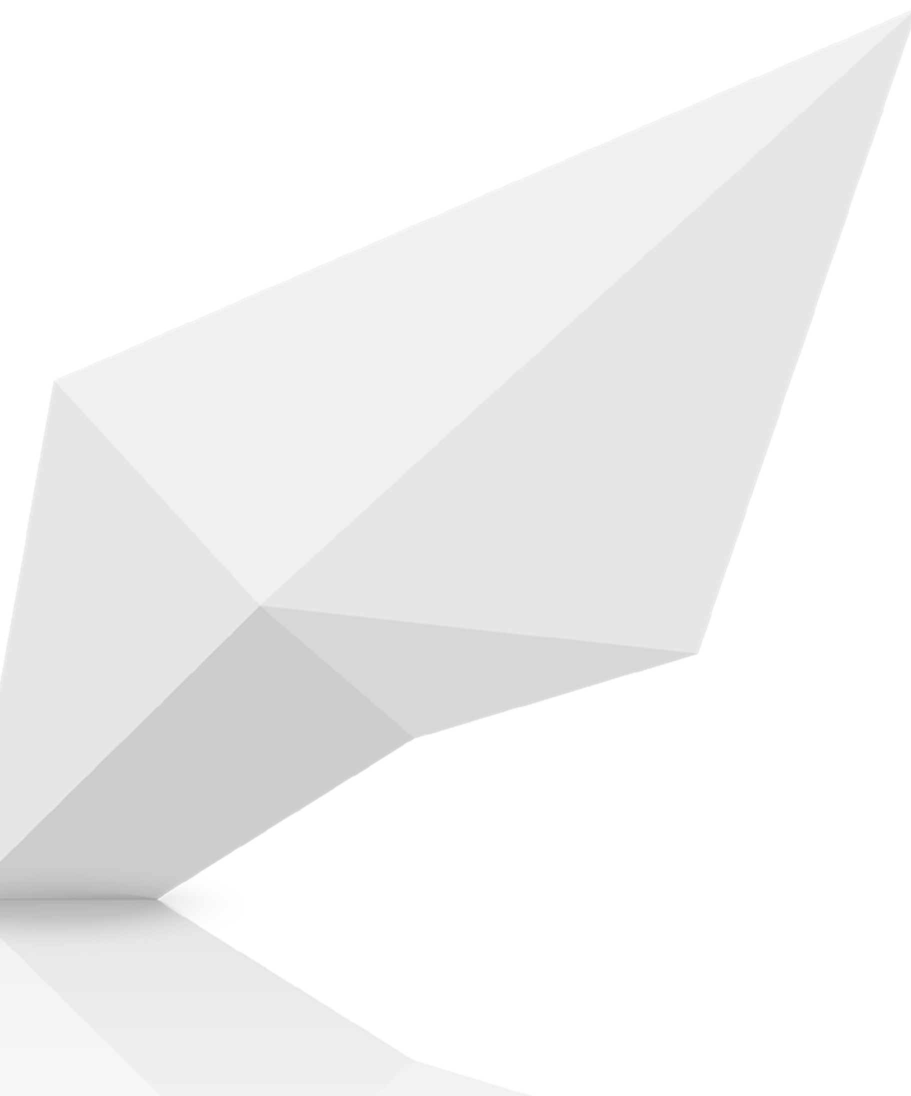
Kankakee School District 111

Kankakee, Illinois

Annual Financial Report

Year Ended June 30, 2023



WIPFLI

Kankakee School District 111

Year Ended June 30, 2023

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Independent Auditor's Report

Board of Education
Kankakee School District 111
Kankakee, IL

Adverse and Unmodified Opinion

We have audited the accompanying financial statements of Kankakee School District 111 (the District), which comprise the statements of assets, liabilities and fund balances - modified cash basis - all fund types and account groups as of June 30, 2023, and the related statement of revenues received and expenditures disbursed and changes in fund balances - modified cash basis - all governmental funds and the statements of expenditures disbursed - modified cash basis - budget and actual for the year then ended, and the related notes to the financial statements.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements do not present fairly, the financial position of Kankakee School District 111 as of June 30, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

Unmodified Opinion on the Regulatory Reporting Model

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Kankakee School District 111 as of June 30, 2023, and the changes in financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1 and with the financial reporting provisions prescribed by the Illinois State Board of Education, as described in Note 1.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

Matter Giving Rise to Adverse Opinions on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the District on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States, although not reasonable determinable, are presumed to be material.

We conducted our audit in accordance with auditing standards generally accepted in the United States (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Kankakee School District 111 and to meet our 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 unmodified and adverse audit opinion.

Emphasis of Matter

Basis of Accounting

We draw attention to Note 1 of the basic financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting and the financial reporting provisions prescribed by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility 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 and auditor's report that includes our opinion. 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, misrepresentation, 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 effectives 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.

Other Information

We were engaged for the purpose of forming an opinion on the financial statements of Kankakee School District 111. The accompanying other information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. The other information section has not been subjected to auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on the other information.

The District's basic financial statements for the year ended June 30, 2022 were audited by other auditors whose report thereon dated December 27, 2022 contained a qualified opinion on regulatory basis of accounting of the basic financial statements. The report of the other auditors dated December 27, 2022 stated that the District does not maintain detailed records of the historical costs of its fixed assets; consequently, they were unable to express and opinion on the General Fixed Assets Account Group. The report of the other auditors dated December 27, 2022 stated the other information were subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, were fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 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.

Wipfli, LLP

Aurora, Illinois
March 26, 2024

Basic Financial Statements - Regulatory Basis

Kankakee School District 111

Statement of Assets and Liabilities Arising From Cash Transactions -Modified Cash Basis All Fund Types and Account Groups

Year Ended June 30, 2023 with Comparative Amounts for June 30, 2022	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects Fund
Assets						
Cash and cash equivalents	$ 9,298,717	$ 2,462,991	$ 3,688,177	$ 3,330,620	$ 2,704,007	$ 2,140,779
Land	-	-	-	-	-	-
Building & building improvements	-	-	-	-	-	-
Site improvements & infrastructure	-	-	-	-	-	-
Capitalized equipment	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Amount available in debt service fund	-	-	-	-	-	-
Amount to be provided for payment on long-term debt	-	-	-	-	-	-
Total assets	$ 9,298,717	$ 2,462,991	$ 3,688,177	$ 3,330,620	$ 2,704,007	$ 2,140,779
Liabilities and fund balances						
Liabilities						
Payroll deductions and withholdings	$ 1,236,323	$ -	$ -	$ 56,390	$ 113,751	$ -
Deferred revenue and other current liabilities	5,199	(609)	-	-	-	-
Long-term debt payable	-	-	-	-	-	-
Total liabilities	1,241,522	(609)	-	56,390	113,751	-
Fund Balances						
Reserved						
Sinking fund	-	-	2,906,067	-	-	-
Student activities	612,740	-	-	-	-	-
Unreserved	7,444,455	2,463,600	782,110	3,274,230	2,590,256	2,140,779
Investment on general fixed assets	-	-	-	-	-	-
Total fund balances	8,057,195	2,463,600	3,688,177	3,274,230	2,590,256	2,140,779
Total liabilities and fund balances	$ 9,298,717	$ 2,462,991	$ 3,688,177	$ 3,330,620	$ 2,704,007	$ 2,140,779

See accompanying notes to financial statements.

			Account Groups		Total (Memorandum Only)	
Working Cash	Tort Immunity	Fire Prevention & Safety	General Fixed Asset Account Group	General Long-term Debt	2023	2022
$ 5,914,295	$ 42,495	$ 411,817	$ -	$ -	$ 29,993,898	$ 28,506,380
-	-	-	320,859	-	320,859	320,859
-	-	-	126,910,737	-	126,910,737	88,713,244
-	-	-	5,448,365	-	5,448,365	5,448,365
-	-	-	29,992,605	-	29,992,605	28,658,572
-	-	-	9,924,750	-	9,924,750	27,294,655
-	-	-	-	3,688,177	3,688,177	886,811
-	-	-	-	29,174,149	29,174,149	31,981,272
$ 5,914,295	$ 42,495	$ 411,817	$ 172,597,316	$ 32,862,326	$ 235,453,540	$ 211,810,158
$ -	$ -	$ -	$ -	$ -	$ 1,406,464	$ 668,834
-	-	-	-	-	4,590	(2,638)
-	-	-	-	32,862,326	32,862,326	32,868,083
-	-	-	-	32,862,326	34,273,380	33,534,279
-	-	-	-	-	2,906,067	-
-	-	-	-	-	612,740	546,347
5,914,295	42,495	411,817	-	-	25,064,037	27,293,837
-	-	-	172,597,316	-	172,597,316	150,435,695
5,914,295	42,495	411,817	172,597,316	-	201,180,160	178,275,879
$ 5,914,295	$ 42,495	$ 411,817	$ 172,597,316	$ 32,862,326	$ 235,453,540	$ 211,810,158

Kankakee School District 111

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

Year Ended June 30, 2023 *Comparative Amounts for June 30, 2022*	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security
Revenues Received					
Local sources	$ 18,120,853	$ 2,656,072	$ 3,112,391	$ 2,156,363	$ 1,412,845
State sources	33,244,868	50,000	-	2,725,371	94,039
Federal Sources	14,539,086	1,811,600	997,748	378,041	711,591
Revenues received for "on behalf" payments	13,167,299	-	-	-	-
Total revenues received	79,072,106	4,517,672	4,110,139	5,259,775	2,218,475
Expenditures Disbursed					
Current operating					
Instruction	39,261,239	-	-	-	997,320
Support Services	24,373,184	6,222,237	-	5,149,649	1,390,023
Community services	3,186,194	-	-	-	223,626
Payments to other districts and governmental units	1,004,888	-	-	-	-
Debt service	-	-	3,108,042	-	-
Expenditures disbursed for "on behalf" payments	13,167,299	-	-	-	-
Total expenditures disbursed	80,992,804	6,222,237	3,108,042	5,149,649	2,610,969
Excess (deficiency) of revenues received over (under) expenditures disbursed	(1,920,698)	(1,704,565)	1,002,097	110,126	(392,494)
Other financing sources (uses)					
Transfers in	-	-	213,131	-	-
Transfers out	(213,131)	-	-	-	-
Total other sources and (uses)	(213,131)	-	213,131	-	-
Net change in fund balance	(2,133,829)	(1,704,565)	1,215,228	110,126	(392,494)
Fund balances, beginning of year	10,191,024	4,168,165	886,811	3,164,104	2,982,750
Prior period adjustment	-	-	1,586,138	-	-
Fund balance as restated	10,191,024	4,168,165	2,472,949	3,164,104	2,982,750
Fund balances, end of year	$ 8,057,195	$ 2,463,600	$ 3,688,177	$ 3,274,230	$ 2,590,256

See accompanying notes to financial statements.

Capital Projects Fund	Working Cash	Tort Immunity	Fire Prevention & Safety	Total (Memorandum Only) 2023	Total (Memorandum Only) 2022
$ -	$ 264,687	$ 490,095	$ 6,623	$ 28,219,929	$ 26,830,421
9,200,000	-	650,000	-	45,964,278	44,094,137
14,036,604	-	-	-	32,474,670	21,091,147
-	-	-	-	13,167,299	14,050,787
23,236,604	264,687	1,140,095	6,623	119,826,176	106,066,492
-	-	-	-	40,258,559	37,343,929
21,097,893	-	1,488,060	-	59,721,046	45,490,046
-	-	-	-	3,409,820	2,053,177
-	-	-	-	1,004,888	421,385
-	-	-	-	3,108,042	4,360,343
-	-	-	-	13,167,299	14,050,787
21,097,893	-	1,488,060	-	120,669,654	103,719,667
2,138,711	264,687	(347,965)	6,623	(843,478)	2,346,825
-	-	-	-	213,131	233,132
-	-	-	-	(213,131)	(233,132)
-	-	-	-	-	-
2,138,711	264,687	(347,965)	6,623	(843,478)	2,346,825
2,068	5,649,608	390,460	405,194	27,840,184	25,493,359
-	-	-	-	1,586,138	-
2,068	5,649,608	390,460	405,194	29,426,322	-
$ 2,140,779	$ 5,914,295	$ 42,495	$ 411,817	$ 28,582,844	$ 27,840,184

Kankakee School District 111

Statement of Revenues Received - Modified Cash Basis
All Governmental Funds

Year Ended June 30, 2023 *with Comparative Amounts for June 30, 2022*	Educational	Operations & Maintenance	Debt Services	Transportation
Revenues Received				
Local sources:				
Designated purposes levies	$ 11,063,980	$ 2,543,207	$ 3,045,907	$ 2,073,378
FICA/Medicare only purposes levy	-	-	-	-
Corporate personal property replacement taxes	6,209,843	-	-	-
Tuition	29,948	-	-	-
Food services	39,679	-	-	-
Textbook income	5,297	-	-	-
Pupil activities and textbooks	343,728	-	-	-
Earnings on investments	339,722	68,857	66,484	82,985
Rentals	-	-	-	-
Refund of Prior Years' Expenditures	-	-	-	-
Drivers' Education Fees	250	-	-	-
Other Local Revenues	88,406	44,008	-	-
Total local sources	18,120,853	2,656,072	3,112,391	2,156,363
State sources:				
Unrestricted				
Evidence Based Funding Formula	30,893,718	-	-	-
Restricted				
Private Facility Tuition	238,532	-	-	-
Orphanage	103,157	-	-	-
Driver Education	59,639	-	-	-
Early Childhood - Block Grant	1,549,703	-	-	-
Transportation	-	-	-	2,725,371
Lunch & Breakfast	14,422	-	-	-
School Infrastructure - Maintenance Projects	-	50,000	-	-
Other grants-in-aid	385,697	-	-	-
Total state sources	33,244,868	50,000	-	2,725,371
Federal sources:				
Head Start	2,971,450	-	-	-
National School Lunch Program	2,798,067	-	-	-
School Breakfast Program	753,018	-	-	-
Low Income	2,384,499	-	-	-
Migrant Education	64,007	-	-	-
Preschool Flow-Through	10,261	-	-	-
IDEA - Flow Through	1,528,415	-	-	-
Title II - Teacher Quality	281,509	-	-	-
Title III - Language Inst Program - Limited Eng	36,485	-	-	-
Title III - Immigrant Education Program (IEP)	-	-	-	-
Medicaid - Administrative Outreach	308,846	-	-	-
Medicaid - Fee-for-Service Program	327,550	-	-	-
Qualified School Construction Bond Credits	-	-	997,748	-
Other Restricted Revenue from Federal Sources	3,074,979	1,811,600	-	378,041
Total federal sources	14,539,086	1,811,600	997,748	378,041
Total direct revenues received	$ 65,904,807	$ 4,517,672	$ 4,110,139	$ 5,259,775

See accompanying notes to financial statements.

IMRF/Social Security	Capital Projects Fund	Working Cash	Tort Immunity	Fire Prevention & Safety	Total (Memorandum Only) 2023	Total (Memorandum Only) 2022
$ 1,163,016	$ -	$ 169,861	$ 485,011	$ -	$ 20,544,360	$ 19,267,415
-	-	-	-	-	-	738,285
200,000	-	-	-	-	6,409,843	5,670,952
-	-	-	-	-	29,948	82,592
-	-	-	-	-	39,679	29,784
-	-	-	-	-	5,297	14,416
-	-	-	-	-	343,728	532,390
49,829	-	94,826	5,084	6,623	714,410	10,753
-	-	-	-	-	-	41,403
-	-	-	-	-	-	391,523
-	-	-	-	-	250	10,100
-	-	-	-	-	132,414	40,808
1,412,845	-	264,687	490,095	6,623	28,219,929	26,830,421
-	9,200,000	-	650,000	-	40,743,718	39,257,397
-	-	-	-	-	238,532	146,570
-	-	-	-	-	103,157	128,932
-	-	-	-	-	59,639	43,618
90,602	-	-	-	-	1,640,305	1,447,025
-	-	-	-	-	2,725,371	2,488,834
-	-	-	-	-	14,422	53,888
-	-	-	-	-	50,000	-
3,437	-	-	-	-	389,134	527,873
94,039	9,200,000	-	650,000	-	45,964,278	44,094,137
277,374	-	-	-	-	3,248,824	2,717,302
-	-	-	-	-	2,798,067	2,364,583
-	-	-	-	-	753,018	581,234
223,866	-	-	-	-	2,608,365	2,218,288
2,564	-	-	-	-	66,571	59,380
509	-	-	-	-	10,770	21,995
92,350	-	-	-	-	1,620,765	1,617,421
884	-	-	-	-	282,393	140,161
-	-	-	-	-	36,485	64,833
15,936	-	-	-	-	15,936	-
-	-	-	-	-	308,846	133,736
-	-	-	-	-	327,550	259,077
-	-	-	-	-	997,748	1,138,503
98,108	14,036,604	-	-	-	19,399,332	9,774,634
711,591	14,036,604	-	-	-	32,474,670	21,091,147
$ 2,218,475	$ 23,236,604	$ 264,687	$ 1,140,095	$ 6,623	$ 106,658,877	$ 92,015,705

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds

Year Ended June 30, 2023	Educational 2023 Original and Final Budget	Educational 2023 Actual	Educational 2023 Variance with Final Budget (Over) Under
Expenditures Disbursed:			
Instruction			
Regular programs			
Salaries	$ 20,613,000	$ 19,267,553	$ 1,345,447
Employee benefits	5,033,000	5,097,135	(64,135)
Purchased services	2,117,000	1,408,259	708,741
Supplies and materials	3,831,500	1,596,732	2,234,768
Capital outlay	157,000	21,147	135,853
Other objects	32,000	7,299	24,701
Non-capitalized equipment	141,000	152,295	(11,295)
Total	31,924,500	27,550,420	4,374,080
Special education programs			
Salaries	5,478,000	4,467,611	1,010,389
Employee benefits	1,355,000	1,186,041	168,959
Purchased services	850,000	372,603	477,397
Supplies and materials	88,000	106,561	(18,561)
Capital outlay	10,000	4,792	5,208
Non-capitalized equipment	5,000	42,064	(37,064)
Total	7,786,000	6,179,672	1,606,328
CTE programs			
Salaries	765,000	161,621	603,379
Employee benefits	30,000	80	29,920
Supplies and materials	40,000	68,413	(28,413)
Total	835,000	230,114	604,886
Interscholastic programs			
Salaries	809,000	986,421	(177,421)
Employee benefits	140,000	126,572	13,428
Purchased services	195,000	245,880	(50,880)
Supplies and materials	360,000	307,322	52,678
Capital outlay	5,000	-	5,000
Other objects	55,000	41,164	13,836
Total	1,564,000	1,707,359	(143,359)

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

	Educational		
	2023		
Year Ended June 30, 2023	Original and Final Budget	Actual	Variance with Final Budget (Over) Under
Expenditures Disbursed:			
Summer school programs			
Salaries	$ 420,000	$ 143,243	$ 276,757
Employee benefits	48,000	11,931	36,069
Total	468,000	155,174	312,826
Gifted programs:			
Salaries	456,000	428,536	27,464
Employee benefits	142,000	138,948	3,052
Total	598,000	567,484	30,516
Driver's education programs:			
Salaries	185,000	176,651	8,349
Employee benefits	65,000	65,673	(673)
Purchased services	2,000	3,552	(1,552)
Total	252,000	245,876	6,124
Bilingual programs			
Salaries	1,814,000	1,787,386	26,614
Employee benefits	491,000	438,742	52,258
Purchased services	65,000	42,521	22,479
Supplies and materials	62,000	116,671	(54,671)
Capital outlay	-	1,097	(1,097)
Total	2,432,000	2,386,417	45,583
Student activities			
Other objects	605,000	238,723	366,277
Total instruction	46,464,500	39,261,239	7,203,261
Support services - Pupils			
Attendance and social work			
Salaries	736,000	550,745	185,255
Employee benefits	187,000	143,427	43,573
Purchased services	5,000	(3,195)	8,195
Supplies and materials	-	647	(647)
Total	928,000	691,624	236,376

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

	Educational		
	2023		
Year Ended June 30, 2023	Original and Final Budget	Actual	Variance with Final Budget (Over) Under
Expenditures Disbursed:			
Guidance services			
Salaries	$ 523,000	$ 321,862	$ 201,138
Employee benefits	84,000	61,539	22,461
Total	607,000	383,401	223,599
Health services			
Salaries	864,000	957,765	(93,765)
Employee benefits	201,000	167,410	33,590
Purchased services	-	9,092	(9,092)
Supplies and materials	14,000	10,799	3,201
Non-capitalized equipment	-	1,969	(1,969)
Total	1,079,000	1,147,035	(68,035)
Psychological services			
Salaries	156,000	101,342	54,658
Employee benefits	47,000	27,880	19,120
Purchased services	-	67,978	(67,978)
Supplies and materials	-	1,305	(1,305)
Total	203,000	198,505	4,495
Speech pathology and audiology services			
Salaries	558,000	434,247	123,753
Employee benefits	182,000	135,664	46,336
Purchased services	-	119,961	(119,961)
Supplies and materials	-	2,331	(2,331)
Total	740,000	692,203	47,797
Total pupils	3,557,000	3,112,768	444,232
Instructional staff			
Improvement of instruction services			
Salaries	1,035,000	1,121,288	(86,288)
Employee benefits	212,000	233,077	(21,077)
Purchased services	578,000	3,023,331	(2,445,331)
Supplies and materials	764,000	711,563	52,437
Capital outlay	10,000	-	10,000
Total	2,599,000	5,089,259	(2,490,259)

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

	Educational		
	2023		
Year Ended June 30, 2023	Original and Final Budget	Actual	Variance with Final Budget (Over) Under
Expenditures Disbursed:			
Educational media services			
Salaries	$ 447,000	$ 540,850	$ (93,850)
Employee benefits	153,000	114,167	38,833
Supplies and materials	5,000	22,227	(17,227)
Capital outlay	-	6,574	(6,574)
Total	605,000	683,818	(78,818)
Assessment and testing:			
Salaries	140,000	371,587	(231,587)
Employee benefits	56,000	72,777	(16,777)
Total	196,000	444,364	(248,364)
Total instructional staff	3,400,000	6,217,441	(2,817,441)
General administration			
Board of education			
Salaries	-	310,092	(310,092)
Employee benefits	-	45,104	(45,104)
Purchased services	206,000	322,274	(116,274)
Supplies and materials	-	22,578	(22,578)
Other objects	15,000	11,271	3,729
Total	221,000	711,319	(490,319)
Executive administration			
Salaries	806,000	689,911	116,089
Employee benefits	124,000	129,972	(5,972)
Purchased services	193,000	227,297	(34,297)
Supplies and materials	27,000	63,002	(36,002)
Other objects	15,000	26,667	(11,667)
Non-capitalized equipment	15,000	16,748	(1,748)
Total	1,180,000	1,153,597	26,403
Special area administrative services			
Salaries	605,000	651,940	(46,940)
Employee benefits	153,000	163,952	(10,952)
Purchased services	25,000	140	24,860
Supplies and materials	2,000	-	2,000
Total	785,000	816,032	(31,032)

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

	Educational		
	2023		
Year Ended June 30, 2023	Original and Final Budget	Actual	Variance with Final Budget (Over) Under
Expenditures Disbursed:			
Tort immunity services			
Salaries	$ 157,000	$ 152,600	$ 4,400
Employee benefits	21,000	21,420	(420)
Purchased services	100,000	263,393	(163,393)
Total	278,000	437,413	(159,413)
Total general administration	2,464,000	3,118,361	(654,361)
School administration			
Office of the principal			
Salaries	3,053,000	3,210,299	(157,299)
Employee benefits	714,000	673,714	40,286
Supplies and materials	25,500	67	25,433
Total school administration	3,792,500	3,884,080	(91,580)
Business			
Director of business support services			
Salaries	-	50,553	(50,553)
Employee benefits	-	5,121	(5,121)
Total	-	55,674	(55,674)
Fiscal services			
Salaries	475,000	487,853	(12,853)
Employee benefits	127,000	87,624	39,376
Purchased services	54,000	140,168	(86,168)
Supplies and materials	40,000	58,031	(18,031)
Other objects	33,000	12,755	20,245
Non-capitalized equipment	25,000	21,160	3,840
Total	754,000	807,591	(53,591)
Operation and maintenance of plant services			
Salaries	751,000	692,459	58,541
Employee benefits	-	112,666	(112,666)
Purchased services	10,000	57,606	(47,606)
Supplies and materials	-	255	(255)
Capital outlay	-	159,408	(159,408)
Total	761,000	1,022,394	(261,394)

Kankakee School District 111

Statement of Expenditures Disbursed

Budget and Actual - Modified Cash Basis

All Governmental Funds (Continued)

	Educational		
	2023		
Year Ended June 30, 2023	Original and Final Budget	Actual	Variance with Final Budget (Over) Under
Expenditures Disbursed:			
Pupil transportation services			
Purchased services	$ 820,000	$ 523,357	$ 296,643
Non-capitalized equipment	35,000	-	35,000
Total	855,000	523,357	331,643
Food services			
Salaries	1,418,000	1,358,397	59,603
Employee benefits	189,000	155,868	33,132
Purchased services	15,000	85,958	(70,958)
Supplies and materials	1,520,000	2,103,933	(583,933)
Capital outlay	43,000	50,709	(7,709)
Other objects	5,000	4,999	1
Non-capitalized equipment	-	1,125	(1,125)
Total	3,190,000	3,760,989	(570,989)
Total business	5,560,000	6,170,005	(610,005)
Central			
Information services			
Purchased services	3,000	-	3,000
Supplies and materials	1,000	45	955
Total	4,000	45	3,955
Data processing services			
Salaries	161,000	171,749	(10,749)
Employee benefits	27,000	30,163	(3,163)
Purchased services	610,000	1,117,798	(507,798)
Supplies and materials	375,000	404,705	(29,705)
Capital outlay	10,000	97,931	(87,931)
Non-capitalized equipment	25,000	11,076	13,924
Total	1,208,000	1,833,422	(625,422)
Total central	1,212,000	1,833,467	(621,467)

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

	Educational		
	2023		
	Original and Final Budget	Actual	Variance with Final Budget (Over) Under
Expenditures Disbursed:			
Other support services			
Salaries	$ -	$ 270	$ (270)
Purchased services	-	35,495	(35,495)
Supplies and materials	-	1,297	(1,297)
Total other support services	-	37,062	(37,062)
Total support services	19,985,500	24,373,184	(4,387,684)
Community services			
Salaries	529,000	1,860,130	(1,331,130)
Employee benefits	66,000	220,034	(154,034)
Purchased services	232,000	460,674	(228,674)
Supplies and materials	231,000	260,326	(29,326)
Capital outlay	-	1,097	(1,097)
Other objects	149,000	383,933	(234,933)
Non-capitalized equipment	2,000	-	2,000
Total	1,209,000	3,186,194	(1,977,194)
Payments to other districts and governmental units (in-state)			
Regular programs			
Other objects	8,000	8,000	-
Special education programs			
Purchased services	-	168,347	(168,347)
Other objects	350,000	355,796	(5,796)
Total	350,000	524,143	(174,143)
CTE programs			
Other objects	150,000	310,102	(160,102)
Community college program - transfers			
Purchased services	-	162,643	(162,643)
Total non-programmed services	508,000	1,004,888	(496,888)
Total educational fund	$ 68,167,000	$ 67,825,505	$ 341,495

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

Year Ended June 30, 2023	Operations & Maintenance 2023 Original and Final Budget	Actual	Variance with Final Budget (Over) Under
Expenditures Disbursed:			
Support services			
Facilities acquisition and construction services			
Capital outlay	$ -	$ 10,055	$ (10,055)
Total	-	10,055	(10,055)
Operations and maintenance of plant services			
Salaries	3,245,000	3,150,634	94,366
Employee benefits	564,000	564,366	(366)
Purchased services	1,661,000	950,028	710,972
Supplies and materials	1,416,000	1,288,059	127,941
Capital outlay	1,802,000	258,723	1,543,277
Non-capitalized equipment	5,000	372	4,628
Total	8,693,000	6,212,182	2,480,818
Total operations and maintenance fund	$ 8,693,000	$ 6,222,237	$ 2,470,763

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

	Debt Service Fund		
	2023		
Year Ended June 30, 2023	Original and Final Budget	Actual	Variance with Final Budget (Over) Under
Expenditures Disbursed:			
Debt services			
Payments of principal on long-term debt	$ 2,645,000	$ 1,560,757	$ 1,084,243
Interest on long-term debt	1,536,000	1,541,436	(5,436)
Other	-	5,849	(5,849)
Total debt service fund	$ 4,181,000	$ 3,108,042	$ 1,072,958

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

	Transportation Fund		
	2023		
Year Ended June 30, 2023	Original and Final Budget	Actual	Variance with Final Budget (Over) Under
Expenditures Disbursed			
Support services			
Pupil transportation			
Salaries	$ 115,000	$ 314,456	$ (199,456)
Employee benefits	36,000	42,593	(6,593)
Purchased services	4,050,000	3,413,249	636,751
Supplies and materials	-	18,326	(18,326)
Capital outlay	199,000	1,289,783	(1,090,783)
Non-capitalized equipment	-	71,242	(71,242)
Total transportation fund	$ 4,400,000	$ 5,149,649	$ (749,649)

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

Year Ended June 30, 2023	IMRF/Social Security 2023 Original and Final Budget	IMRF/Social Security 2023 Actual	IMRF/Social Security 2023 Variance with Final Budget (Over) Under
Expenditures Disbursed			
Instruction services			
Regular programs	$ 685,000	$ 597,164	$ 87,836
Special education programs	311,000	231,817	79,183
CTE programs	2,000	22,580	(20,580)
Interscholastic programs	69,000	58,158	10,842
Summer school programs	24,000	6,339	17,661
Gifted programs	6,000	5,654	346
Driver's education programs	2,000	2,311	(311)
Bilingual programs	85,000	73,297	11,703
Total instruction	1,184,000	997,320	186,680
Support services			
Pupils			
Attendance and social work services	11,000	8,244	2,756
Guidance services	5,000	4,524	476
Health services	115,000	121,206	(6,206)
Physicological services	2,000	1,396	604
Speech pathology and audiology services	5,000	5,725	(725)
Total pupils	138,000	141,095	(3,095)
Instructional Staff			
Improvement of instruction services	34,000	56,322	(22,322)
Educational media services	52,000	76,401	(24,401)
Assessment and testing	5,000	5,395	(395)
Total instructional staff	91,000	138,118	(47,118)
General administration			
Board of Education	-	42,489	(42,489)
Executive Administration	39,000	44,391	(5,391)
Service area administration services	27,000	15,404	11,596
Tort immunity services	25,000	23,504	1,496
Total general administration	91,000	125,788	(34,788)

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

Year Ended June 30, 2023	IMRF/Social Security 2023 Original and Final Budget	Actual	Variance with Final Budget (Over) Under
School administration			
Office of the Principal	$ 193,000	$ 124,057	$ 68,943
Total school administration	193,000	124,057	68,943
Business			
Director of business	2,000	727	1,273
Fiscal services	68,000	66,054	1,946
Operation and maintenance of plant services	849,000	551,006	297,994
Pupil transportation services	19,000	37,320	(18,320)
Food services	221,000	191,694	29,306
Total business	1,159,000	846,801	312,199
Central			
Data processing services	-	14,143	(14,143)
Total central	-	14,143	(14,143)
Total support services	1,672,000	1,390,002	281,998
Community services			
Total Community services	124,000	223,626	(99,626)
Total IMRF/Social security fund	$ 2,980,000	$ 2,610,948	$ 369,052

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

Year Ended June 30, 2023	Capital Projects Fund 2023 Original and Final Budget	Actual	Variance with Final Budget
Expenditures Disbursed:			
Support services - Business			
Facilities acquisition and construction services			
Capital outlay	$ -	$ 21,097,893	(21,097,893)
Other objects	26,131,000	-	26,131,000
Total capital projects fund	$ 26,131,000	$ 21,097,893	$ 5,033,107

Kankakee School District 111

Statement of Expenditures Disbursed
Budget and Actual - Modified Cash Basis
All Governmental Funds (Continued)

	Tort Immunity		
	2023		
Year Ended June 30, 2023	Original and Final Budget	Actual	Variance with Final Budget
Expenditures Disbursed:			
Support services - General Administration			
Tort immunity services			
Purchased services	$ 115,000	$ 29,125	$ 85,875
Operations & maintenance			
Purchased services	300,000	162,196	137,804
Pupil transportation			
Purchased services	1,000	-	1,000
Other support services - Misc.			
Purchased services	660,000	1,296,739	(636,739)
Total tort immunity fund	$ 1,076,000	$ 1,488,060	$ (412,060)

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Kankakee School District 111 (the District) accounting policies conform to the modified cash basis of accounting as defined by the Illinois State Board of Education. The financial statements are prepared to comply with regulatory provisions prescribed by the Illinois State Board of Education. The provisions are intended to assure effective legislative and public oversight of school districts financing and spending activities of accountable Illinois public school districts.

The District includes all funds and account groups of its governmental 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 and account groups of the District as there are no other organizations for which it has financial accountability.

Basis of Presentation

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Each fund is a separate accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. District resources are allocated to and accounted for in individual funds as required by the State of Illinois based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements. The following summarizes the fund types and account groups used by the District:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. GASB statement No. 54 refined the definitions of various governmental funds. These updated definitions are incorporated into the following fund descriptions. The following are the District's governmental funds:

Educational Fund – The Educational Fund is the general operating fund of the District. It is used to account for all financial resources except those accounted for in another fund.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Operations and Maintenance Fund –The Operations and Maintenance Fund is also a general operating fund of the District. It is used to account for cost of maintaining school buildings.

Debt Service Fund –The Bond & Interest Fund accounts for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

Transportation Fund – The Transportation Fund accounts for the costs of transporting pupils to and from school and school activities.

Municipal Retirement/Social Security – The Municipal Retirement/Social Security Fund is used to pay the District's share of municipal retirement benefits for covered employees. The District's share of Social Security and Medicare expense is also paid from this fund if a separate tax is levied for that purpose.

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Working Cash - The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to any other fund for which taxes are levied.

Tort Immunity Fund - The Tort Fund accounts for financial resources held by the District for the payment of legal and litigation related expenditures. Revenues received and disbursements from this fund are legally restricted for this specific purpose.

Fire Preventions and Safety Fund – The Fire Prevention and Safety is used to account for financial resources to be used for the acquisition or additions related to qualifying fire prevention and safety projects.

Measurement Focus and Basis of Accounting

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

Note 1: Summary of Significant Accounting Policies (Continued)

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position and not with measurement of results of operations.

Budgets and Budgetary Accounting

Annual budgets for all Governmental Funds are adopted on the cash basis of accounting. For each fund, total fund expenditures may not legally exceed the budgeted amounts.

The Board of Education follow these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. It is prepared on the regulatory basis of accounting which is the same basis that is used in financial reporting.

- A public hearing is conducted at a public meeting to obtain taxpayer comments.

- Prior to October 1, the budget is legally adopted through passage of a resolution.

- Management is authorized, to transfer budget amounts provided funds transferred between the same function an object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total between functions within any fund; however, any restrictions that alter the total expenditures of any fund must be approved by the Board of Education after following the public hearing process mandated by law. There were no supplemental appropriations during the year.

- Management is authorized to transfer budget amounts provided funds are transferred between the same function and object code. The Board of Education is authorized to transfer up to a legal level of 10% of the total between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after following the public hearing process mandated by law. There were no supplemental appropriations during the year.

- Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

Note 1: Summary of Significant Accounting Policies (Continued)

- Budgeted amounts for the governmental funds are adopted on a basis consistent with the modified cash basis of accounting. Governmental fund budgets are adopted on the modified cash basis. The level of budgetary control is established by function and activity within an individual fund.

- Appropriations lapse at the end of the fiscal year.

- The budget which was not amended was adopted by the Board of Education on September 26, 2022.

The following funds has an excess of expenditures over budget as of June 30, 2023:

Fiscal Year	Budget	Actual	Excess
Transportation Fund	$ 4,400,000	$ 5,149,649	$ 749,649

The expenditures disbursed were sufficiently absorbed by the additional revenues received by the District. Under the State Budget Act, expenditures disbursed may exceed the budget if additional resources are available to finance such expenditures.

Cash and Investments

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

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

General Fixed Assets

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the individual funds and capitalized at cost in the General Fixed Asset Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. The District has not maintained cumulative detailed property records for all fixed assets included in the General Fixed Assets Account Group. No depreciation has been provided on fixed assets.

Total Memorandum Only

Total columns on the financial statements are captioned as "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The amounts in these columns do not present information that reflects financial position, results of operations or cash flows in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

The owner of real property on January 1, in any year is liable for taxes of that year and collected the following year. The District filed its tax levy resolution on December 15, 2022. The District's property tax is levied each year on all taxable real property located in the District.

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 Clerk 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 a tax rate will be applied (the "Equalized Assessed Valuation").

The County Clerk adds the Equalized 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 in calculating the annual tax rates, as described above. The Equalized Assessed Valuation in Kankakee County for the extension of the 2022 tax levy was $392,418,702. Property tax receipts recorded for the year ended June 30, 2023 are from the 2021 levy.

Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the extent required by Illinois law to the Municipal Retirement/Social Security Fund. The balance may be allocated at the discretion of the District.

Note 2: Cash and Investments

Deposits with Financial Institutions

At June 30, 2023, the carrying amount of the District's deposits and investments, excluding student activities of $612,740 totaled $29,381,158 and the bank balances totaled $32,640,258. Custodial credit risk the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District requires all deposits in excess of any insurance limits to be collateralized in accordance with the Public Funds Investment Act 30 ILCS 235/1. As of June 30, 2023, the District's deposits with financial institutions were insured or collateralized by securities held by a third party and pledged to the District.

Investments

Custodial Credit Risk for Investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District's investment policy prefers that all security transactions that are exposed to custodial credit risk are processed with the underlying investments held by a third party custodian. The District did not have any investments exposed to custodial credit risk at June 30, 2023.

Note 2: Cash and Investments (Continued)

The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses from increasing rates.

Credit Risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The District's investment policy seeks to minimize credit risk by requiring investments in securities allowed under the investment policy.

Concentrations of Credit Risk is the risk that the District has a high percentage of their investments invested in one type of investment. The District's investment policy does not further limit its investment choices beyond the school code.

Interest Rate Risk for Investments is the risk that changes in interest rates will adversely affect the value of an investments. The District's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's policy states investments shall provide sufficient liquidity to pay obligations of the District as the come due. Additionally, the District's policy is in conformance with the provisions of the Illinois Public Funds Investment Act (30ILCS 235/2).

Note 3: General Fixed Assets

A summary of changes in general fixed assets were as follows:

	Balance 6/30/2022	Additions	Deletions	Balance 06/30/23
Land	$ 320,859	$ -	$ -	$ 320,859
Construction in progress	27,294,655	9,924,750	(27,294,655)	9,924,750
Building and building improvements	88,713,244	38,197,493	-	126,910,737
Land improvements	5,448,365	-	-	5,448,365
Capitalized equipment	28,658,572	1,334,033	-	29,992,605
Total	$ 150,435,695	$ 49,456,276	$ (27,294,655)	$ 172,597,316

Note 4: Leases Receivables

The District leases Aroma Park Primary School to the Garden of Prayer Youth Center. The lease is dated May 26, 2016. Monthly payments of $3,000 began July 1, 2016. The lease has been extended through June 30, 2023. At the end of the lease term, the District has the option to renew the agreement. There is no stated interest rate on the lease and the implicit rate cannot easily be determined. The discount rate calculated using the District's incremental borrowing rate is immaterial. Therefore, no amounts have been allocated to interest. The District received $36,000 in lease revenue for the year ended June 30, 2023.

Note 5: Long-Term Debt

Long-term debt consisted of the following at June 30, 2023:

	Balance July 1, 2022	Additions	Reductions	Balance 06/30/23	Amounts due Within One Year
General Obligation Bonds					
Series 2016B (QSCB)	$ 10,200,000	$ -	$ -	$ 10,200,000	$ -
Series 2017B (QSCB)	19,620,000	-	-	19,620,000	-
Series 2019	4,270,000	-	(1,360,000)	2,910,000	1,475,000
Total General Obligation Bonds	34,090,000	-	(1,360,000)	32,730,000	1,475,000
Financing Leases					
2019 - Chromebooks	72,905	-	(72,905)	-	-
2019 - Technology Equipment	260,178	-	(127,852)	132,326	132,326
Total leases	333,083	-	(200,757)	132,326	-
Net Pension Liability - IMRF	(9,880,626)	14,938,792	-	5,058,166	-
Net Pension Liability - TRS	2,282,597	-	(66,457)	2,216,140	-
Net OPEB Liability - THIS	22,423,586	-	(16,640,357)	5,783,229	-
Total long-term debt	$ 49,248,640	$ 14,938,792	$ (18,267,571)	$ 45,919,861	$ 1,607,326

a. General Obligation Bonds

Series 2016B (Qualified School Construction Bonds), dated July 25, 2016, in the amount of $10,200,000 with an interest rate of 4.30% for the purpose of paying 2016 debt certificates and various capital projects throughout the District. The bond matures on January 1, 2036. Funds are set aside in a sinking fund account and irrevocably deposited with a deposit agent to provide for payment of principal maturity. Interest will be paid on January 1 and July 1 each year beginning July 1, 2017.

Series 2017B bonds (Qualified Construction Bonds), dated June 6, 2017, in the amount of $19,620,000 with an interest rate of 4.826% for the purpose of paying 2017 debt certificates and various capital projects throughout the District. The bonds mature on January 1, 2042. Funds are set aside in a sinking fund account and irrevocably deposited with a deposit agent to provide for payment of principal at maturity. Interest will be paid on January 1 and July 1 each year beginning January 1, 2018.

Series 2019 General Obligation Bonds, dated August 6, 2019, in the amount of $5,700,000 with an interest rate of 4.00% percent to provide Working Cash funds. The bond mature on January 1, 2025. These bonds provide for the serial retirement of principal each year beginning January 1, 2021. These bonds provide for the serial retirement of interest payable on January 1 and July 1 of each year with the first interest payment due July 1, 2020.

Note 5: Long-Term Debt (Continued)

At June 30, 2023, the annual cash flow requirements of all bonds payable to retirement were as follows:

	Principal	Interest	Total
2024	$ 1,475,000	$ 1,472,362	$ 2,947,362
2025	1,435,000	1,414,162	2,849,162
2026	-	1,385,461	1,385,461
2027	-	1,385,462	1,385,462
2028	-	1,385,461	1,385,461
2029 - 2033	-	6,927,306	6,927,306
2034 - 2038	10,200,000	5,830,806	16,030,806
2039 - 2042	19,620,000	3,314,014	22,934,014
Total	$ 32,730,000	$ 23,115,034	$ 55,845,034

b. Lease Obligation

Chromebooks dated July 15, 2019, providing for an initial down payment of $86,173 and three annual payments of $86,173 including interest, through July 15, 2022. This equipment did not meet the District's capitalization threshold and therefore it is not included in the general fixed asset account group.

Technology equipment dated July 15, 2019, providing for an initial down payment of $136,958 and four annual payments of $136,958 including interest, through July 15, 2023. The equipment did not meet the District's capitalization threshold and therefore it is not included in the general fixed asset account group.

The following shows the debt service requirements for the lease:

	Principal	Interest	Total
2024	$ 132,326	$ 4,632	$ 136,958

Note 6: Legal Debt Limit

The Illinois School Code limits the amount of indebtedness to 13.8% of $392,418,702, the most recent available equalized assessed valuation of the District. As of 2023, the District's remaining legal debt margin was $21,423,781.

Note 7: Employee Retirement Systems

The retirement plans of the District include the Teachers' Retirement System of the State of IL (TRS) and the IL Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

Due to the District preparing its financial statements on the basis of the financial reporting provisions of the Illinois State Board of Education, pension liabilities and deferred inflows and outflows referred to throughout the note disclosure are not recognized in the actual financial statements.

a. Teachers' Retirement System of the State of Illinois (TRS)

Plan Description

The District participates in the TRS. TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest 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.

Note 7: Employee Retirement Systems (Continued)

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 last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2022, was 9.0% 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 District. For the year ended June 30, 2023, State of IL contributions recognized by the District were based on the State's proportionate share of the pension expense associated with the District, and the District recognized revenue and expenditures of $12,932,691 in pension contributions from the State of IL**.**

2.2 formula contributions. The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2023 were $151,192, and are deferred because they were paid after the June 30, 2022 measurement date.

Note 7: Employee Retirement Systems (Continued)

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

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

For the year ended June 30, 2023, the employer pension contribution was 10.49% of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling $46,658 were paid from the federal and special trust funds that required employer contributions of $4,894. These contributions are deferred because they were paid after the June 30, 2022 measurement date.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2023, the District did not make any payments for salary increases over 6 percent, salary increases over 3 percent, or excess sick leave contributions.

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

At June 30, 2022, 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	$ 2,216,140
State's proportionate share of the net pension liability associated with the District	192,235,439
Total	$ 194,451,579

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2022, the employer's proportion was 0.002643%, which was a decrease of 0.000283% from its proportion measured as of June 30, 2021.

Note 7: Employee Retirement Systems (Continued)

For the year ended June 30, 2023, the District recognized pension expense of $12,932,691 and revenue of $12,932,691 for support provided by the state. At June 30, 2023, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, which are not reported due to the regulatory basis of accounting:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 4,454	$ 12,219
Changes in assumptions	10,218	4,231
Net difference between projected and actual earnings in OPEB plan investments	2,027	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	682,904
Total deferred amounts to be recognized in OPEB expense in future periods	16,699	699,354
District's contributions subsequent to the measurement date	156,086	-
Total	$ 172,785	$ 699,354

$156,086 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2024	$ (356,983)
2025	(147,458)
2026	(124,131)
2027	(35,398)
2028	(18,685)
Total	$ (682,655)

Note 7: Employee Retirement Systems (Continued)

Actuarial Assumptions

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

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

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

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:

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

Note 7: Employee Retirement Systems (Continued)

Discount Rate

At June 30, 2022, the discount rate used to measure the total pension liability was 7.00%, which was the same as the June 30, 2021 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

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

Sensitivity of the Employer'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%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net Pension liability	$ 2,710,358	$ 2,216,140	$ 1,806,317

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

b. Illinois Municipal Retirement Fund (IMRF)

Plan Description and Benefits

Plan description – The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer's plan is managed by 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 of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Note 7: Employee Retirement Systems (Continued)

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

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

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

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

Employees Covered by the Benefit Terms - At the December 31, 2022 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	321
Inactive employees entitled to but not yet receiving benefits	422
Active employees	365
Total	1,108

Contributions - As set by statute, the employer's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2022 was 7.37%. For the fiscal year ended June 30, 2023, the employer contributed $1,006,468 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Note 7: Employee Retirement Systems (Continued)

Net Pension Liability - The employer's Net Pension Liability was measured as of December 31, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other information: Notes	There were no benefit changes during the year.

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, 2012:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	35.5 %	6.50 %
International equities	18.0 %	7.60 %
Fixed income	25.5 %	4.90 %
Real estate	10.5 %	6.20 %
Alternatives	9.5 %	6.25-9.90 %
Cash	1.0 %	4.00 %
Total	100.0 %	

Note 7: Employee Retirement Systems (Continued)

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the plan's net pension liability, calculated using the single discount rate of 7.25 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability/(asset)	$ 12,805,636	$ 5,058,166	$ (1,156,351)

Note 7: Employee Retirement Systems (Continued)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2021	$ 67,878,754	$ 77,759,380	$ (9,880,626)
Changes for the year:			
Service cost	1,244,339	-	1,244,339
Interest on the total Pension liability	4,832,984	-	4,832,984
Differences between expected and actual experience of the total Pension liability	1,120,332	-	1,120,332
Contributions - employer	-	1,013,967	(1,013,967)
Contributions - employees	-	619,586	(619,586)
Net investment income	-	(9,505,264)	9,505,264
Benefit payments, including refunds of employee contributions	(3,678,152)	(3,678,152)	-
Other (net transfer)	-	130,574	(130,574)
Net changes	3,519,503	(11,419,289)	14,938,792
Balances at December 31, 2022	$ 71,398,257	$ 66,340,091	$ 5,058,166

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For year ended June 30, 2023, the District recognized pension expense of $1,167,736. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources which are not reported due to the financial reporting provisions of the Illinois State Board of Education.

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 878,788	$ 78,042
Changes in assumptions	-	84,055
Net difference between projected and actual earnings on pension plan investments	5,332,533	-
Total deferred amounts to be recognized in OPEB expense in future periods	6,211,321	162,097
District's contributions subsequent to the measurement date	472,551	-
Total	$ 6,683,872	$ 162,097

Note 7: Employee Retirement Systems (Continued)

$472,551 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 29, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2024	$ (14,785)
2025	1,257,257
2026	1,792,064
2027	3,014,688
Total	$ 6,049,224

Note 8: Other Postemployment Benefits

Teacher Health Insurance Security (THIS)

Plan Description

The Teacher Health Insurance Security Fund (THISF) (also known as The Teacher Retirement Insurance Program, "TRIP") is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. TRIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan with a special funding situation that covers retired employees of participating school districts throughout the State of Illinois, excluding the Chicago Public School System. TRIP health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities to TRIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

The audit report is available on the Office of the Auditor General website at www.auditor.illinois.gov. which includes the financial statements of the Department of Central Management Services. Questions regarding the financial statements can be addressed to the Department of Central Management Services at 401 South Spring, Springfield, Illinois 62706. A copy of the actuarial valuation report will be available by the Commission on Government Forecasting and Accountability on its website at http://cgfa.ilga.gov/.

Note 8: Other Postemployment Benefits (Continued)

Plan Membership

In order to be eligible, retirees of public schools must have been certified educators or administrators during their time of employment. Eligibility to participate in the plan is currently limited to former full-time employees, or if not a full-time employee, an individual that is in a permanent and continuous basis portion in which services are expected to be rendered for at lease one school term, and their dependents.

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) establishes the eligibility and benefit provisions of the plan.

Contributions

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

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

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

At June 30, 2022, the District's reported a liability for its proportionate share of the net OPEB liability. 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	$ 5,783,229
State's proportionate share of the net OPEB liability associated with the District	7,841,214
Total	$ 13,624,443

Note 8: Other Postemployment Benefits (Continued)

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2022, the District's proportion was 0.084492%, which was a decrease of 0.017177% from its proportion measured as of June 30, 2021.

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

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 3,782,516
Changes in assumptions	5,217	14,265,687
Net difference between projected and actual earnings in OPEB plan investments	703	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,804	7,309,588
Total deferred amounts to be recognized in OPEB expense in future periods	7,724	25,357,791
District's contributions subsequent to the measurement date	174,652	-
Total	$ 182,376	$ 25,357,791

$174,652 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Inflows of Resources
2024	$ (4,159,418)
2025	(3,881,935)
2026	(3,463,831)
2027	(3,353,749)
2028	(3,311,275)
Thereafter	(7,179,859)
Total	$ (25,350,067)

Note 8: Other Postemployment Benefits (Continued)

Actuarial Valuation Method

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Actuarial Assumptions.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Note 8: Other Postemployment Benefits (Continued)

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021. The decrease in the single discount rate from 1.92% to 3.69% caused the total OPEB liability to increase by approximately $1,448 million from 2021 to 2022.

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.69%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current rate:

	1% Decrease 2.69%	Current Discount Rate 3.69%	1% Increase 4.69%
District's proportionate share of the net OPEB liability	$ 6,427,287	$ 5,783,229	$ 5,121,489

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage higher or lower.

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	$ 4,886,990	$ 5,783,229	$ 6,766,838

a) Current healthcare trend rates - Pre-Medicare capita costs: 6.00% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 3.22% in 2023, 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.81% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.

Note 8: Other Postemployment Benefits (Continued)

b) One percentage point decrease in current healthcare trend rates - Pre-Medicare per capita costs: 5.00% in 2023, 7.00% in 2024, decrease by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 2.22% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.81% in 2034 decreasing ratably to an ultimate rate of 3.25% in 2039.

c) One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 7.00% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 4.22% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.84% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2039.

Note 9: 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 and natural disasters.

Except for workers' compensation insurance, described in the following paragraphs, the District has purchased insurance from private insurance companies. Risks covered include general liability, health insurance and other. Premiums have been displayed as expenditures disbursed in appropriate funds. There has no significant reduction in coverage, and settlements have not exceeded insurance coverage for each of the last three years.

Effective January, the District entered into an agreement with Illinois Counties Risk Management Trust (ICRMT), a public entity risk pool, for workers' compensation insurance. The ICRMT was formed for the purpose of establishing a joint self-insurance fund to provide, on behalf of the participants, for the defense and payment of claims and losses covered under the agreement.

The District's costs are based on classification rates applied to actual payroll amounts and adjusted by underwriting modifiers. No participant shall be responsible for any defense or losses of, or claims against, any other participant.

Note 10: Fund Balance

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reported Reserved and Unreserved Fund Balances. Below are definitions of the how these balances are reported.

Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The District has nonspendable balances at year end that are listed below.

Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Examples of these restrictions could be those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has restricted balances at year end that are listed below.

Committed Fund Balance

The District commits fund balance by making motions or passing resolution to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements. The District has committed balances at year end that are listed below.

Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board to assign amounts to be used for specific purposes. The District has no assigned balances at year end.

Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund and for funds with negative fund balances.

Kankakee School District 111

Schedule of Changes in the Employer's Net Pension Liability
and Related Ratios
Illinois Municipal Retirement Fund

Last Six Calendar Years

	2022	2021	2020	2019
Total Pension Liability				
Service cost	$ 1,244,339	$ 1,195,530	$ 1,306,084	$ 1,222,288
Interest	4,832,984	4,635,144	4,512,084	4,266,890
Differences between expected and actual experience	1,120,332	292,974	(472,926)	802,602
Changes of assumption	-	-	(509,362)	-
Benefit payments, including refunds of member contributions	(3,678,152)	(3,160,308)	(3,006,133)	(2,897,252)
Net change in total pension liability	3,519,503	2,963,340	1,829,747	3,394,528
Total pension liability, beginning	67,878,754	64,915,414	63,085,667	59,691,139
Total pension liability - ending	$ 71,398,257	$ 67,878,754	$ 64,915,414	$ 63,085,667
Plan Fiduciary Net Position				
Contributions - employer	$ 1,013,967	$ 1,249,733	$ 1,181,655	$ 1,009,360
Contributions - member	619,586	583,437	563,281	552,485
Net investment income	(9,505,264)	11,321,160	8,560,404	9,657,055
Benefit payments, including refunds of member contributions	(3,678,152)	(3,160,308)	(3,006,133)	(2,897,252)
Administrative expense	130,574	(504,818)	462,034	(267,945)
Net change in plan fiduciary net position	(11,419,289)	9,489,204	7,761,241	8,053,703
Plan net position, beginning	77,759,380	68,270,176	60,508,935	52,455,232
Plan net position, ending	$ 66,340,091	$ 77,759,380	$ 68,270,176	$ 60,508,935
Employer's net pension liability (asset)	$ 5,058,166	$ (9,880,626)	$ (3,354,762)	$ 2,576,732
Plan fiduciary net position as a percentage of the total pension liability	92.92 %	114.56 %	105.17 %	95.92 %
Covered payroll	$ 13,758,026	$ 12,965,248	$ 12,518,714	$ 12,126,084
Employer's net pension liability as a percentage of covered payroll	36.77 %	(76.21)%	(26.80)%	21.25 %

	2018	2017
	$ 1,134,369	$ 1,205,612
	4,134,902	4,106,853
	(421,146)	(692,779)
	1,598,798	(1,694,601)
	(2,641,256)	(2,389,682)
	3,805,667	535,403
	55,885,472	55,350,069
	$ 59,691,139	$ 55,885,472
	$ 1,187,352	$ 1,149,277
	532,418	505,054
	(2,835,789)	8,498,777
	(2,641,256)	(2,389,682)
	659,539	(1,281,120)
	(3,097,736)	6,482,306
	55,552,968	49,070,662
	$ 52,455,232	$ 55,552,968
	$ 7,235,907	$ 332,504
	87.88 %	99.41 %
	$ 11,311,613	$ 11,220,342
	63.97 %	2.96 %

Kankakee School District 111

Schedule of Employer Contributions

Illinois Municipal Retirement Fund

Last Six Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 1,006,468	$ 1,006,468	$ -	$ 15,491,424	6.50 %
2022	1,113,716	1,113,716	-	13,151,716	8.47 %
2021	1,182,835	1,182,835	-	12,463,004	9.49 %
2020	1,106,496	1,106,496	-	12,454,167	8.88 %
2019	1,094,126	1,094,126	-	11,682,741	9.37 %
2018	1,153,920	1,153,920	-	11,137,431	10.36 %

Notes to Schedule

Valuation date:	Actuarially determined contribution rates are calculated as of December 31 of 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 contribution rate

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	21-year closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2018 is not available.

Kankakee School District 111

Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Retirement System

Last Six Fiscal Years

	2023*	2022*	2021*
District's proportion of the net pension liability	0.002643 %	0.002926 %	0.003153 %
District's proportion share of the net pension liability	$ 2,216,140	$ 2,282,597	$ 2,718,652
State's proportionate share of the net pension liability associated with the District	192,235,439	191,305,889	212,938,958
Total	$ 194,451,579	$ 193,588,486	$ 215,657,610
District's covered payroll	$ 27,359,376	$ 25,682,281	$ 26,538,623
District's proportionate share of the net pension liability as a percentage of covered payroll	8.10 %	8.89 %	10.24 %
Plan fiduciary net position as a percentage of the total pension liability	42.80 %	45.10 %	37.80 %

Notes to Schedule

Changes of assumptions

For the 2022 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 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 - 2017 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

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

2020*		2019*		2018*	
	0.003523 %		0.003700 %		0.007013 %
$	2,857,376	$	2,883,993	$	5,357,566
	203,356,362		197,565,631		192,997,585
$	206,213,738	$	200,449,624	$	198,355,151
$	27,013,351	$	27,159,191	$	26,075,824
	10.58 %		10.62 %		20.55 %
	39.60 %		40.00 %		39.30 %

Kankakee School District 111

Schedule of Employer Contributions

Teachers' Retirement System

Last Six Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 156,086	$ 156,086	$ -	$ 26,067,529	0.60 %
2022	157,251	157,251	-	25,682,281	0.61 %
2021	202,370	202,370	-	26,538,623	0.76 %
2020	197,905	197,905	-	27,013,351	0.73 %
2019	172,949	172,949	-	27,159,191	0.64 %
2018	284,894	288,482	(3,588)	26,075,824	1.11 %

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2018 is not available.

Kankakee School District 111

Schedule of the District's Proportionate Share of the Net OPEB Liability
Teachers' Health Insurance Security Fund

Last Six Fiscal Years

	2023*	2022*	2021*	2020*
District's proportion of the net OPEB liability	0.084492 %	0.101669 %	0.106340 %	0.109213 %
District's proportion share of the net OPEB liability	$ 5,783,229	$ 22,423,586	$ 28,430,853	$ 30,227,391
State's proportionate share of the net OPEB liability associated with the District	7,841,214	30,403,110	38,516,064	40,931,744
Net OPEB liability	$ 13,624,443	$ 52,826,696	$ 66,946,917	$ 71,159,135
District's covered payroll	$ 27,359,376	$ 25,682,281	$ 26,538,623	$ 27,013,351
District's proportionate share of the net OPEB liability as a percentage of covered payroll	21.14 %	87.31 %	107.13 %	111.90 %
Plan fiduciary net position as a percentage of the total OPEB liability	5.24 %	1.40 %	0.70 %	0.25 %

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

2019*	2018*
0.111954 %	0.113145 %
$ 29,495,248	$ 29,384,607
39,605,771	38,589,291
$ 69,101,019	$ 67,973,898
$ 27,159,191	$ 26,075,824
108.60 %	112.69 %
(0.07)%	(0.17)%

Kankakee School District 111

Schedule of Employer Contributions

Teachers' Health Insurance Security Fund

Last Six Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 174,652	$ 174,652	$ -	$ 26,067,529	0.67 %
2022	183,308	183,308	-	27,359,376	0.67 %
2021	236,277	236,277	-	25,682,281	0.92 %
2020	244,155	244,155	-	26,538,623	0.92 %
2019	259,328	259,328	-	27,013,351	0.96 %
2018	228,137	228,137	-	27,159,191	0.84 %

The District implemented GASB Statement No. 75 in fiscal year 2018.
Information prior to fiscal year 2018 is not available

Kankakee School District 111

Schedule of Assessed Valuations, Tax Rates and Extensions

Last Six Levy Years

	2022	2021	2020	2019
Assessed Valuation	$ 402,984,923	$ 370,965,859	$ 346,851,920	$ 326,734,040
Taxable Valuation	$ 392,418,702	$ 361,252,287	$ 337,923,447	$ 318,494,851
Tax Rates				
Educational	$ 3.1805	$ 3.0446	$ 3.1816	$ 3.2836
Liability insurance	0.1894	0.1342	0.0882	0.0918
Operations and maintenance	0.6626	0.7037	0.7342	0.6804
Transportation	0.4543	0.5737	0.5873	0.6117
Municipal retirement	0.0758	0.1609	0.2203	0.2294
Social security	0.0758	0.1609	0.2203	0.2294
Debt services	0.7872	0.8428	0.8937	0.9357
Working cash	0.0442	0.0470	0.0441	0.0459
Revenue recapture	0.0188	0.0168	0.0000	0.0000
Total	$ 5.4886	$ 5.6846	$ 5.9697	$ 6.1079
Tax Extensions				
Educational	$ 12,480,877	$ 10,998,687	$ 10,751,372	$ 10,458,097
Liability insurance	743,241	484,801	298,049	292,378
Operations and maintenance	2,600,166	2,542,132	2,481,034	2,167,039
Transportation	1,782,758	2,072,504	1,984,624	1,948,233
Municipal retirement	297,453	581,255	744,445	730,627
Social security	297,453	581,255	744,445	730,627
Debt services	3,089,120	3,044,634	3,020,023	2,980,157
Working cash	173,449	169,789	149,024	146,189
Revenue recapture	73,775	60,690	-	-
Total	$ 21,538,292	$ 20,535,747	$ 20,173,016	$ 19,453,347
Tax collections	$ -	$ 20,529,279	$ 20,005,700	$ 19,319,226
Percentage of tax collected	0.00 %	99.97 %	99.17 %	99.31 %

2018	2017
$ 310,485,755	$ 304,594,919
$ 302,581,750	$ 290,983,151
$ 3.3839	$ 3.2216
0.1653	0.1683
0.7354	0.7341
0.4958	0.4373
0.2479	0.3364
0.2479	0.3364
0.9561	0.9921
0.0496	0.0405
0.0000	0.0000
$ 6.2819	$ 6.2667
$ 10,239,064	$ 9,374,313
500,168	489,725
2,225,186	2,136,107
1,500,200	1,272,469
750,100	978,867
750,100	978,867
2,892,984	2,886,844
150,081	117,848
-	-
$ 19,007,883	$ 18,235,040
$ 18,692,199	$ 17,783,619
98.34 %	97.52 %