449,236 | (246,414) | 11,648,817 |

(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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 Actual |
|---|---------------------------------|------------|----------------------------------|----------------|
| | Original and Final Budget | Actual | | |
| Support services | | | | |
| Pupils | | | | |
| Attendance and social work services | | | | |
| Salaries | \$ 309,061 | \$ 294,801 | \$ 14,260 | \$ 280,516 |
| Employee benefits | 47,255 | 59,653 | (12,398) | 57,503 |
| Purchased services | 750 | 97,982 | (97,232) | 15,000 |
| Supplies and materials | 10,886 | 9,658 | 1,228 | 8,690 |
| Total | 367,952 | 462,094 | (94,142) | 361,709 |
| Health services | | | | |
| Salaries | 116,913 | 113,043 | 3,870 | 123,826 |
| Employee benefits | 24,540 | 25,114 | (574) | 18,257 |
| Purchased services | 6,104 | 5,449 | 655 | 389 |
| Supplies and materials | 2,000 | 1,932 | 68 | 2,081 |
| Other objects | 180 | - | 180 | 180 |
| Total | 149,737 | 145,538 | 4,199 | 144,733 |
| Psychological services | | | | |
| Salaries | 91,510 | 87,256 | 4,254 | 81,133 |
| Employee benefits | 15,479 | 13,214 | 2,265 | 14,551 |
| Purchased services | 40,500 | 110,347 | (69,847) | 18,554 |
| Supplies and materials | 800 | 408 | 392 | 480 |
| Total | 148,289 | 211,225 | (62,936) | 114,718 |
| Speech pathology and audiology services | | | | |
| Salaries | 461,915 | 453,542 | 8,373 | 215,630 |
| Employee benefits | 68,894 | 71,295 | (2,401) | 29,818 |
| Purchased services | 2,750 | 1,490 | 1,260 | 1,229 |
| Supplies and materials | 3,650 | 2,237 | 1,413 | 886 |
| Total | 537,209 | 528,564 | 8,645 | 247,563 |

(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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 Actual |
|-------------------------------------|---------------------------------|------------------|----------------------------------|----------------|
| | Original and Final Budget | Actual | | |
| Other support services - pupils | | | | |
| Salaries | \$ 75,500 | \$ 79,053 | \$ (3,553) | \$ 69,923 |
| Employee benefits | <u>675</u> | <u>710</u> | <u>(35)</u> | <u>611</u> |
| Total | <u>76,175</u> | <u>79,763</u> | <u>(3,588)</u> | <u>70,534</u> |
| Total pupils | <u>1,279,362</u> | <u>1,427,184</u> | <u>(147,822)</u> | <u>939,257</u> |
| Instructional staff | | | | |
| Improvement of instruction services | | | | |
| Salaries | 226,570 | 254,960 | (28,390) | 208,394 |
| Employee benefits | 89,907 | 99,203 | (9,296) | 93,149 |
| Purchased services | 242,474 | 231,380 | 11,094 | 129,869 |
| Supplies and materials | 13,500 | 7,355 | 6,145 | 12,643 |
| Other objects | <u>1,050</u> | <u>239</u> | <u>811</u> | <u>317</u> |
| Total | <u>573,501</u> | <u>593,137</u> | <u>(19,636)</u> | <u>444,372</u> |
| Educational media services | | | | |
| Salaries | 115,706 | 115,872 | (166) | 109,316 |
| Employee benefits | 15,731 | 29,323 | (13,592) | 28,345 |
| Purchased services | 1,850 | 542 | 1,308 | 516 |
| Supplies and materials | 23,300 | 18,738 | 4,562 | 23,501 |
| Non-capitalized equipment | <u>500</u> | <u>-</u> | <u>500</u> | <u>-</u> |
| Total | <u>157,087</u> | <u>164,475</u> | <u>(7,388)</u> | <u>161,678</u> |
| Assessment and testing | | | | |
| Purchased services | 25,000 | 27,104 | (2,104) | 31,778 |
| Supplies and materials | <u>1,500</u> | <u>-</u> | <u>1,500</u> | <u>455</u> |
| Total | <u>26,500</u> | <u>27,104</u> | <u>(604)</u> | <u>32,233</u> |
| Total instructional staff | <u>757,088</u> | <u>784,716</u> | <u>(27,628)</u> | <u>638,283</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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | |
|--------------------------------------|---------------------------------|----------|----------------------------------|----------------|
| | Original and Final Budget | Actual | Variance From Final Budget | 2023 Actual |
| General administration | | | | |
| Board of education services | | | | |
| Salaries | \$ 3,906 | \$ 3,906 | \$ - | \$ 3,756 |
| Employee benefits | 166,888 | - | 166,888 | - |
| Purchased services | - | 127,633 | (127,633) | 157,519 |
| Supplies and materials | 29,550 | 10,259 | 19,291 | 3,513 |
| Capital outlay | - | - | - | 64,081 |
| Other objects | 1,000 | - | 1,000 | - |
| Total | 201,344 | 141,798 | 59,546 | 228,869 |
| Executive administration services | | | | |
| Salaries | 321,093 | 320,893 | 200 | 308,551 |
| Employee benefits | 73,493 | 71,262 | 2,231 | 69,331 |
| Purchased services | 24,700 | 36,948 | (12,248) | 22,573 |
| Supplies and materials | 15,500 | 18,107 | (2,607) | 19,018 |
| Capital outlay | 13,500 | - | 13,500 | - |
| Other objects | - | 14,277 | (14,277) | 11,503 |
| Total | 448,286 | 461,487 | (13,201) | 430,976 |
| Special area administrative services | | | | |
| Salaries | 212,466 | 201,770 | 10,696 | 184,034 |
| Employee benefits | 65,463 | 56,894 | 8,569 | 51,107 |
| Purchased services | 2,000 | 901 | 1,099 | 818 |
| Supplies and materials | 1,250 | 720 | 530 | 506 |
| Capital outlay | 1,700 | - | 1,700 | - |
| Other objects | - | 2,221 | (2,221) | 1,660 |
| Total | 282,879 | 262,506 | 20,373 | 238,125 |

(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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 Actual |
|--|---------------------------------|------------|----------------------------------|----------------|
| | Original and Final Budget | Actual | | |
| Tort immunity services | | | | |
| Purchased services | \$ 239,000 | \$ 165,767 | \$ 73,233 | \$ 216,660 |
| | | | - | |
| Total | 239,000 | 165,767 | 73,233 | 216,660 |
| | | | | |
| Total general administration | 1,171,509 | 1,031,558 | 139,951 | 1,114,630 |
| School administration | | | | |
| Office of the principal services | | | | |
| Salaries | 664,874 | 661,799 | 3,075 | 636,994 |
| Employee benefits | 193,958 | 190,445 | 3,513 | 174,370 |
| Purchased services | 7,500 | 2,679 | 4,821 | 3,328 |
| Supplies and materials | 15,350 | 19,025 | (3,675) | 15,511 |
| Capital outlay | 2,050 | - | 2,050 | - |
| Other objects | - | 1,596 | (1,596) | 969 |
| | | | | |
| Total school administration | 883,732 | 875,544 | 8,188 | 831,172 |
| Business | | | | |
| Direction of business support services | | | | |
| Salaries | 201,673 | 201,673 | - | 205,116 |
| Employee benefits | 70,232 | 68,179 | 2,053 | 68,150 |
| Purchased services | 3,500 | 3,565 | (65) | 3,291 |
| Supplies and materials | 20,320 | 17,182 | 3,138 | 19,277 |
| Other objects | 340 | 340 | - | - |
| Termination benefits | 12,101 | 12,100 | 1 | 11,415 |
| | | | | |
| Total | 308,166 | 303,039 | 5,127 | 307,249 |

(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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 Actual |
|------------------------|---------------------------------|------------|----------------------------------|----------------|
| | Original and Final Budget | Actual | | |
| Fiscal services | | | | |
| Salaries | \$ 166,124 | \$ 165,201 | \$ 923 | \$ 143,080 |
| Employee benefits | 29,582 | 29,596 | (14) | 24,701 |
| Purchased services | 20,650 | 17,237 | 3,413 | 19,077 |
| Supplies and materials | 600 | 187 | 413 | 258 |
| Other objects | 425 | 120 | 305 | 400 |
| Total | 217,381 | 212,341 | 5,040 | 187,516 |
| Food services | | | | |
| Purchased services | 70,000 | (46,555) | 116,555 | 3,922 |
| Supplies and materials | 65,000 | 145,443 | (80,443) | 2,052 |
| Capital outlay | 2,000 | - | 2,000 | - |
| Total | 137,000 | 98,888 | 38,112 | 5,974 |
| Internal services | | | | |
| Purchased services | 112,450 | 158,141 | (45,691) | 59,214 |
| Supplies and materials | 21,100 | 21,856 | (756) | 19,261 |
| Total | 133,550 | 179,997 | (46,447) | 78,475 |
| Total business | 796,097 | 794,265 | 1,832 | 579,214 |
| Central | | | | |
| Information services | | | | |
| Salaries | 35,000 | 30,437 | 4,563 | 30,509 |
| Purchased services | 8,750 | 1,900 | 6,850 | 5,496 |
| Other objects | 300 | - | 300 | - |
| Total | 44,050 | 32,337 | 11,713 | 36,005 |

(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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | 2023 Actual |
|---------------------------|---------------------------------|------------------|----------------------------------|------------------|
| | Original and Final Budget | Actual | Variance From Final Budget | |
| Staff services | | | | |
| Salaries | \$ 14,246 | \$ 14,046 | \$ 200 | \$ 13,377 |
| Employee benefits | 18 | 17 | 1 | 9 |
| Purchased services | <u>2,000</u> | <u>401</u> | <u>1,599</u> | <u>2,000</u> |
| Total | <u>16,264</u> | <u>14,464</u> | <u>1,800</u> | <u>15,386</u> |
| Data processing services | | | | |
| Salaries | 252,527 | 249,516 | 3,011 | 251,745 |
| Employee benefits | 39,490 | 39,406 | 84 | 35,043 |
| Purchased services | 335,710 | 145,100 | 190,610 | 243,146 |
| Supplies and materials | 105,000 | 105,248 | (248) | 91,310 |
| Capital outlay | 115,000 | 256,607 | (141,607) | 74,948 |
| Other objects | <u>-</u> | <u>-</u> | <u>-</u> | <u>998</u> |
| Total | <u>847,727</u> | <u>795,877</u> | <u>51,850</u> | <u>697,190</u> |
| Total central | <u>908,041</u> | <u>842,678</u> | <u>65,363</u> | <u>748,581</u> |
| Other supporting services | | | | |
| Purchased services | <u>1,000</u> | <u>-</u> | <u>1,000</u> | <u>875</u> |
| Total | <u>1,000</u> | <u>-</u> | <u>1,000</u> | <u>875</u> |
| Total support services | <u>5,796,829</u> | <u>5,755,945</u> | <u>40,884</u> | <u>4,852,012</u> |
| Community services | | | | |
| Purchased services | 34,982 | 42,280 | (7,298) | 36,572 |
| Supplies and materials | <u>1,814</u> | <u>982</u> | <u>832</u> | <u>12,317</u> |
| Total | <u>36,796</u> | <u>43,262</u> | <u>(6,466)</u> | <u>48,889</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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | |
|--|---------------------------------|------------|----------------------------------|----------------|
| | Original and Final Budget | Actual | Variance From Final Budget | 2023 Actual |
| Payments to other districts and government units | | | | |
| Payments for regular programs | | | | |
| Purchased services | \$ - | \$ - | \$ - | \$ 51 |
| Total | - | - | - | 51 |
| Payments for special education programs | | | | |
| Purchased services | - | 26,362 | (26,362) | 43,428 |
| Other objects | 1,406,107 | 1,715,483 | (309,376) | 1,987,188 |
| Total | 1,406,107 | 1,741,845 | (335,738) | 2,030,616 |
| Total payments to other districts and other government units | 1,406,107 | 1,741,845 | (335,738) | 2,030,667 |
| Total expenditures | 20,443,554 | 20,990,288 | (547,734) | 18,580,385 |
| Excess (deficiency) of revenues over expenditures | 182,574 | (872,889) | (1,056,463) | 2,091,050 |
| Other financing sources (uses) | | | | |
| Permanent transfer from working cash account - abatement | - | 126,500 | 126,500 | - |
| Other sources not classified elsewhere | - | - | - | 139,980 |
| Permanent transfer of working cash account - abatement | - | (850,000) | (850,000) | - |
| Transfer to debt service fund for principal on capital leases | - | (106,551) | (106,551) | (117,958) |
| Transfer to debt service fund for interest on capital leases | - | (5,291) | (5,291) | (6,649) |
| Total other financing sources (uses) | - | (835,342) | (835,342) | 15,373 |

(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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 |
|---------------------------------|---------------------------------|----------------------|----------------------------------|----------------------|
| | Original and Final Budget | Actual | | Actual |
| Net change to fund balance | <u>\$ 182,574</u> | (1,708,231) | <u>\$ (1,890,805)</u> | 2,106,423 |
| Fund balance, beginning of year | | <u>14,767,983</u> | | <u>12,661,560</u> |
| Fund balance, end of year | | <u>\$ 13,059,752</u> | | <u>\$ 14,767,983</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, 2024
With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | 2023 |
|---|---------------------------------|------------------|----------------------------------|------------------|
| | Original and Final Budget | Actual | Variance From Final Budget | Actual |
| Revenues | | | | |
| Local sources | | | | |
| General levy | \$ 1,316,000 | \$ 1,196,023 | \$ (119,977) | \$ 1,263,268 |
| Corporate personal property replacement taxes | 100,000 | 108,232 | 8,232 | 370,000 |
| Rentals | <u>7,500</u> | <u>6,315</u> | <u>(1,185)</u> | <u>2,900</u> |
| Total revenues | <u>1,423,500</u> | <u>1,310,570</u> | <u>(112,930)</u> | <u>1,636,168</u> |
| Expenditures | | | | |
| Support services | | | | |
| Facilities acquisition and construction services | | | | |
| Purchased services | 8,000 | - | 8,000 | 11,193 |
| Capital outlay | <u>5,000</u> | <u>-</u> | <u>5,000</u> | <u>-</u> |
| Total | <u>13,000</u> | <u>-</u> | <u>13,000</u> | <u>11,193</u> |
| Operation and maintenance of plant services | | | | |
| Salaries | 516,616 | 506,949 | 9,667 | 474,470 |
| Employee benefits | 139,440 | 138,645 | 795 | 130,461 |
| Purchased services | 425,025 | 441,369 | (16,344) | 463,105 |
| Supplies and materials | 317,200 | 350,363 | (33,163) | 287,605 |
| Capital outlay | 57,500 | 55,276 | 2,224 | 17,042 |
| Other objects | 10,350 | 250 | 10,100 | - |
| Non-capitalized equipment | <u>49,000</u> | <u>16,716</u> | <u>32,284</u> | <u>38,505</u> |
| Total | <u>1,515,131</u> | <u>1,509,568</u> | <u>5,563</u> | <u>1,411,188</u> |
| Total support services | <u>1,528,131</u> | <u>1,509,568</u> | <u>18,563</u> | <u>1,422,381</u> |
| Total expenditures | <u>1,528,131</u> | <u>1,509,568</u> | <u>18,563</u> | <u>1,422,381</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, 2024
With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 Actual |
|--|---------------------------------|-------------------|----------------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Excess (deficiency) of revenues over expenditures | <u>\$ (104,631)</u> | <u>(198,998)</u> | <u>\$ (94,367)</u> | <u>213,787</u> |
| Other financing sources (uses) | | | | |
| Permanent transfer from working cash fund - abatement | - | 723,500 | (723,500) | - |
| Transfer to capital projects fund | <u>-</u> | <u>(678,500)</u> | <u>(678,500)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>45,000</u> | <u>(1,402,000)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (104,631)</u> | <u>(153,998)</u> | <u>\$ (49,367)</u> | <u>213,787</u> |
| Fund balance, beginning of year | | <u>870,644</u> | | <u>656,857</u> |
| Fund balance, end of year | | <u>\$ 716,646</u> | | <u>\$ 870,644</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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | 2023 Actual |
|--|---------------------------------|---------------------|----------------------------------|-------------------|
| | Original and Final Budget | Actual | Variance From Final Budget | |
| Revenues | | | | |
| Local sources | | | | |
| General levy | \$ 956,131 | \$ 894,094 | \$ (62,037) | \$ 873,110 |
| Corporate personal property replacement taxes | 100,000 | 40,000 | (60,000) | 25,000 |
| Regular transportation fees from pupils or parents - in state | <u>155,000</u> | <u>159,104</u> | <u>4,104</u> | <u>151,589</u> |
| Total local sources | <u>1,211,131</u> | <u>1,093,198</u> | <u>(117,933)</u> | <u>1,049,699</u> |
| State sources | | | | |
| Transportation - Special Education | <u>378,335</u> | <u>501,601</u> | <u>123,266</u> | <u>419,222</u> |
| Total state sources | <u>378,335</u> | <u>501,601</u> | <u>123,266</u> | <u>419,222</u> |
| Total revenues | <u>1,589,466</u> | <u>1,594,799</u> | <u>5,333</u> | <u>1,468,921</u> |
| Expenditures | | | | |
| Support services | | | | |
| Pupil transportation services | | | | |
| Purchased services | <u>1,561,000</u> | <u>1,574,572</u> | <u>(13,572)</u> | <u>1,304,423</u> |
| Total expenditures | <u>1,561,000</u> | <u>1,574,572</u> | <u>(13,572)</u> | <u>1,304,423</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 28,466</u> | <u>20,227</u> | <u>\$ (8,239)</u> | <u>164,498</u> |
| Net change in fund balance | <u>\$ 28,466</u> | <u>20,227</u> | <u>\$ (8,239)</u> | <u>164,498</u> |
| Fund balance, beginning of year | | <u>992,448</u> | | <u>827,950</u> |
| Fund balance, end of year | | <u>\$ 1,012,675</u> | | <u>\$ 992,448</u> |

West Northfield School District 31

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | | 2023 Actual |
|---|---------------------------------|----------------|----------------------------------|----------------|----------------|
| | Original and Final Budget | Actual | Variance From Final Budget | | |
| Revenues | | | | | |
| Local sources | | | | | |
| General levy | \$ 118,110 | \$ 104,259 | \$ (13,851) | \$ 118,439 | |
| Social security/Medicare only levy | 240,600 | 263,620 | 23,020 | 214,321 | |
| Corporate personal property replacement taxes | <u>100,000</u> | <u>151,217</u> | <u>51,217</u> | <u>33,897</u> | |
| Total local sources | <u>458,710</u> | <u>519,096</u> | <u>60,386</u> | <u>366,657</u> | |
| Total revenues | <u>458,710</u> | <u>519,096</u> | <u>60,386</u> | <u>366,657</u> | |
| Expenditures | | | | | |
| Instruction | | | | | |
| Regular programs | 119,865 | 121,404 | (1,539) | 103,960 | |
| Pre-K programs | 3,900 | 1,366 | 2,534 | 4,053 | |
| Special education programs | 67,985 | 59,192 | 8,793 | 57,102 | |
| Special education programs pre-K | 5,645 | 1,709 | 3,936 | 5,115 | |
| Interscholastic programs | 8,400 | 4,076 | 4,324 | 4,945 | |
| Summer school programs | 4,125 | 1,718 | 2,407 | 3,916 | |
| Bilingual programs | <u>46,310</u> | <u>35,488</u> | <u>10,822</u> | <u>35,006</u> | |
| Total instruction | <u>256,230</u> | <u>224,953</u> | <u>31,277</u> | <u>214,097</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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | | 2023 Actual |
|---|---------------------------------|---------------|----------------------------------|---------------|----------------|
| | Original and Final Budget | Actual | Variance From Final Budget | | |
| Support services | | | | | |
| Pupils | | | | | |
| Attendance and social work services | \$ 6,190 | \$ 6,058 | \$ 132 | \$ 5,889 | |
| Health services | 9,295 | 8,195 | 1,100 | 8,822 | |
| Psychological services | 1,215 | 1,255 | (40) | 1,164 | |
| Speech pathology and audiology services | 4,725 | 6,498 | (1,773) | 3,122 | |
| Other support services -pupils | <u>4,250</u> | <u>3,481</u> | <u>769</u> | <u>3,437</u> | |
| Total pupils | <u>25,675</u> | <u>25,487</u> | <u>188</u> | <u>22,434</u> | |
| Instructional staff | | | | | |
| Improvement of instruction services | 4,815 | 4,374 | 441 | 3,708 | |
| Educational media services | <u>4,650</u> | <u>3,849</u> | <u>801</u> | <u>3,827</u> | |
| Total instructional staff | <u>9,465</u> | <u>8,223</u> | <u>1,242</u> | <u>7,535</u> | |
| General administration | | | | | |
| Board of education services | 527 | 524 | 3 | 546 | |
| Executive administration services | 15,415 | 15,408 | 7 | 15,833 | |
| Special area administrative services | <u>8,450</u> | <u>7,410</u> | <u>1,040</u> | <u>7,364</u> | |
| Total general administration | <u>24,392</u> | <u>23,342</u> | <u>1,050</u> | <u>23,743</u> | |
| School administration | | | | | |
| Office of the principal services | <u>27,705</u> | <u>27,944</u> | <u>(239)</u> | <u>29,334</u> | |
| Total school administration | <u>27,705</u> | <u>27,944</u> | <u>(239)</u> | <u>29,334</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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | 2023 Actual |
|--|---------------------------------|-------------------|----------------------------------|-------------------|
| | Original and Final Budget | Actual | Variance From Final Budget | |
| Business | | | | |
| Direction of business support services | \$ 3,100 | \$ 3,084 | \$ 16 | \$ 4,720 |
| Fiscal services | 20,660 | 20,390 | 270 | 19,329 |
| Operation and maintenance of plant services | <u>69,295</u> | <u>65,217</u> | <u>4,078</u> | <u>67,433</u> |
| Total business | <u>93,055</u> | <u>88,691</u> | <u>4,364</u> | <u>91,482</u> |
| Central | | | | |
| Information services | 2,465 | 2,328 | 137 | 2,334 |
| Staff services | 2,030 | 1,885 | 145 | 1,945 |
| Data processing services | <u>38,050</u> | <u>33,175</u> | <u>4,875</u> | <u>35,596</u> |
| Total central | <u>42,545</u> | <u>37,388</u> | <u>5,157</u> | <u>39,875</u> |
| Total support services | <u>222,837</u> | <u>211,075</u> | <u>11,762</u> | <u>214,403</u> |
| Community services | <u>1,330</u> | <u>1,378</u> | <u>(48)</u> | <u>1,050</u> |
| Total expenditures | <u>480,397</u> | <u>437,406</u> | <u>42,991</u> | <u>429,550</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (21,687)</u> | <u>81,690</u> | <u>\$ 103,377</u> | <u>(62,893)</u> |
| Net change in fund balance | <u>\$ (21,687)</u> | <u>81,690</u> | <u>\$ 103,377</u> | <u>(62,893)</u> |
| Fund balance, beginning of year | | <u>258,589</u> | | <u>321,482</u> |
| Fund balance, end of year | | <u>\$ 340,279</u> | | <u>\$ 258,589</u> |

(Concluded)

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

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 28, 2023.
- 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, 2024:

| <u>Fund</u> | <u>Variance</u> |
|------------------|-----------------|
| General | \$ 547,734 |
| Transportation | 13,572 |
| Debt service | 111,666 |
| Capital projects | 2,084 |

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

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 | \$ 20,117,399 | \$ 20,990,288 |
| To adjust for on-behalf payments received | 5,444,697 | - |
| To adjust for on-behalf payments made | <u>-</u> | <u>5,444,697</u> |
| | <u>\$ 25,562,096</u> | <u>\$ 26,434,985</u> |

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

For the 2023 and 2022 measurement years, 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 return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2020 - 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020 - 2018 and 2017 - 2016 measurement years were based on an experience study dated September 30, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 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 2023 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): 20-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 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years). |
| Asset Valuation Method | 5-year smoothed market; 20% corridor |
| Wage Growth | 2.75% |
| Price Inflation | 2.25% |
| Salary Increases | 2.75% 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. |

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2023 Contribution Rate: (Continued)

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

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2021 actuarial valuation.

Change in Assumptions:

For the 2023 and 2022 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.25 percent and a real return of 5.00 percent.

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

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

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 THIS CONTRIBUTION RATE

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.

Valuation Date June 30, 2022

Measurement Date June 30, 2023

Fiscal Year End June 30, 2024

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2023 Contribution Rate:

| | |
|---------------------------------|--|
| Actuarial Cost Method | Entry Age Normal, used to measure the Total OPEB Liability |
| Contribution Policy | Benefits are financed on a pay-as-you-go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2023, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts, and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs. |
| Asset Valuation Method | Market value |
| Investment Rate of Return | 2.75%, net of OPEB plan investment expense, including inflation, for all plan years. |
| Single Equivalent Discount Rate | 3.86% |
| 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 actuarial valuation as of June 30, 2021. |
| 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 2024 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040. For Medicare Advantage prescription drug (MAPD) costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 6.08% in 2034, declining gradually to an ultimate rate of 4.25% in 2040. |

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2023 Contribution Rate: (Continued)

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

Change in Assumptions:

The Discount Rate was changed from 3.69% used in the Fiscal Year 2023 valuation to 3.86%, 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 1.92% used in the Fiscal Year 2022 valuation to 3.69%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

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

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

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

SUPPLEMENTARY FINANCIAL INFORMATION

West Northfield School District 31

General Fund

COMBINING BALANCE SHEET

June 30, 2024

| | Educational Account | Working Cash Account | Total |
|--|------------------------|-------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 7,162,750 | \$ 5,084,429 | \$ 12,247,179 |
| Interest | 103,535 | - | 103,535 |
| Property taxes | 8,628,310 | 120 | 8,628,430 |
| Replacement taxes | 90,614 | - | 90,614 |
| Intergovernmental | 186,409 | - | 186,409 |
| Prepaid items | <u>57,046</u> | <u>-</u> | <u>57,046</u> |
| Total assets | <u>\$ 16,228,664</u> | <u>\$ 5,084,549</u> | <u>\$ 21,313,213</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 239,504 | \$ - | \$ 239,504 |
| Other current liabilities | 32,567 | - | 32,567 |
| Unearned revenue | <u>259,955</u> | <u>-</u> | <u>259,955</u> |
| Total liabilities | <u>532,026</u> | <u>-</u> | <u>532,026</u> |
| DEFERRED INFLOWS | | | |
| Unavailable interest revenue | 60,394 | - | 60,394 |
| Property taxes levied for a future period | <u>7,660,965</u> | <u>76</u> | <u>7,661,041</u> |
| Total deferred inflows | <u>7,721,359</u> | <u>76</u> | <u>7,721,435</u> |
| FUND BALANCES | | | |
| Nonspendable | 57,046 | - | 57,046 |
| Assigned | 27,008 | - | 27,008 |
| Unassigned | <u>7,891,225</u> | <u>5,084,473</u> | <u>12,975,698</u> |
| Total fund balance | <u>7,975,279</u> | <u>5,084,473</u> | <u>13,059,752</u> |
| Total liabilities, deferred inflows, and fund balance | <u>\$ 16,228,664</u> | <u>\$ 5,084,549</u> | <u>\$ 21,313,213</u> |

West Northfield School District 31

General Fund

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

For the Year Ended June 30, 2024

| | Educational Account | Working Cash Account | Total |
|--------------------------------------|------------------------|-------------------------|---------------|
| Revenues | | | |
| Property taxes | \$ 16,689,054 | \$ 751 | \$ 16,689,805 |
| Replacement taxes | 497,493 | - | 497,493 |
| State aid | 6,295,678 | - | 6,295,678 |
| Federal aid | 542,531 | - | 542,531 |
| Interest | 887,422 | - | 887,422 |
| Other | 649,167 | - | 649,167 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 25,561,345 | 751 | 25,562,096 |
| | <hr/> | <hr/> | <hr/> |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | 8,491,386 | - | 8,491,386 |
| Special programs | 3,105,593 | - | 3,105,593 |
| Other instructional programs | 1,847,567 | - | 1,847,567 |
| State retirement contributions | 5,444,697 | - | 5,444,697 |
| Support services: | | | |
| Pupils | 1,428,039 | - | 1,428,039 |
| Instructional staff | 784,716 | - | 784,716 |
| General administration | 1,030,703 | - | 1,030,703 |
| School administration | 875,544 | - | 875,544 |
| Business | 794,265 | - | 794,265 |
| Central | 586,071 | - | 586,071 |
| Community services | 43,262 | - | 43,262 |
| Nonprogrammed charges | 1,741,845 | - | 1,741,845 |
| Capital outlay | 261,297 | - | 261,297 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 26,434,985 | - | 26,434,985 |
| | <hr/> | <hr/> | <hr/> |
| Excess of revenues over expenditures | (873,640) | 751 | (872,889) |
| | <hr/> | <hr/> | <hr/> |
| Other financing sources (uses) | | | |
| Transfers in | 126,500 | - | 126,500 |
| Transfers (out) | (111,842) | (850,000) | (961,842) |
| Capital lease proceeds | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total other financing sources (uses) | 14,658 | (850,000) | (835,342) |
| | <hr/> | <hr/> | <hr/> |
| Net change in fund balance | (858,982) | (849,249) | (1,708,231) |
| | <hr/> | <hr/> | <hr/> |
| Fund balance, beginning of year | 8,834,261 | 5,933,722 | 14,767,983 |
| | <hr/> | <hr/> | <hr/> |
| Fund balance, end of year | \$ 7,975,279 | \$ 5,084,473 | \$ 13,059,752 |
| | <hr/> | <hr/> | <hr/> |

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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | Variance From Final Budget | 2023 Actual |
|---|---------------------------------|--------------------|----------------------------------|---------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Local sources | | | | |
| General levy | \$ 913,571 | \$ 919,364 | \$ 5,793 | \$ 957,119 |
| Corporate personal property replacement taxes | <u>-</u> | <u>-</u> | <u>-</u> | <u>258,139</u> |
| Total revenues | <u>913,571</u> | <u>919,364</u> | <u>5,793</u> | <u>1,215,258</u> |
| Expenditures | | | | |
| Debt service | | | | |
| Debt services - interest | | | | |
| Bonds and other - interest | <u>372,193</u> | <u>377,308</u> | <u>(5,115)</u> | <u>393,807</u> |
| Total debt service - interest | <u>372,193</u> | <u>377,308</u> | <u>(5,115)</u> | <u>393,807</u> |
| Principal payments on long-term debt | <u>495,000</u> | <u>601,551</u> | <u>106,551</u> | <u>582,958</u> |
| Total expenditures | <u>867,193</u> | <u>978,859</u> | <u>(111,666)</u> | <u>976,765</u> |
| Excess (deficiency) of revenues over expenditures | <u>46,378</u> | <u>(59,495)</u> | <u>(105,873)</u> | <u>238,493</u> |
| Other financing sources | | | | |
| Transfer to pay principal on capital leases | - | 106,551 | (106,551) | 117,958 |
| Transfer to pay interest on capital leases | <u>-</u> | <u>5,291</u> | <u>(5,291)</u> | <u>6,649</u> |
| Total other financing sources | <u>-</u> | <u>111,842</u> | <u>(111,842)</u> | <u>124,607</u> |
| Net change in fund balance | <u>\$ 46,378</u> | <u>52,347</u> | <u>\$ 5,969</u> | <u>363,100</u> |
| Fund balance, beginning of year | | <u>1,851,011</u> | | <u>1,487,911</u> |
| Fund balance, end of year | | <u>\$1,903,358</u> | | <u>\$ 1,851,011</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, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

| | 2024 | | | 2023 Actual |
|--|---------------------------------|-------------------|----------------------------------|-------------------|
| | Original and Final Budget | Actual | Variance From Final Budget | |
| Revenues | | | | |
| Local sources | | | | |
| Corporate personal property replacement taxes | \$ - | \$ 21,321 | \$ 21,321 | \$ - |
| Impact fees from municipal or county governments | <u>50,000</u> | <u>-</u> | <u>(50,000)</u> | <u>46,425</u> |
| Total revenues | <u>50,000</u> | <u>21,321</u> | <u>(28,679)</u> | <u>46,425</u> |
| Expenditures | | | | |
| Support services | | | | |
| Facilities acquisition and construction services | | | | |
| Capital outlay | 278,000 | 288,084 | (10,084) | 225,592 |
| Other objects | <u>8,000</u> | <u>-</u> | <u>8,000</u> | <u>-</u> |
| Total expenditures | <u>286,000</u> | <u>288,084</u> | <u>(2,084)</u> | <u>225,592</u> |
| Deficiency of revenues over expenditures | <u>(236,000)</u> | <u>(266,763)</u> | <u>(30,763)</u> | <u>(179,167)</u> |
| Permanent transfer from working cash fund - abatement | <u>-</u> | <u>678,500</u> | <u>(678,500)</u> | <u>-</u> |
| Total other financing sources | <u>-</u> | <u>678,500</u> | <u>(678,500)</u> | <u>-</u> |
| Net change in fund balance (deficit) | <u>\$ (236,000)</u> | 411,737 | <u>\$ 647,737</u> | (179,167) |
| Fund balance, beginning of year | | <u>303,125</u> | | <u>482,292</u> |
| Fund balance , end of year | | <u>\$ 714,862</u> | | <u>\$ 303,125</u> |

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assessed Valuation | \$ <u>778,811,111</u> | \$ <u>725,023,883</u> | \$ <u>622,047,682</u> | \$ <u>669,257,911</u> | \$ <u>675,663,444</u> |
| Rates Extended | | | | | |
| Educational | 2.1699 | 2.1787 | 2.4162 | 2.2399 | 2.0785 |
| Educational - PA 102-0519 | 0.0098 | 0.0926 | 0.2519 | - | - |
| Operations and Maintenance | 0.1541 | 0.1655 | 0.1929 | 0.1494 | 0.2072 |
| Debt Service | 0.1191 | 0.1265 | 0.1447 | 0.1327 | 0.1292 |
| Transportation | 0.1156 | 0.1241 | 0.1206 | 0.1046 | 0.1036 |
| Municipal Retirement | 0.0128 | 0.0152 | 0.0185 | 0.0164 | 0.0222 |
| Social Security | 0.0385 | 0.0310 | 0.0289 | 0.0284 | 0.0355 |
| Working Cash | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 |
| Total rates extended | <u>2.6199</u> | <u>2.7337</u> | <u>3.1738</u> | <u>2.6715</u> | <u>2.5763</u> |
| Levies Extended | | | | | |
| Educational | \$ 16,899,302 | \$ 15,796,147 | \$ 15,030,002 | \$ 14,990,504 | \$ 14,043,774 |
| Educational - PA 102-0519 | 76,605 | 671,275 | 1,567,047 | - | - |
| Operations and Maintenance | 1,200,000 | 1,200,000 | 1,200,000 | 1,000,000 | 1,400,000 |
| Debt Service | 927,694 | 917,036 | 900,184 | 887,794 | 872,873 |
| Transportation | 900,000 | 900,000 | 750,000 | 700,000 | 700,000 |
| Municipal Retirement | 100,000 | 110,000 | 115,000 | 110,000 | 150,000 |
| Social Security | 300,000 | 225,000 | 180,000 | 190,000 | 240,000 |
| Working Cash | 500 | 500 | 500 | 500 | 500 |
| Total levies extended | <u>\$ 20,404,101</u> | <u>\$ 19,819,958</u> | <u>\$ 19,742,733</u> | <u>\$ 17,878,798</u> | <u>\$ 17,407,147</u> |
| Total collections | <u>\$ 9,829,388</u> | <u>\$ 20,111,089</u> | <u>\$ 18,957,592</u> | <u>\$ 15,954,988</u> | <u>\$ 16,152,582</u> |
| Percentage of extensions collected | <u>48.17%</u> | <u>101.47%</u> | <u>96.02%</u> | <u>89.24%</u> | <u>92.79%</u> |

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