

CASS ELEMENTARY SCHOOL DISTRICT NO. 63

DARIEN, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Cass Elementary School District No. 63
Darien, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, and each major fund, of Cass Elementary School District No. 63, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents. We have also audited the individual fund financial statements presented as audited individual fund financial statements, as of and for the year ended June 30, 2023, as listed in the table of contents.

In our opinion, the basic, and individual fund, financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities and each major fund, and each individual fund, of the Cass Elementary School District No. 63, as of June 30, 2023, and the respective changes in financial position-modified cash basis, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cass Elementary School District No. 63, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter-Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 procedure responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School 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 School 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 have identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cass Elementary School District No. 63's basic financial statements. The supplemental information on pages 9-13 and 55-61, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October xxxyz, 2023 on our consideration of Cass Elementary School District No. 63'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 Cass Elementary School District No. 63'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 Cass Elementary School District No. 63's internal control over financial reporting and compliance.

EvoY, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP
October xzx, 2023
Waukegan, Illinois

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Education
Cass Elementary School District No. 63
Darien, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and each individual fund of Cass Elementary School District No. 63 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Cass Elementary School District No. 63's basic financial statements and have issued our report thereon dated October xxz, 2023, which was qualified because the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cass Elementary School District No. 63's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cass Elementary School District No. 63's internal control. Accordingly, we do not express an opinion on the effectiveness of Cass Elementary School District No. 63's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cass Elementary School District No. 63's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cass Elementary School District No. 63's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EvoY, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October xxz, 2023
Waukegan, Illinois

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Cass Elementary School District No. 63
Darien, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cass Elementary School District No. 63's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cass Elementary School District No. 63's major federal programs for the year ended June 30, 2022. Cass Elementary School District No. 63's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cass Elementary School District No. 63 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cass Elementary School District No. 63, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cass Elementary School District No. 63's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cass Elementary School District No. 63's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cass Elementary School District No. 63's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cass Elementary School District No. 63's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedure responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cass Elementary School District No. 63's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cass Elementary School District No. 63's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose expressing an opinion on the effectiveness of Cass Elementary School District No. 63's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Evooy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October xxz, 2023
Waukegan, Illinois

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Our discussion and analysis of the Cass Elementary School District No. 63's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which begin on page 14, and the notes to the financial statements, which begin on page 20, to further enhance your understanding of the District's financial condition.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2023 by \$9,328,242 (net position). Of this amount, \$4,136,949 (unrestricted net position) may be used to finance the District's day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.
- The District's total net position increased by \$1,944,936.
- The District issued long-term bonds in February 2023 in the amount of \$4,490,000 for building and debt-refunding purposes.
- At June 30, 2023, the District's governmental funds reported combined fund balances of \$10,914,660, an increase of \$4,005,140 from the prior year. Approximately 52% of this amount, \$5,723,367, may be used to finance day-to-day operations (unassigned fund balance), which was approximately 43% of General (Education) Fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis (on pages 14 and 15) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 16. For the governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as agent for the benefit of those outside the government.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 11. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the District's net position and changes in it. You can think of the District's net position—the difference between assets and liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other financial and non-financial factors, however, such as the bond rating of the District, the EAV of the District, enrollment trends, and how well the District is doing educationally as measured through standardized test scores, in order to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we report the District's Governmental activities. All of the District's services are reported here, including instructional services, support services, community services, and non-programmed charges. Property taxes, earnings on investments, fees, and state and federal grants finance most of these activities.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

USING THIS ANNUAL REPORT (continued)

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 12. The fund financial statements begin on page 16 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants.

- Governmental funds--All of the District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The District maintains its accounting records for all funds on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation schedule in the financial statements.

The District as Trustee

The District is the trustee, or fiduciary, for its student's activity funds. All of the District's fiduciary activities are reported within the operations of the General (Education) Fund in accordance with government accounting standards. Although included within the District's financial statements the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are contained on pages 20 through 42.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information relating to the District's progress in funding its obligations to provide pension benefits to its employees, and other supplemental information that may be useful to the reader.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

THE DISTRICT AS A WHOLE

A condensed statement of net position, as of June 30, 2023, and statement of activities, for the year ended June 30, 2023, is presented below.

Net Position	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 10,914,660	\$ 6,909,520
Capital Assets, Net	7,588,873	7,502,846
Total Assets	18,503,533	14,412,366
Current Liabilities	-	-
Long-Term Debt Outstanding	(9,175,291)	(7,029,060)
Total Liabilities	(9,175,291)	(7,029,060)
	\$ 9,328,242	\$ 7,383,306
Net Position:		
Net Investment in Capital Assets	\$ -	\$ 473,786
Restricted	5,191,293	1,851,763
Unrestricted	4,136,949	5,057,757
Total Net Position	\$ 9,328,242	\$ 7,383,306

Changes in Net Position	Governmental Activities	
	2023	2022
<u>Receipts</u>		
Program Receipts		
Charges for Services	\$ 433,338	\$ 339,445
Operating Grants	1,595,098	1,480,167
Capital Grants	50,000	50,000
General Receipts		
Property Taxes	10,938,596	10,511,314
Other Taxes	76,445	79,837
Earnings on Investments	197,324	10,376
General State Aid	598,748	583,659
Other	570,265	177,796
State "On-Behalf" Contributions	3,156,778	2,780,242
Total Receipts	\$ 17,616,592	\$ 16,012,836
<u>Disbursements</u>		
Program Disbursements		
Instruction	\$ 6,297,879	\$ 5,734,786
Support Services	4,575,842	4,116,953
Community Services	4,974	1,938
Nonprogrammed Charges	690,900	804,003
Interest, Fees and Costs on Debt	296,289	255,439
Depreciation - Unallocated	648,994	670,604
State "On-Behalf" Contributions	3,156,778	2,780,242
Total Disbursements	\$ 15,671,656	\$ 14,363,965
Increase (Decrease) in net position	\$ 1,944,936	\$ 1,648,871
Net Position - Beginning	7,383,306	5,734,435
Net Position - Ending	\$ 9,328,242	\$ 7,383,306

CASS ELEMENTARY SCHOOL DISTRICT NO. 63

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

(Continued)

THE DISTRICT AS A WHOLE (continued)

Net position of the District's governmental activities increased by \$1,944,936. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — decreased by \$920,808 to \$4,136,949.

This decrease in unrestricted net position is primarily due to a unique situation for fiscal year 2023 in which the District issued bonds for capital improvements and received proceeds that have not yet been spent for these purposes, thereby creating a net liability for the fiscal year. It is expected that this trend will continue in FY 24 as the District issues the remaining debt for planned capital improvement projects. While there will be some planned expenditures for these projects in fiscal year 2024, most of the expenditures for the planned capital improvements will likely take place in fiscal year 2025. This is for a large safety, security and geothermal HVAC project taking place over the course of the 2023, 2024 and 2025 fiscal years.

THE DISTRICT'S FUNDS

At June 30, 2023, the District's governmental funds (as presented in the Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions on page 16) reported a combined fund balance of \$10,914,660, which is higher than last year's total of \$6,909,520. The primary reason for the governmental funds increase was due to higher than expected revenues received, as well as finishing the fiscal year under budgeted expenditures. This includes over \$400,000 in less than planned expenditures in the Education Fund and over \$200,000 in the Operations and Maintenance Fund. Additionally, due to the first round of issued bonds after a successful referendum, the District also received over \$500,000 more than budgeted revenues in the Debt Service Fund.

General Fund Budgetary Highlights

The July 1, 2022 to June 30, 2023 budget, was approved by the Board on September 27, 2022, and amended on June 20, 2023. The primary reason for amending the budget was to allow for the addition of revenues and expenditures in the Capital Projects Fund after the successful passage of the referendum, as well as unforeseen expenditures for special education transportation costs in the Transportation Fund. The budget is a general guide for the financial activity of the District.

General (Education) Fund actual direct receipts were more than the budgeted amounts due primarily to the early receipt of local property tax revenues.

General (Education) Fund actual direct disbursements were less than the budgeted amounts due primarily to a comprehensive effort to control spending.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had \$7,588,873 invested in capital assets, including land, land improvements, buildings and furniture and equipment, as shown below.

Capital Assets at Year End, Net of Depreciation	Governmental Activities	
	2023	2022
Land and Land Improvements	\$ 194,784	\$ 196,106
Buildings	6,211,360	6,591,666
Furniture and Equipment	731,229	715,074
Construction-in-Progress	451,500	-
Totals	<u>\$ 7,588,873</u>	<u>\$ 7,502,846</u>

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

The significant asset additions during the current fiscal year were for safety, security and HVAC improvements. The District's 2024 fiscal year budget calls for it to spend approximately \$5,975,000 for capital projects principally for digging and development of geothermal wells, beginning phase installation of geothermal HVAC equipment, as well as the purchase and installation of various equipment related to safety and building security.

See Notes 1 and 3 to the financial statements for additional information about changes in capital assets and depreciation.

Long-Term Debt

At June 30, 2023, the District had \$9,175,291 in long-term debt outstanding, as shown below.

Outstanding Debt at Year End	Governmental Activities	
	2023	2022
2013 A Working Cash Fund and Refunding Bonds	\$ 1,665,000	\$ 1,665,000
2016 A Refunding Bonds	600,000	790,000
2016 B Refunding and Building Bonds	-	2,050,000
2019 A Refunding Bonds	890,000	890,000
2019 B Working Cash Fund Bonds	1,500,000	1,500,000
2023 A Refunding Bonds	1,850,000	-
2023 B Building Bonds	2,640,000	-
Capital Asset Leases	30,291	134,060
Totals	<u>\$ 9,175,291</u>	<u>\$ 7,029,060</u>

The District issued \$4,490,000 Refunding and Building bonds during the year ended June 30, 2023. This bond issuance (February 2023) was assigned a rating of "AA" (Positive Outlook) by Standard & Poor's Ratings Service.

The District's total amount of long term debt is well within its legal debt limit.

See Note 4 to the financial statements for additional information about long-term debt.

OTHER FINANCIAL MATTERS

The District has implemented an approach to budgeting and financial management that focuses on controlling expenditures, building adequate reserves and avoiding any unnecessary issuance of short-term and long-term debt. The Board of Education and the Board Finance Committee has approved of this approach to allow for meeting unforeseen future expenditures that may arise, as well as addressing the District's long-term safety, security and HVAC needs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with an overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Mark Cross, Superintendent, 8502 Bailey Road, Darien, IL 60561, 331-481-4000.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 10,914,660
Capital Assets	
Land	49,573
Land Improvements	668,928
Buildings	16,370,591
Furniture and Equipment	7,024,307
Less: Accumulated Depreciation	(16,976,026)
Total Capital Assets, Net	<u>\$ 7,588,873</u>
Total Assets	<u>\$ 18,503,533</u>
LIABILITIES	
Current Liabilities	\$ -
Long-Term Liabilities	
Portion Due or Payable Within One Year	
Capital Asset Lease Agreements	\$ 14,917
General Obligation Bonds	905,000
Portion Due or Payable in More Than One Year	
Capital Asset Lease Agreements	15,374
General Obligation Bonds	8,240,000
Total Long-Term Liabilities	<u>\$ 9,175,291</u>
Total Liabilities	<u>\$ 9,175,291</u>
NET POSITION	
Net Investment in Capital Assets	\$ -
Restricted	
Operations & Maintenance	1,014,007
Transportation	562,431
Municipal Retirement/Social Security	372,157
Bond and Interest	691,327
Capital Projects	2,551,371
Unrestricted	<u>4,136,949</u>
TOTAL NET POSITION	<u><u>\$ 9,328,242</u></u>

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

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

FUNCTION/PROGRAMS		Program Receipts			Net (Disbursements) Receipts and Change in Net Position
		Charges for	Operating	Capital	
Governmental Activities	Disbursements	Services	Grants and Contributions	Grants and Contributions	Governmental Activities Total
Instruction					
Regular Education	\$ 4,595,324	\$ 247,014	\$ 827,558	\$ -	\$ (3,520,752)
Special Education	1,319,042	-	286,490	-	(1,032,552)
Remedial and Supplemental	223,359	-	-	-	(223,359)
Interscholastic	13,630	-	-	-	(13,630)
Summer School	9,169	-	-	-	(9,169)
Gifted	137,355	-	-	-	(137,355)
Support Services					
Pupils	696,502	-	-	-	(696,502)
Instructional Staff	369,224	-	157,002	-	(212,222)
General Administration	588,535	-	-	-	(588,535)
School Administration	889,490	-	-	-	(889,490)
Business	2,032,091	186,324	324,048	50,000	(1,471,719)
Community Services	4,974	-	-	-	(4,974)
Nonprogrammed Charges	690,900	-	-	-	(690,900)
Interest, Fees and Costs	296,289	-	-	-	(296,289)
Depreciation - Unallocated	648,994	-	-	-	(648,994)
State "On-Behalf" Contributions	3,156,778	-	3,156,778	-	-
Total Governmental Activities	<u>\$ 15,671,656</u>	<u>\$ 433,338</u>	<u>\$ 4,751,876</u>	<u>\$ 50,000</u>	<u>\$ (10,436,442)</u>
GENERAL RECEIPTS					
Taxes					
Property Taxes, levied for general purposes				\$ 9,472,795	
Property Taxes, levied for debt service				865,031	
Property Taxes, levied for other specific purposes				600,770	
Personal Property Replacement				76,445	
Unrestricted Earnings on Investments				197,324	
General State Aid				598,748	
Other				570,265	
TOTAL GENERAL RECEIPTS				<u>\$ 12,381,378</u>	
CHANGE IN NET POSITION				\$ 1,944,936	
NET POSITION - JULY 1, 2022				<u>7,383,306</u>	
NET POSITION - JUNE 30, 2023				<u>\$ 9,328,242</u>	

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

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total Governmental Funds
		Operations & Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund	Bond and Interest Fund			
ASSETS								
Cash and Investments	\$ 5,723,367	\$ 1,014,007	\$ 562,431	\$ 372,157	\$ 691,327	\$ 2,551,371	\$ 10,914,660	
TOTAL ASSETS	\$ 5,723,367	\$ 1,014,007	\$ 562,431	\$ 372,157	\$ 691,327	\$ 2,551,371	\$ 10,914,660	
LIABILITIES AND FUND BALANCES								
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FUND BALANCES								
Restricted								
Maintenance Services	\$ -	\$ 1,014,007	\$ -	\$ -	\$ -	\$ -	\$ 1,014,007	
Transportation Services	-	-	562,431	-	-	-	562,431	
Employee Benefits Payments	-	-	-	372,157	-	-	372,157	
Bond Principal and Interest Payments	-	-	-	-	691,327	-	691,327	
Unassigned	5,723,367	-	-	-	-	-	5,723,367	
TOTAL FUND BALANCES	\$ 5,723,367	\$ 1,014,007	\$ 562,431	\$ 372,157	\$ 691,327	\$ 2,551,371	\$ 10,914,660	
TOTAL LIABILITIES AND FUND BALANCES								
	\$ 5,723,367	\$ 1,014,007	\$ 562,431	\$ 372,157	\$ 691,327	\$ 2,551,371	\$ 10,914,660	

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

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances - Governmental Funds	\$	10,914,660
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Cost of Capital Assets	\$	24,564,899	
Accumulated Depreciation		<u>(16,976,026)</u>	
			7,588,873

Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

General Obligation Bonds	\$	(9,145,000)	
Capital Asset Lease Agreements		<u>(30,291)</u>	
			<u>(9,175,291)</u>

Total Net Position of Governmental Activities	\$	<u><u>9,328,242</u></u>
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The accompanying Notes are an integral part of these financial statements.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Governmental Funds
	Education Fund	Operations & Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Bond and Interest Fund	Capital Projects Fund	
RECEIPTS							
Taxes	\$ 8,538,410	\$ 1,096,776	\$ 179,555	\$ 335,269	\$ 865,031	\$ -	\$ 11,015,041
Tuition	29,046	-	-	-	-	-	29,046
Earnings on Investments	136,442	10,442	7,202	4,152	2,774	36,312	197,324
Food Service Fees	102,485	-	-	-	-	-	102,485
Pupil Activity Fees	217,968	-	-	-	-	-	217,968
Transportation Fees	-	-	83,839	-	-	-	83,839
Donations	25,844	-	-	-	-	-	25,844
Rentals	-	110,233	-	-	-	-	110,233
Refund of Prior Years' Expenditures	34,140	3,164	-	-	-	-	37,304
Other	1,487	-	-	-	-	-	1,487
State Aid	3,581,678	151,748	466,253	40,000	-	-	4,239,679
Federal Aid	1,160,945	-	-	-	-	-	1,160,945
TOTAL RECEIPTS	\$ 13,828,445	\$ 1,372,363	\$ 736,849	\$ 379,421	\$ 867,805	\$ 36,312	\$ 17,221,195
DISBURSEMENTS							
Current							
Instruction							
Regular Programs	\$ 7,694,449	\$ -	\$ -	\$ 57,653	\$ -	\$ -	\$ 7,752,102
Special Education Programs	1,249,247	-	-	69,795	-	-	1,319,042
Remedial and Supplemental Programs	220,536	-	-	2,823	-	-	223,359
Interscholastic Programs	13,630	-	-	-	-	-	13,630
Summer School	9,040	-	-	129	-	-	9,169
Gifted Programs	135,670	-	-	1,685	-	-	137,355
Support Services							
Pupils	668,917	-	-	27,585	-	-	696,502
Instructional Staff	356,278	-	-	12,946	-	-	369,224
General Administration	565,591	-	-	22,944	-	-	588,535
School Administration	854,976	-	-	34,514	-	-	889,490
Business	410,030	805,357	673,049	101,402	-	42,253	2,032,091
Community Service	4,974	-	-	-	-	-	4,974
Nonprogrammed Charges							
Payments to Other Governmental Units	690,900	-	-	-	-	-	690,900
Debt Service							
Principal	55,547	235,000	48,222	-	190,000	-	528,769
Interest and Fees	2,326	41,475	2,851	-	151,752	-	198,404
Capital Outlay	230,724	52,797	-	-	-	451,500	735,021
TOTAL DISBURSEMENTS	\$ 13,162,835	\$ 1,134,629	\$ 724,122	\$ 331,476	\$ 341,752	\$ 493,753	\$ 16,188,567
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 665,610	\$ 237,734	\$ 12,727	\$ 47,945	\$ 526,053	\$ (457,441)	\$ 1,032,628
OTHER FINANCING SOURCES (USES)							
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,300	\$ 36,300
Transfers Out	-	(36,300)	-	-	-	-	(36,300)
Proceeds on Bonds Sold	-	-	-	-	-	4,490,000	4,490,000
Premium/(Discount) on Bonds Sold	-	-	-	-	-	395,397	395,397
Transfer to Refunded Bonds Escrow Agent	-	-	-	-	-	(1,837,580)	(1,837,580)
Costs on Bonds Sold	-	-	-	-	-	(75,305)	(75,305)
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ (36,300)	\$ -	\$ -	\$ -	\$ 3,008,812	\$ 2,972,512
NET CHANGE IN FUND BALANCE	\$ 665,610	\$ 201,434	\$ 12,727	\$ 47,945	\$ 526,053	\$ 2,551,371	\$ 4,005,140
FUND BALANCE - JULY 1, 2022	5,057,757	812,573	549,704	324,212	165,274	-	6,909,520
FUND BALANCE - JUNE 30, 2023	\$ 5,723,367	\$ 1,014,007	\$ 562,431	\$ 372,157	\$ 691,327	\$ 2,551,371	\$ 10,914,660

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

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF CASH RECEIPTS,
DISBURSEMENTS AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Excess of Receipts and Other Financing Sources Over (Under)		
Disbursements and Other Financing Uses - Governmental Funds	\$	4,005,140

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense.

Capital Outlay	\$	735,021	
Depreciation Expense		<u>(648,994)</u>	
			86,027

Issuing long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the statement of net position.

Proceeds of Bonds Issued		(4,490,000)	
Proceeds on Capital Asset Lease Agreements		<u>-</u>	
			(4,490,000)

Repayment/defeasance of long-term debt principal reduces financial resources in the governmental funds, but the repayment/defeasance reduces long-term liabilities in the statement of net position.

Principal Paid on Long-Term Debt		528,769	
Defeasance of Long-Term Debt Principal		<u>1,815,000</u>	
			<u>2,343,769</u>

Change in Net Position of Governmental Activities	\$	<u><u>1,944,936</u></u>
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The accompanying Notes are an integral part of these financial statements.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Cass Elementary School District No. 63 (the "District") is governed by the District's Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

New Accounting Standards

During fiscal year 2023 the District adopted or considered the following Governmental Accounting Standards Board (GASB) Statements:

- GASBS No. 91, *Conduit Debt Obligations*
- GASBS No. 96, *Subscription-Based Information Technology Arrangements*
- GASBS No. 99, *Omnibus 2022*

Basis of Presentation

District-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, if appropriate. These statements distinguish between the *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no Business-Type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's Programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Governmental Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—*governmental*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District maintains individual funds as prescribed by the Illinois State Board of Education. The District reports all its funds as major governmental funds.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

The District reports the following major governmental funds:

- *General Fund.* This fund consists of the Education Fund and is the general operating fund of the District. It is used to account for all financial resources and activities except those that are required to be accounted for in another fund. Special Education is included in this fund.
- *Special Revenue Funds.* These funds include the Operations and Maintenance Fund, the Transportation Fund, the Illinois Municipal Retirement/Social Security Fund, and the Working Cash Fund, and is used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash disbursements for specific purposes. In accordance with the Illinois School Code the District maintains a Working Cash Fund that accounts for financial resources held by the District to be used for temporary inter-fund loans to any other governmental fund. Also, by Board resolution, the financial resources of the Working Cash Fund can be permanently transferred to any other governmental fund through abatement or abolishment. The District considers these resources as stabilization amounts, available for use in emergency situations or when a fund revenue shortfall or budgetary imbalance occurs. Thus, the District classifies this fund as a special revenue fund due to the specific limitations on the uses of the resources within this fund.
- *Debt Service Fund.* This fund consists of the Bond and Interest Fund and accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- *Capital Projects Fund.* This fund consists of the Capital Projects Fund and the Fire Prevention and Safety Fund, and accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities. Fire Prevention and Safety Special Tax Levy and Bond Proceeds, and subdivider's land cash ordinance payments are accounted for in this fund.

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the agency fund organizations are equal to the assets. The District does not maintain any fiduciary funds.

Basis of Accounting

The district-wide financial statements are reported using the modified cash basis of accounting. The cash basis of accounting is modified to account for: recording of depreciation on fixed assets, recognition of the net depreciated value of fixed assets, and, recognition of long-term bonded debt liabilities. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from property taxes, grants, entitlements and donations are recognized when received consistent with the cash basis of accounting.

The governmental fund financial statements, and all other individual fund financial statements, are reported using the cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to apply cost-reimbursement grant resources to such programs, followed by categorical grants, and then by general revenues.

Investments

Investments, if any, are stated at cost, which approximates market value. Gains or losses, if any, on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Restricted Resources

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Capital Assets

Capital assets are reported at actual or estimated historical cost. Contributed assets are reported at estimated fair value at the time received. The District generally capitalizes assets with a cost of \$500 or more as purchases occur. Depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land Improvements	Straight Line	10-20 Years
Buildings	Straight Line	20-40 Years
Furniture and Equipment	Straight Line	5-15 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Budgets and Budgetary Accounting

The budget for all major Governmental Funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The July 1, 2022 to June 30, 2023 budget, was approved by the Board of Education on September 27, 2022, and amended on June 20, 2023. For each fund, total fund disbursements may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting (continued)

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget by the same procedures required of its original adoption.

NOTE 2 - CASH AND INVESTMENTS

The District maintains common checking, savings and investment accounts for all funds combined with the individual fund balances being maintained by the District. The District is allowed to invest in securities as authorized by the *Illinois Compiled Statutes*, Chapter 30, Sections 235/2 and 235/6, and Chapter 105, Section 5/8-7.

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires deposits to be 102 percent secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's Board of Education approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certificates provided by financial institutions.

At June 30, 2023, the carrying amount of the District's deposits was \$9,192,714. The deposits in the Student Activity Accounts had a carrying amount of \$60,411. At June 30, 2023, the District and Student Activity Accounts bank balances were \$9,284,705 and \$60,431, respectively. At June 30, 2023, \$1,082,681 of the combined entity's bank balances of \$9,345,136 was exposed to custodial credit risk as follows: Uninsured and Uncollateralized - \$1,082,681.

Investments

At June 30, 2023 the District had the following investments:

	<u>Maturity Date</u>	<u>Balance</u>	<u>% of Total</u>
Debt Obligations			
U S Treasury Bill	Aug 17, 2023	\$ 1,495,965	90.04%
External Investment Pools			
Illinois School District Liquid Asset Fund	N/A	143,360	8.63%
Federated Hermes Government Obligations	N/A	22,210	1.33%
Total		<u>\$ 1,661,535</u>	<u>100.00%</u>

CASS ELEMENTARY SCHOOL DISTRICT NO. 63

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(Continued)

NOTE 2 - CASH AND INVESTMENTS (continued)

Investments (continued)

Credit Risk. Certain external investment pools do not have credit quality ratings as established by nationally recognized statistical rating organizations. The Illinois School District Liquid Asset Fund is rated AAA by Standard and Poor's. The District's investment policy does not require minimum levels of credit quality ratings for such investments.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. Certain of the District's investments are exposed to a concentration of credit risk greater than 5 percent of total investments, as shown in the table above.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Governmental Activities	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets not Being Depreciated				
Land	\$ 49,573	\$ -	\$ -	\$ 49,573
Construction-in-Progress	-	451,500	-	451,500
Total Capital Assets not Being Depreciated	<u>\$ 49,573</u>	<u>\$ 451,500</u>	<u>\$ -</u>	<u>\$ 501,073</u>
Capital Assets Being Depreciated				
Land Improvements	\$ 653,249	\$ 15,679	\$ -	\$ 668,928
Building and Improvements	16,333,473	37,118	-	16,370,591
Equipment	6,793,583	230,724	-	7,024,307
Total Capital Assets Being Depreciated	<u>\$ 23,780,305</u>	<u>\$ 283,521</u>	<u>\$ -</u>	<u>\$ 24,063,826</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (506,716)	\$ (17,001)	\$ -	\$ (523,717)
Building and Improvements	(9,741,807)	(417,424)	-	(10,159,231)
Equipment	(6,078,509)	(214,569)	-	(6,293,078)
Total Accumulated Depreciation	<u>\$(16,327,032)</u>	<u>\$ (648,994)</u>	<u>\$ -</u>	<u>\$(16,976,026)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>\$ 7,453,273</u>	<u>\$ (365,473)</u>	<u>\$ -</u>	<u>\$ 7,087,800</u>
Capital Assets, net of Accumulated Depreciation	<u>\$ 7,502,846</u>	<u>\$ 86,027</u>	<u>\$ -</u>	<u>\$ 7,588,873</u>

Depreciation was not charged to any specific function.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(Continued)

NOTE 4 - LONG-TERM DEBT

Changes in General Long-Term Debt

Governmental Activities	Balance July 1, 2022	Proceeds	Retired/ Defeased	Balance June 30, 2023	Amounts Due Within One Year
2013-A Working Cash Fund and Refunding Bonds	\$ 1,665,000	\$ -	\$ -	\$ 1,665,000	\$ -
2016-A Refunding Bonds	790,000	-	190,000	600,000	200,000
2016-B Refunding and Building Bonds	2,050,000	-	2,050,000	-	-
2019-A Refunding Bonds	890,000	-	-	890,000	-
2019-B Working Cash Fund Bonds	1,500,000	-	-	1,500,000	-
2023-A Refunding Bonds	-	1,850,000	-	1,850,000	705,000
2023-B Building Bonds	-	2,640,000	-	2,640,000	-
Capital Asset Lease Agreements	134,060	-	103,769	30,291	14,917
	<u>\$ 7,029,060</u>	<u>\$ 4,490,000</u>	<u>\$ 2,343,769</u>	<u>\$ 9,175,291</u>	<u>\$ 919,917</u>

Cash Flow Requirements

At June 30, 2023, the annual cash flow requirements of Bond Principal and Interest were as follows:

	Year Ending June 30,	Interest Rates	Principal	Interest	Total
2013-A Working Cash Fund and Refunding Bonds, Original Issue of \$2,270,000, Dated October 17, 2013	2024	3.50%-4.25%	\$ -	\$ 66,838	\$ 66,838
	2025	3.50%-4.25%	15,000	66,575	81,575
	2026	3.50%-4.25%	15,000	66,050	81,050
	2027	3.50%-4.25%	235,000	61,675	296,675
	2028	3.75%-4.25%	245,000	52,663	297,663
	2029	3.75%-4.25%	265,000	42,794	307,794
	2030	4.25%	280,000	31,875	311,875
	2031	4.25%	295,000	19,656	314,656
	2032	4.25%	315,000	6,694	321,694
			<u>\$ 1,665,000</u>	<u>\$ 414,820</u>	<u>\$ 2,079,820</u>
2016-A Refunding Bonds, Original Issue of \$1,150,000, Dated December 1, 2016	2024	2.00%	\$ 200,000	\$ 10,000	\$ 210,000
	2025	2.00%	195,000	6,050	201,050
	2026	2.00%	205,000	2,050	207,050
			<u>\$ 600,000</u>	<u>\$ 18,100</u>	<u>\$ 618,100</u>

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 4 - LONG-TERM DEBT (continued)

Cash Flow Requirements (continued)

	Year Ending June 30,	Interest Rates	Principal	Interest	Total
2019-A Refunding Bonds,					
Original Issue of \$890,000,	2024	2.60%	\$ -	\$ 23,140	\$ 23,140
Dated September 10, 2019	2025	2.60%	-	23,140	23,140
	2026	2.60%	-	23,140	23,140
	2027	2.60%	-	23,140	23,140
	2028	2.60%	-	23,140	23,140
	2029	2.60%	-	23,140	23,140
	2030	2.60%	-	23,140	23,140
	2031	2.60%	-	23,140	23,140
	2032	2.60%	-	23,140	23,140
	2033	2.60%	335,000	18,785	353,785
	2034	2.60%	350,000	9,880	359,880
	2035	2.60%	205,000	2,665	207,665
			<u>\$ 890,000</u>	<u>\$ 239,590</u>	<u>\$ 1,129,590</u>
2019-B Working Cash Fund Bonds,					
Original Issue of \$1,500,000,	2024	2.5%-3.0%	\$ -	\$ 44,275	\$ 44,275
Dated September 10, 2019	2025	2.5%-3.0%	-	44,275	44,275
	2026	2.5%-3.0%	-	44,275	44,275
	2027	2.5%-3.0%	-	44,275	44,275
	2028	2.5%-3.0%	-	44,275	44,275
	2029	2.5%-3.0%	-	44,275	44,275
	2030	2.5%-3.0%	-	44,275	44,275
	2031	2.5%-3.0%	-	44,275	44,275
	2032	2.5%-3.0%	-	44,275	44,275
	2033	2.5%-3.0%	-	44,275	44,275
	2034	2.5%-3.0%	-	44,275	44,275
	2035	2.5%-3.0%	160,000	41,875	201,875
	2036	2.5%-3.0%	380,000	33,775	413,775
	2037	2.5%-3.0%	400,000	22,075	422,075
	2038	2.5%-3.0%	415,000	9,850	424,850
	2039	2.50%	145,000	1,813	146,813
			<u>\$ 1,500,000</u>	<u>\$ 596,413</u>	<u>\$ 2,096,413</u>

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 4 - LONG-TERM DEBT (continued)

Cash Flow Requirements (continued)

	Year Ending June 30,	Interest Rates	Principal	Interest	Total
2023-A Refunding Bonds, Original Issue \$1,850,000, Dated February 15, 2023	2024	4.40%-4.6%	\$ 705,000	\$ 91,355	\$ 796,355
	2025	4.45%-4.6%	235,000	46,303	281,303
	2026	4.48%-4.6%	385,000	32,450	417,450
	2027	4.52%-4.6%	405,000	14,673	419,673
	2028	4.60%	120,000	2,760	122,760
			<u>1,850,000</u>	<u>187,541</u>	<u>2,037,541</u>
2023-B Building Bonds, Original Issue \$2,640,000, Dated February 15, 2023	2024	5.00%	\$ -	\$ 170,153	\$ 170,153
	2025	5.00%	-	132,000	132,000
	2026	5.00%	-	132,000	132,000
	2027	5.00%	-	132,000	132,000
	2028	5.00%	305,000	124,375	429,375
	2029	5.00%	445,000	105,625	550,625
	2030	5.00%	470,000	82,750	552,750
	2031	5.00%	490,000	58,750	548,750
	2032	5.00%	515,000	33,625	548,625
	2033	5.00%	415,000	10,375	425,375
			<u>\$ 2,640,000</u>	<u>\$ 981,653</u>	<u>\$ 3,621,653</u>
Total All Issues	2024		\$ 905,000	\$ 405,761	\$ 1,310,761
	2025		445,000	318,343	763,343
	2026		605,000	299,965	904,965
	2027		640,000	275,763	915,763
	2028		670,000	247,213	917,213
	2029		710,000	215,834	925,834
	2030		750,000	182,040	932,040
	2031		785,000	145,821	930,821
	2032		830,000	107,734	937,734
	2033		750,000	73,435	823,435
	2034		350,000	54,155	404,155
	2035		365,000	44,540	409,540
	2036		380,000	33,775	413,775
	2037		400,000	22,075	422,075
	2038		415,000	9,850	424,850
	2039		145,000	1,813	146,813
			<u>\$ 9,145,000</u>	<u>\$ 2,438,117</u>	<u>\$ 11,583,117</u>

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 4 - LONG-TERM DEBT (continued)

Capital Asset Lease Agreements

The District has entered into capital asset lease agreements for the acquisition of new transportation, computer and office equipment. Payments on these lease agreements will be made from current operating funds of the general (education), operations and maintenance, and transportation funds. The total amount of assets acquired under these capital asset lease agreements has been included in capital assets as equipment in the year of acquisition. As of June 30, 2023 the total cost of equipment acquired under these lease agreements was \$1,464,846, and the accumulated depreciation related to these assets was \$1,291,266. At June 30, 2023 the total remaining principal and interest amounts due under capital asset lease agreements were as follows:

	Principal	Interest	Total
Year Ending June 30, 2024	\$ 14,917	\$ 928	\$ 15,845
Year Ending June 30, 2025	15,374	471	15,845
	<u>\$ 30,291</u>	<u>\$ 1,399</u>	<u>\$ 31,690</u>

Debt Limit

The Illinois school Code limits the amount of indebtedness to 6.9 percent of \$381,742,640, the most recent available assessed valuation of the District. Thus, the District's remaining debt margin at June 30, 2023, is \$17,164,951, which is 65.1 percent of its total legal debt limit.

Current Year Debt Defeasance

In February 2023 the District issued general obligation bonds in the amount of \$1,850,000 to advance refund \$1,815,000 of the 2016-B bond issue. The 2016-B refunded bonds mature in fiscal years 2024 through 2032 and are callable on December 1, 2026. \$1,837,580 of bond proceeds was used to purchase U.S. Government Securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2016-B bonds are called. The advance refunding met the requirements of an in-substance debt defeasance and the 2016-B bonds were removed from the District's government-wide financial statements.

Defeased Bonds

In the current and prior years the District has issued general obligation bonds for advance refunding purposes, and defeased certain bond issues by placing the proceeds of the new bond issues in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets, and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2023, \$3,491,305 of bonds outstanding are considered defeased.

NOTE 5 - FUND BALANCE REPORTING

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.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(Continued)

NOTE 5 - FUND BALANCE REPORTING (continued)

Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, or are 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 or prepaid amounts. Because the District reports on the cash basis of accounting all such items are expensed at the time of purchase, and therefore there are no amounts that fall into this classification.

Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District, such as restrictions imposed by creditors, grantors, contributors, and laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special revenue funds are, by definition, restricted for their specific purposes and therefore the fund balances of the special revenue funds are classified as restricted.

Other District activity that may result in restrictions on fund balances is as follows:

Special Education - Proceeds from the Special Education special tax levy and related disbursements have been included in the operations of the general (education) fund. At June 30, 2023, the cumulative special education disbursements have exceeded related cumulative receipts in the general (education) fund and, therefore, there is no restriction on the fund balance of the general (education) fund for future special education disbursements.

Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the District's Board of Education). Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The District's Board of Education commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. No funds are currently committed.

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 District's Board of Education itself, or a body (a board committee, for example) or District official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

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.

Net Position Restrictions

The district-wide statement of net position reports \$5,191,293 of restricted net assets, all of which is restricted by enabling legislation for specific purposes.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active 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.trs.il.org/financial/acfrs/2022>; by writing to TRS, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253; or by calling (888) 678-3675, option 2.

Benefits Provided

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

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2022 was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2023, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective pension expense associated with the District, and the District recognized revenue and expenditures of \$3,103,731 in pension contributions from the state of Illinois.

2.2 Formula Contributions: Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023 were \$34,186.

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 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling \$231,461 were paid from federal and special trust funds that required employer contributions of \$24,490.

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

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

Net Pension Liability and Pension Expense

At June 30, 2022, the most recent actuarial valuation date, the District's proportionate share of the net pension liability (first amount shown below) that reflects a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The District's 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	\$ 455,506
State's proportionate share of the net pension liability associated with the District	<u>39,512,137</u>
	<u>\$ 39,967,643</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2022 the District's proportion was 0.0005433019 percent, which was an increase (decrease) of (0.0000388859) from its proportion measured as of June 30, 2021. For the year ended June 30, 2023, the District recognized pension expense of \$3,103,731 and revenue of \$3,103,731 for support provided by the state.

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: the Inflation Rate was assumed to be 2.5%; Salary Increases were expected to be varied by amount of service credit; the Investment Rate of Return, net of pension plan investment expense, and including inflation, was assumed to be 7.00%.

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

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:

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

Actuarial Assumptions (continued)

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	4.0%	3.48%
Private Equity	15.0%	10.04%
Infrastructure	2.0%	5.86%
	<u>100.0%</u>	

Discount Rate

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2022 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 557,088	\$ 455,506	\$ 371,271

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

TRS Fiduciary Net Position

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

ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The District participates in a defined benefit pension plan that provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension fund that acts as a common investment and administrative agent for local governments and school districts in Illinois. A summary of IMRF's pension benefits is provided in the *Benefits Provided* section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available *Comprehensive Annual Financial Report* that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained on-line at www.imrf.org.

Benefits Provided

The District's IMRF members participate in IMRF's "Regular Plan". IMRF's regular plan has 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 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 10 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 consecutive 96 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
- ½ of the increase in the Consumer Price Index (CPI) of the original pension amount.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Employees Covered by the Benefit Terms

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

	IMRF
Retirees and Beneficiaries currently receiveing benefits	78
Inactive Plan Members entitled to but not yet receiving benefits	147
Active Plan Members	41
Total	<u>266</u>

Contributions

As set by statute, employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2022 was 8.42 percent. The District's actual contribution for calendar year 2022 was \$114,738. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute. For the fiscal year ended June 30, 2023 the District recognized pension expense of \$110,335 for payments made to IMRF.

Net Pension Liability/(Asset)

The District's net pension liability/(asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2022; The Actuarial Cost Method used was Entry Age Normal; the Asset Valuation Method used was Market Value of Assets; the Inflation Rate was assumed to be 2.25%; Salary Increases were expected to be 2.85% to 13.75% including inflation; the Investment Rate of Return was assumed to be 7.25%; the Projected Retirement Age was from the 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 from years 2017 to 2019. For Mortality Rates 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. There were no benefit changes during the year.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Actuarial Assumptions (continued)

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 long term expected real rates of return for each major asset class are summarized in the following table as of December 31, 2022:

<u>Asset Class</u>	<u>Portfolio Target Allocation</u>	<u>Return 12/31/22</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Domestic Equity	35.5%	-19.12%	7.82%	6.50%
International Equity	18.0%	-17.86%	9.23%	7.60%
Fixed Income	25.5%	-11.83%	5.01%	4.90%
Real Estate	10.5%	12.83%	7.10%	6.20%
Alternative Investments -	9.5%	3.99%		
- Private Equity		N/A	13.43%	9.90%
- Hedge funds		N/A	N/A	N/A
- Commodities		N/A	7.42%	6.25%
Cash Equivalents	1.0%	3.18%	4.00%	4.00%
Total	<u>100%</u>			

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects: 1) the long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and; 2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the long-term municipal bond rate is 4.05% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index") and the resulting single discount rate is 7.25%.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (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	\$ 6,309,014	\$ 7,033,374	\$ (724,360)
Changes for the Year:			
Service Cost	122,942	-	122,942
Interest on the Total Pension Liability	447,930	-	447,930
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	190,132		190,132
Changes of Assumptions	-		-
Contributions - Employer	-	114,738	(114,738)
Contributions - Employees	-	61,321	(61,321)
Net Investment Income	-	(889,467)	889,467
Benefit Payments, including Refunds of Employee Contributions	(384,277)	(384,277)	-
Other (Net Transfer)	-	6,628	(6,628)
Net Changes	376,727	(1,091,057)	1,467,784
Balances at December 31, 2022	<u>\$ 6,685,741</u>	<u>\$ 5,942,317</u>	<u>\$ 743,424</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 7,388,689	\$ 6,685,741	\$ 6,111,175
Plan Fiduciary Net Position	5,942,317	5,942,317	5,942,317
Net Pension Liability (Asset)	<u>\$ 1,446,372</u>	<u>\$ 743,424</u>	<u>\$ 168,858</u>

AGGREGATE PENSION-RELATED INFORMATION

Aggregate pension-related information of the District at June 30, 2023 is as follows:

	Net Pension Liability (Asset)	Amount Recognized as Expense
Teachers' Retirement System (TRS)	\$ 455,506	\$ 3,103,731
Illinois Municipal Retirement Fund (IMRF)	743,424	110,335
	<u>\$ 1,198,930</u>	<u>\$ 3,214,066</u>

SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$80,457, the total required contribution for the current fiscal year

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

TEACHER HEALTH INSURANCE SECURITY FUND

Plan Description

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

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General; <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

Benefits Provided

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor’s approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

Contributions

Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active members of TRS, including substitute and part-time non-contractual teachers, who are not employees of a state agency covered by the state employees’ health plan, to make a contribution to the THIS Fund. The member contribution rate for the year ended June 30, 2023 was 0.90 percent of earnings. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous year.

On-Behalf Contributions to the THIS Fund: The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members, which were 0.90 percent of pay during the year ended June 30, 2023. State of Illinois contributions were \$53,047 and the District recognized revenue and expenditures of this amount during the year.

Employer Contributions to the THIS Fund: The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.67 percent during the year ended June 30, 2023. For the year ended June 30, 2023, the District paid \$39,491 to the THIS Fund, which was 100 percent of the required contribution.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2022. The net OPEB liability is the Plan’s total OPEB liability less the fiduciary net position. The net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and measured as of June 30, 2022. At June 30, 2022, the most recent actuarial valuation date, the District’s proportionate share of the net OPEB liability was \$1,378,785. The District’s proportion of the net OPEB liability was based on the District’s share of contributions to THIS for the measurement year ended June 30, 2022, relative to the contributions of all participating THIS employers and the state during that period. At June 30, 2022 the District’s proportionate share was 0.020144 percent, which was an increase (decrease) of 0.000029 from its proportion measured as of June 30, 2021.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

TEACHER HEALTH INSURANCE SECURITY FUND (continued)

Actuarial Assumptions and Discount Rate

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date: the Inflation Rate was assumed to be 2.25%; Salary Increases were expected to be varied by amount of service credit and ranges from 8.50 at 1 year of service to 3.50% at 20 or more years of service; the Investment Rate of Return, net of OPEB plan investment expense, and including inflation, was assumed to be 2.75%; the Healthcare Cost Trend Rates for plan year 2023 are based on actual premium increases. For non-Medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039.

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table with adjustments as appropriate for TRS experience. For disabled annuitants mortality rates were based on the PubNS-2010 Non-Safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.

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.

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 long-term expected rate of return are not met). Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's Index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021. The increase in the single discount rate from 1.92% to 3.69% caused the total OPEB liability to decrease by approximately \$1,448 million from 2021 to 2022.

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.

During plan year ending June 30, 2022, the trust earned \$143,000 in interest, and the market value of assets at June 30, 2022 was \$378.63 million. The long-term expected rate of return assumption was set to 2.75 percent.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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

The following presents the District's proportionate share of the net OPEB liability 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	\$ 1,532,335	\$ 1,378,785	\$ 1,221,018

Sensitivity of the District's Proportionate Share of the 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 rates as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point higher or lower.

	1% Decrease (b)	Healthcare Cost Trend Rate Assumption (a)	1% Increase (c)
District's Proportionate Share of the Net OPEB Liability	\$ 1,165,112	\$ 1,378,785	\$ 1,613,288

(a) Current healthcare trend rates – Pre-Medicare per 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.

(b) One percentage point decrease in current healthcare trend rates – Pre-Medicare per capita costs: 5.00% in 2023, 7.00% in 2024, decreasing 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 trend 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, 6.81% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2039.

THIS Fiduciary Net Position

Detailed information about THIS's fiduciary net position as of June 30, 2022 is available in the separately issued *THIS Financial Audit*.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(Continued)

NOTE 8 - TORT IMMUNITY INSURANCE

The District does not levy the Tort Immunity (liability insurance) special tax levy. Tort Immunity related disbursements have been included in the operations of the general (education) and transportation funds. As required by the Illinois State Board of Education the District reports the following disbursements for tort immunity purposes for the year ended June 30, 2023:

Property and Liability Insurance	\$ 97,352
Workers Compensation Insurance	36,347
	<u>\$ 133,699</u>

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 and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements, if any, have not exceeded coverage in the past three years.

NOTE 10 - PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2022 Levy was passed by the Board on December 13, 2022. Property taxes attach as an enforceable lien on property as of January 1, of the Levy year, and are payable in two installments on approximately June 1, and September 1, of the year subsequent to the Levy year. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded on these financial statements are from the 2022 and 2021 tax levy years.

The following are the tax rate limits permitted by the School Code, and by local referendum, and the actual rates levied per \$100.00 of assessed valuation.

	Legal Limit	Actual	
		2022 Levy	2021 Levy
Educational	*	\$ 2.2696	\$ 2.1938
Special Education	0.4000	0.0225	0.0217
Operations and Maintenance	0.5500	0.2756	0.2663
Bond and Interest	*	0.3471	0.0912
Transportation	*	0.0483	0.0467
Municipal Retirement	*	0.0401	0.0387
Social Security	*	0.0491	0.0474
Aggregate Refunds	*	0.0043	0.0057
		<u>\$ 3.0566</u>	<u>\$ 2.7115</u>

* As Needed

CASS ELEMENTARY SCHOOL DISTRICT NO. 63

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(Continued)

NOTE 11 - JOINT AGREEMENTS

The District participates with other Illinois school districts in certain cooperative educational organizations, known as joint agreements. These joint agreements are owned by the participants and are operated for the specific purposes stated in the joint agreement document, e.g., Special Education, Vocational/Technical Education, Insurance Pool, etc. This district has, in accordance with the generally accepted practice of other Illinois school districts, charged the cost of its investment to current expenditures in the year paid. The investment is not capitalized and it is unclear whether the District would receive any return on its investment should it choose to withdraw from the joint agreement.

School Association for Special Education in DuPage County

The District is a member of the School Association for Special Education in DuPage County (SASED), along with other area school districts. SASED provides special education programs, and services, which benefit District students, and also provides jointly administered grants and programming, which benefits the District. The District is financially responsible for annual and special assessments as established by the SASED governing board, and fees for programs and services based on usage. SASED is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from SASED by contacting its administration at 6S331 Cornwall Road, Naperville, Illinois 60540-3699.

NOTE 12 – COMMITMENTS

At June 30, 2023, the District had pending construction project contracts in progress. The District is committed to approximately \$598,500 in remaining disbursements for various construction projects at the school buildings. These disbursements are expected to be paid from available fund balances in the capital projects fund.

NOTE 13 - INTERFUND BALANCES AND TRANSFERS

During the year the District made the following interfund transfers as permitted by the Illinois School Code. This amount was transferred to pay for capital improvement projects.

	<u>Transferred From</u>	<u>Transferred To</u>
Special Revenue Funds		
Operations and Maintenance Fund	\$ 36,300	
Capital Projects Funds		
Capital Projects Fund		\$ 36,300

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2023

RECEIPTS	Original Budget	Final Budget	Actual
Receipts from Local Sources			
Taxes	\$ 8,229,631	\$ 8,279,631	\$ 8,538,410
Tuition	23,000	23,000	29,046
Earnings on Investments	30,000	130,000	136,442
Food Service Fees	95,000	95,000	102,485
Pupil Activity Fees	169,560	169,560	217,968
Donations	18,000	18,000	25,844
Refund of Prior Years' Expenditures	15,000	15,000	34,140
Other	45,000	45,000	1,487
Total Receipts from Local Sources	<u>\$ 8,625,191</u>	<u>\$ 8,775,191</u>	<u>\$ 9,085,822</u>
Receipts from State Sources			
Evidence Based Funding	\$ 200,000	\$ 150,000	\$ 150,000
Special Education	50,000	110,000	117,467
State Free Lunch & Breakfast	500	500	431
Early Childhood Block Grant	156,000	156,000	156,152
Other State Grants	700	700	850
Total Receipts from State Sources	<u>\$ 407,200</u>	<u>\$ 417,200</u>	<u>\$ 424,900</u>
Receipts from Federal Sources			
Federal Impact Aid	\$ 425,000	\$ 425,000	\$ 427,509
National School Lunch Program	85,000	135,000	164,364
Title I - Low Income	62,000	62,000	86,428
Title IV - Student Support & Academic Enrichment	10,000	10,000	10,000
Title II - Teacher Quality	14,500	14,500	20,335
Special Education - IDEA - Flow-Through	205,600	205,600	169,023
Medicaid Matching Funds	30,000	30,000	29,900
Other Federal Grants	247,300	247,300	253,386
Total Receipts from Federal Sources	<u>\$ 1,079,400</u>	<u>\$ 1,129,400</u>	<u>\$ 1,160,945</u>
Total Direct Receipts	\$ 10,111,791	\$ 10,321,791	\$ 10,671,667
"On-Behalf" Receipt for TRS Contributions	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,156,778</u>
TOTAL RECEIPTS	\$ 14,111,791	\$ 14,321,791	\$ 13,828,445
DISBURSEMENTS	<u>14,406,704</u>	<u>14,371,704</u>	<u>13,162,835</u>
NET CHANGE IN FUND BALANCE	<u>\$ (294,913)</u>	<u>\$ (49,913)</u>	\$ 665,610
FUND BALANCE - JULY 1, 2022			<u>5,057,757</u>
FUND BALANCE - JUNE 30, 2023			<u>\$ 5,723,367</u>

See accompanying Independent Auditor's Report.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63

SCHEDULE OF DISBURSEMENTS

BUDGET AND ACTUAL

EDUCATION FUND

FOR THE YEAR ENDED JUNE 30, 2023

INSTRUCTION	Original Budget	Final Budget	Actual
Regular Programs			
Salaries	\$ 3,751,200	\$ 3,751,200	\$ 3,683,116
Employee Benefits	575,987	540,987	511,850
Purchased Services	25,000	25,000	8,667
Supplies & Materials	274,650	274,650	288,962
Capital Outlay	19,000	19,000	56,890
Student Activities	-	-	45,076
Total Regular Programs	<u>\$ 4,645,837</u>	<u>\$ 4,610,837</u>	<u>\$ 4,594,561</u>
Special Education Programs			
Salaries	\$ 1,103,125	\$ 1,103,125	\$ 1,043,193
Employee Benefits	253,512	253,512	172,078
Purchased Services	31,929	31,929	25,359
Supplies & Materials	10,290	10,290	8,617
Capital Outlay	1,000	1,000	-
Total Special Education Programs	<u>\$ 1,399,856</u>	<u>\$ 1,399,856</u>	<u>\$ 1,249,247</u>
Remedial and Supplemental Programs - K-12			
Salaries	\$ 193,975	\$ 193,975	\$ 194,696
Employee Benefits	26,650	26,650	25,790
Supplies & Materials	600	600	50
Total Remedial and Supplemental Programs - K-12	<u>\$ 221,225</u>	<u>\$ 221,225</u>	<u>\$ 220,536</u>
Interscholastic Programs			
Supplies & Materials	\$ 3,500	\$ 3,500	\$ 3,598
Other	10,000	10,000	10,032
Total Interscholastic Programs	<u>\$ 13,500</u>	<u>\$ 13,500</u>	<u>\$ 13,630</u>
Summer School Programs			
Salaries	\$ 11,300	\$ 11,300	\$ 8,928
Employee Benefits	150	150	112
Total Summer School Programs	<u>\$ 11,450</u>	<u>\$ 11,450</u>	<u>\$ 9,040</u>
Gifted Programs			
Salaries	\$ 117,400	\$ 117,400	\$ 116,190
Employee Benefits	16,980	16,980	19,160
Purchased Services	1,000	1,000	-
Supplies & Materials	400	400	320
Total Gifted Programs	<u>\$ 135,780</u>	<u>\$ 135,780</u>	<u>\$ 135,670</u>
TOTAL INSTRUCTION	<u>\$ 6,427,648</u>	<u>\$ 6,392,648</u>	<u>\$ 6,222,684</u>

See accompanying Independent Auditor's Report.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SCHEDULE OF DISBURSEMENTS (CONTINUED)
BUDGET AND ACTUAL
EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2023

SUPPORT SERVICES	Original Budget	Final Budget	Actual
Pupils			
Salaries	\$ 615,880	\$ 615,880	\$ 607,621
Employee Benefits	61,991	61,991	55,457
Supplies & Materials	7,090	7,090	5,839
Total Pupils	\$ 684,961	\$ 684,961	\$ 668,917
Instructional Staff			
Salaries	\$ 94,200	\$ 94,200	\$ 85,452
Employee Benefits	21,175	21,175	11,743
Purchased Services	263,400	263,400	242,244
Supplies & Materials	35,000	35,000	16,839
Capital Outlay	195,000	195,000	173,834
Total Instructional Staff	\$ 608,775	\$ 608,775	\$ 530,112
General Administration			
Salaries	\$ 296,000	\$ 296,000	\$ 295,513
Employee Benefits	105,800	105,800	102,778
Purchased Services	126,850	126,850	117,750
Supplies & Materials	25,000	25,000	33,980
Capital Outlay	500	500	-
Other	13,500	13,500	15,570
Total General Administration	\$ 567,650	\$ 567,650	\$ 565,591
School Administration			
Salaries	\$ 645,875	\$ 645,875	\$ 629,563
Employee Benefits	224,075	224,075	211,464
Purchased Services	11,000	11,000	10,617
Supplies & Materials	3,000	3,000	3,332
Capital Outlay	2,000	2,000	-
Total School Administration	\$ 885,950	\$ 885,950	\$ 854,976
Business			
Salaries	\$ 129,700	\$ 129,700	\$ 129,667
Employee Benefits	41,585	41,585	40,647
Purchased Services	338,000	338,000	239,650
Supplies & Materials	1,500	1,500	66
Capital Outlay	1,500	1,500	-
Total Business	\$ 512,285	\$ 512,285	\$ 410,030
TOTAL SUPPORT SERVICES	\$ 3,259,621	\$ 3,259,621	\$ 3,029,626

See accompanying Independent Auditor's Report.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SCHEDULE OF DISBURSEMENTS (CONTINUED)
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual
COMMUNITY SERVICES			
Purchased Services	\$ 1,938	\$ 1,938	\$ 2,948
Supplies & Materials	2,800	2,800	2,026
TOTAL COMMUNITY SERVICES	<u>\$ 4,738</u>	<u>\$ 4,738</u>	<u>\$ 4,974</u>
NONPROGRAMMED CHARGES			
Purchased Services	\$ -	\$ -	\$ 355
Other	180,000	180,000	17,017
Tuition Payments	534,697	534,697	673,528
TOTAL NONPROGRAMMED CHARGES	<u>\$ 714,697</u>	<u>\$ 714,697</u>	<u>\$ 690,900</u>
DEBT SERVICE			
Interest and Fees	\$ -	\$ -	\$ 2,326
Principal Paid on Capital Asset Lease Agreements	-	-	55,547
TOTAL DEBT SERVICE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,873</u>
Total Direct Disbursements	\$ 10,406,704	\$ 10,371,704	\$ 10,006,057
"On-Behalf" Disbursement for TRS Contributions	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,156,778</u>
TOTAL DISBURSEMENTS	<u><u>\$ 14,406,704</u></u>	<u><u>\$ 14,371,704</u></u>	<u><u>\$ 13,162,835</u></u>

See accompanying Independent Auditor's Report.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2023

RECEIPTS	Original Budget	Final Budget	Actual
Receipts from Local Sources			
Taxes	\$ 986,649	\$ 986,649	\$ 1,024,250
Payments in Lieu of Taxes	41,862	57,862	72,526
Earnings on Investments	100	6,000	10,442
Rentals	100,000	130,000	110,233
Other	2,000	2,000	-
Total Receipts from Local Sources	<u>\$ 1,130,611</u>	<u>\$ 1,182,511</u>	<u>\$ 1,220,615</u>
Receipts from State Sources			
Evidence Based Funding	\$ 133,558	\$ 83,558	\$ 101,748
Infrastructure Improvement Grant	-	50,000	50,000
Total Receipts from State Sources	<u>\$ 133,558</u>	<u>\$ 133,558</u>	<u>\$ 151,748</u>
Receipts from Federal Sources			
Other Federal Grants	\$ 132,000	\$ 25,000	\$ -
TOTAL RECEIPTS	<u>\$ 1,396,169</u>	<u>\$ 1,341,069</u>	<u>\$ 1,372,363</u>
DISBURSEMENTS			
Support Services			
Operations and Maintenance			
Salaries	\$ 324,400	\$ 324,400	\$ 332,035
Employee Benefits	106,350	106,350	91,790
Purchased Services	225,000	195,000	164,454
Supplies & Materials	271,000	271,000	217,078
Capital Outlay	250,000	175,000	52,797
Total Support Services	<u>\$ 1,176,750</u>	<u>\$ 1,071,750</u>	<u>\$ 858,154</u>
Debt Service			
Debt Principal Retired	\$ 313,800	\$ 313,800	\$ 235,000
Interest and Fees on Debt	-	-	41,475
Total Debt Service	<u>\$ 313,800</u>	<u>\$ 313,800</u>	<u>\$ 276,475</u>
TOTAL DISBURSEMENTS	<u>\$ 1,490,550</u>	<u>\$ 1,385,550</u>	<u>\$ 1,134,629</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (94,381)	\$ (44,481)	\$ 237,734
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	(36,300)
NET CHANGE IN FUND BALANCE	<u>\$ (94,381)</u>	<u>\$ (44,481)</u>	\$ 201,434
FUND BALANCE - JULY 1, 2022			<u>812,573</u>
FUND BALANCE - JUNE 30, 2023			<u>\$ 1,014,007</u>

See accompanying Independent Auditor's Report.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2023

RECEIPTS	Original Budget	Final Budget	Actual
Receipts from Local Sources			
Taxes	\$ 173,024	\$ 173,024	\$ 179,555
Earnings on Investments	100	100	7,202
Transportation Fees	75,000	75,000	83,839
Total Receipts from Local Sources	<u>\$ 248,124</u>	<u>\$ 248,124</u>	<u>\$ 270,596</u>
Receipts from State Sources			
Evidence Based Funding	\$ 207,000	\$ 307,000	\$ 307,000
State Transportation Aid	145,500	145,500	159,253
Total Receipts from State Sources	<u>\$ 352,500</u>	<u>\$ 452,500</u>	<u>\$ 466,253</u>
 TOTAL RECEIPTS	 <u>\$ 600,624</u>	 <u>\$ 700,624</u>	 <u>\$ 736,849</u>
 DISBURSEMENTS			
Support Services			
Pupil Transportation			
Salaries	\$ 225,600	\$ 225,600	\$ 181,607
Employee Benefits	42,800	42,800	46,602
Purchased Services	269,000	450,000	414,335
Supplies & Materials	50,000	50,000	30,505
Capital Outlay	500	500	-
Total Support Services	<u>\$ 587,900</u>	<u>\$ 768,900</u>	<u>\$ 673,049</u>
Debt Service			
Interest Paid on Capital Lease	\$ -	\$ -	\$ 2,851
Principal Paid on Capital Lease	-	-	48,222
Total Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,073</u>
 TOTAL DISBURSEMENTS	 <u>\$ 587,900</u>	 <u>\$ 768,900</u>	 <u>\$ 724,122</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 12,724</u>	 <u>\$ (68,276)</u>	 <u>\$ 12,727</u>
 FUND BALANCE - JULY 1, 2022			<u>549,704</u>
 FUND BALANCE - JUNE 30, 2023			<u>\$ 562,431</u>

See accompanying Independent Auditor's Report.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2023

RECEIPTS	Original Budget	Final Budget	Actual
Receipts from Local Sources			
Taxes	\$ 319,002	\$ 319,002	\$ 331,350
Payments in Lieu of Taxes	3,902	3,902	3,919
Earnings on Investments	-	-	4,152
Total Receipts from Local Sources	\$ 322,904	\$ 322,904	\$ 339,421
Receipts from State Sources			
Evidence Based Funding	40,000	40,000	40,000
TOTAL RECEIPTS	\$ 362,904	\$ 362,904	\$ 379,421
DISBURSEMENTS			
Instruction			
Employee Benefits			
Regular Programs	\$ 52,350	\$ 52,350	\$ 57,653
Special Education Programs	82,925	82,925	69,795
Remedial and Supplemental Programs - K-12	2,825	2,825	2,823
Gifted Programs	1,700	1,700	1,685
Summer School Programs	-	-	129
Total Instruction	\$ 139,800	\$ 139,800	\$ 132,085
Support Services			
Employee Benefits			
Attendance and Social Work Services	\$ 1,550	\$ 1,550	\$ 1,531
Guidance Services	2,425	2,425	2,389
Health Services	17,050	17,050	15,442
Psychological Services	1,050	1,050	5,825
Speech Pathology and Audiology Services	2,425	2,425	2,398
Educational Media Services	15,225	15,225	12,946
Executive Administration Services	24,100	24,100	22,944
Office of the Principal Services	38,075	38,075	34,514
Fiscal Services	26,175	26,175	25,599
Operations and Maintenance Services	53,900	53,900	46,732
Pupil Transportation Services	38,075	38,075	29,071
Total Support Services	\$ 220,050	\$ 220,050	\$ 199,391
TOTAL DISBURSEMENTS	\$ 359,850	\$ 359,850	\$ 331,476
NET CHANGE IN FUND BALANCE	\$ 3,054	\$ 3,054	\$ 47,945
FUND BALANCE - JULY 1, 2022			324,212
FUND BALANCE - JUNE 30, 2023			\$ 372,157

See accompanying Independent Auditor's Report.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BOND AND INTEREST FUND
FOR THE YEAR ENDED JUNE 30, 2023

RECEIPTS	Original Budget	Final Budget	Actual
Receipts from Local Sources			
Taxes	\$ 338,906	\$ 338,906	\$ 865,031
Earnings on Investments	10	10	2,774
Total Receipts from Local Sources	<u>338,916</u>	<u>338,916</u>	<u>867,805</u>
 TOTAL RECEIPTS	 <u>\$ 338,916</u>	 <u>\$ 338,916</u>	 <u>\$ 867,805</u>
 DISBURSEMENTS			
Debt Service			
Interest on Bonds	\$ 149,104	\$ 149,104	\$ 149,102
Bond Principal Retired	190,000	190,000	190,000
Fees on Bonds	2,500	3,000	2,650
 TOTAL DISBURSEMENTS	 <u>\$ 341,604</u>	 <u>\$ 342,104</u>	 <u>\$ 341,752</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (2,688)</u>	 <u>\$ (3,188)</u>	 <u>\$ 526,053</u>
 FUND BALANCE - JULY 1, 2022			<u>165,274</u>
 FUND BALANCE - JUNE 30, 2023			<u>\$ 691,327</u>

See accompanying Independent Auditor's Report.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

RECEIPTS	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Receipts from Local sources			
Earnings on Investments	\$ -	\$ 15,000	\$ 36,312
TOTAL RECEIPTS	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 36,312</u>
DISBURSEMENTS			
Support Services			
Facilities Acquisition and Construction Services			
Purchased Services	\$ -	\$ -	\$ 42,253
Capital Outlay	-	850,000	451,500
TOTAL DISBURSEMENTS	<u>\$ -</u>	<u>\$ 850,000</u>	<u>\$ 493,753</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ -</u>	<u>\$ (835,000)</u>	<u>\$ (457,441)</u>
OTHER FINANCING SOURCES (USES)			
Principal on Bonds Sold	\$ -	\$ 3,008,052	\$ 4,490,000
Premium (Discount) on Bonds Sold	-	-	395,397
Transfer to Refunded Bonds Escrow Agent	-	-	(1,837,580)
Costs on Bonds Issued	-	-	(75,305)
Transfers In	-	-	36,300
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ 3,008,052</u>	<u>\$ 3,008,812</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 2,173,052</u>	<u>\$ 2,551,371</u>
FUND BALANCE - JULY 1, 2022			<u>-</u>
FUND BALANCE - JUNE 30, 2023			<u>\$ 2,551,371</u>

See accompanying Independent Auditor's Report.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Entity Identifying Numbers	Revenues	Federal Disbursements/ Expenditures	Amounts Passed-Through to Subrecipients
U S Department of Education					
Direct from Federal Government					
Federal Impact Aid, Section 8002, Title VII, ESEA	84.041	FY 23-7002 Foundation	\$ 368,499	\$ 368,499	\$ -
Federal Impact Aid, Section 8002, Title VII, ESEA	84.041	FY 21-7002 Final	59,010	-	-
Passed through Illinois State Board of Education					
Title I - Low Income	84.010	S010A210013	61,459	71,713	-
Title I - Low Income	84.010	S010A210013	24,969	-	-
Title IV - Student Support & Academic Achievement	84.424	S424A210014	10,000	10,000	-
Title II - Teacher Quality	84.367	S367A210012	18,705	19,054	-
Title II - Teacher Quality	84.367	S367A210012	1,630	-	-
CARES Act-Elementary and Secondary Schools					
Emergency Relief Grant - E3	84.425	S425U210041	101,407	115,514	-
CARES Act-Elementary and Secondary Schools					
Emergency Relief Grant - E2	84.425	S425D210041	105,179	103,158	-
Special Education Cluster (IDEA)					
IDEA - Pre-School - Flow-Through	84.173	H173A220101	4,467	4,467	-
IDEA - Pre-School - Flow-Through (PS)	84.173	H173X210101	4,213	4,213	-
IDEA - Flow-Through	84.027	H027A220072	164,409	210,057	-
IDEA - Flow-Through	84.027	H027A210072	147	-	-
IDEA - Flow-Through (ID)	84.027	H027X210072	42,587	42,587	-
Total Special Education Cluster (IDEA)			215,823	261,324	-
Total U S Department of Education			\$ 966,681	\$ 949,262	\$ -

The accompanying Notes are an integral part of this schedule.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Entity Identifying Numbers	Revenues	Federal Disbursements/ Expenditures	Amounts Passed-Through to Subrecipients
U S Department of Agriculture					
Passed through Illinois State Board of Education <i>Child Nutrition Cluster</i>					
National School Lunch Program	10.555	23N1199	\$ 164,364	\$ 164,364	\$ -
Non-Cash - USDA Food Commodities	10.555	19022063002A1	4,728	4,728	-
Non-Cash - DoD Fruits and Vegetables	10.555	19022063002A1	5,338	5,338	-
<i>Total Child Nutrition Cluster</i>			174,430	174,430	-
Total U S Department of Agriculture			\$ 174,430	\$ 174,430	\$ -
U S Department of Health and Human Services					
Passed through Illinois Department of Healthcare and Family Services					
Medicaid Medical Assistance, Administrative Claim	93.778	366004514001	\$ 2,979	\$ 11,851	\$ -
Medicaid Medical Assistance, Administrative Claim	93.778	366004514001	5,896	-	-
Total U S Department of Health and Human Services			\$ 8,875	\$ 11,851	\$ -
Total Federal Financial Assistance			\$ 1,149,986	\$ 1,135,543	\$ -

The accompanying Notes are an integral part of this schedule.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITOR'S RESULTS

1. We have audited the financial statements of Cass Elementary School District No. 63 as of and for the year ended June 30, 2023. The District's policy is to prepare its financial statements on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The auditor's report expresses an unmodified opinion on the financial statements prepared in conformity with the modified cash basis of accounting.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Our audit disclosed no instances of noncompliance material to the financial statements of Cass Elementary School District No. 63, which would be required to be reported in accordance with *Government Auditing Standards*.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. We have audited the compliance of Cass Elementary School District No. 63 with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023, and have issued our unmodified opinion thereon dated October xxxx, 2023.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) relative to the major federal award programs of Cass Elementary School District No. 63 are reported under the Findings and Questioned Costs – Current Year Major Federal Award Programs Audit section of this schedule.
7. The following programs were identified as major programs:

Federal Impact Aid	<u>CFDA #</u>
CARES Act-Emergency Relief Grants (ESSER)	84.041
	84.425
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Cass Elementary School District No. 63 did not qualify as a "low-risk" auditee.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no financial statements findings or major federal award programs findings or questioned costs in the prior year audit.

FINDINGS - CURRENT YEAR FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - CURRENT YEAR MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Cass Elementary School District No. 63. The District's reporting entity is defined in Note 1 to the District's financial statements. Federal awards passed through other government agencies are included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the cash basis of accounting, which is described in Note 1 to the District's financial statements.

Relationship to Basic Financial Statements

Federal awards received are reflected in the District's financial statements within the General (Education) Fund as receipts from federal sources.

Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Program Financial Reports for programs which have filed final reports as of June 30, 2022, with the Illinois State Board of Education.

2. NON-CASH ASSISTANCE, INSURANCE AND LOANS

The fair market value of federal awards expended in the form of non-cash assistance was \$4,728 in the value of food commodities, and \$5,338 in the value of fresh fruits and vegetables, received from the U.S. Department of Agriculture during the year ended June 30, 2023.

The amount of federal insurance in effect during the year ended June 30, 2023 was \$-0-.

The amount of federal loans or loan guarantees, including interest subsidies, outstanding at June 30, 2023 was \$-0-.

3. INDIRECT FACILITIES AND ADMINISTRATION COSTS

The District elected not to use the 10% de minimis indirect cost rate during the year ended June 30, 2023.

4. SUBRECIPIENTS

Of the federal expenditures reported in the Schedule of Expenditures of Federal Awards, amounts provided to subrecipients during the year ended June 30, 2023 was \$-0-.

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SUPPLEMENTAL INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - TRS
JUNE 30, 2023

The Schedule of the District's Proportionate Share of the Net Pension Liability, as of June 30, 2022, the most recent available measurement date, of the District's defined benefit pension plan, the Teacher's Retirement System (TRS), follows:

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's Proportion of the Net Pension Liability	0.0005433019%	0.0005821878%	0.0006143868%	0.0005905118%	0.0007684903%	0.0014010536%	0.0013417003%	0.0014080101%	0.0013813737%
District's Proportionate Share of the Net Pension Liability	\$ 455,506	\$ 454,172	\$ 529,695	\$ 478,953	\$ 598,999	\$ 1,070,379	\$ 1,059,085	\$ 922,388	\$ 840,680
State's Proportionate Share of the Net Pension Liability Associated With the District	39,512,137	38,064,459	41,488,474	34,086,583	41,033,911	37,718,636	40,318,967	34,101,141	33,080,620
Total	\$ 39,967,643	\$ 38,518,631	\$ 42,018,169	\$ 34,565,536	\$ 41,632,910	\$ 38,789,015	\$ 41,378,052	\$ 35,023,529	\$ 33,921,300
District's Covered Employee Payroll	\$ 5,559,010	\$ 5,221,607	\$ 5,163,928	\$ 5,033,932	\$ 5,042,463	\$ 5,130,038	\$ 5,073,972	\$ 5,266,553	\$ 5,121,737
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	8.19%	8.69%	10.26%	9.51%	11.88%	20.86%	20.87%	17.51%	16.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.84%	45.15%	37.76%	39.64%	40.00%	39.30%	36.44%	41.47%	42.95%

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

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SUPPLEMENTAL INFORMATION
SCHEDULE OF THE DISTRICT'S EMPLOYER CONTRIBUTIONS - TRS
JUNE 30, 2023

The Schedule of the District's Employer Contributions, as of June 30, 2021, the most recent available measurement date, of the District's defined benefit pension plan, the Teacher's Retirement System (TRS), follows:

	June 30, 202	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Statutorily Required Contribution	\$ 32,242	\$ 30,285	\$ 29,951	\$ 26,743	\$ 31,930	\$ 57,723	\$ 61,201	\$ 57,704	\$ 56,136
Contributions in Relation to the Statutorily Required Contribution	32,242	30,285	29,951	26,743	31,930	57,723	51,960	49,337	49,287
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,241	\$ 8,367	\$ 6,849
District's Covered Employee Payroll	\$ 5,559,010	\$ 5,221,607	\$ 5,163,928	\$ 5,033,932	\$ 5,042,463	\$ 5,130,038	\$ 5,073,972	\$ 5,266,553	\$ 5,121,737
Contributions as a Percentage of Covered Employee Payroll	0.58%	0.58%	0.58%	0.53%	0.63%	1.13%	1.02%	0.94%	0.96%

Changes of Assumptions

For the 2022 measurement year, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2021-2016 measurement years, the assumed investment rate of return was 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 ended June 30, 2014.

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

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - IMRF
JUNE 30, 2023

The Schedule of Changes in the Net Pension Liability and Related Ratios, of the District's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), follows:

Calendar Year Ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 122,942	\$ 114,241	\$ 123,685	\$ 120,806	\$ 95,350	\$ 107,209	\$ 106,650	\$ 118,747	\$ 133,620
Interest on the Total Pension Liability	447,930	450,830	444,115	422,495	408,780	397,420	380,653	370,195	344,134
Changes in Benefit Terms	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	190,132	(210,345)	(19,912)	94,848	31,332	143,528	17,512	(89,335)	(61,377)
Changes in Assumptions	-	-	(67,370)	-	146,229	(184,985)	(11,604)	5,610	203,916
Benefit Payments, Including Refunds of Employee Contributions	(384,277)	(413,872)	(352,476)	(330,284)	(304,331)	(307,225)	(259,781)	(245,707)	(271,868)
Net Change in Total Pension Liability	\$ 376,727	\$ (59,146)	\$ 128,042	\$ 307,865	\$ 377,360	\$ 155,947	\$ 233,430	\$ 159,510	\$ 348,425
Total Pension Liability - Beginning	6,309,014	6,368,160	6,240,118	5,932,253	5,554,893	5,398,946	5,165,516	5,006,006	4,657,581
Total Pension Liability - Ending (A)	<u>\$ 6,685,741</u>	<u>\$ 6,309,014</u>	<u>\$ 6,368,160</u>	<u>\$ 6,240,118</u>	<u>\$ 5,932,253</u>	<u>\$ 5,554,893</u>	<u>\$ 5,398,946</u>	<u>\$ 5,165,516</u>	<u>\$ 5,006,006</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 114,738	\$ 131,284	\$ 127,623	\$ 118,000	\$ 113,126	\$ 107,197	\$ 106,668	\$ 117,331	\$ 119,615
Contributions - Employee	61,321	55,162	54,301	54,129	45,615	45,605	46,629	48,595	53,231
Net Investment Income	(889,467)	1,086,282	836,840	940,424	(293,142)	833,444	311,630	22,691	265,458
Benefit Payments, Including Refunds of Employee Contributions	(384,277)	(413,872)	(352,476)	(330,284)	(304,331)	(307,225)	(259,781)	(245,707)	(271,868)
Other (Net Transfer)	6,628	(371,127)	30,928	36,054	108,137	(75,031)	41,888	(11,351)	10,396
Plan Fiduciary Net Position - Beginning	<u>\$ (1,091,057)</u>	<u>\$ 487,729</u>	<u>\$ 697,216</u>	<u>\$ 818,323</u>	<u>\$ (330,595)</u>	<u>\$ 603,990</u>	<u>\$ 247,034</u>	<u>\$ (68,441)</u>	<u>\$ 176,832</u>
Plan Fiduciary Net Position - Ending (B)	<u>7,033,374</u>	<u>6,545,645</u>	<u>5,848,429</u>	<u>5,030,106</u>	<u>5,360,701</u>	<u>4,756,711</u>	<u>4,509,677</u>	<u>4,578,118</u>	<u>4,401,286</u>
	<u>\$ 5,942,317</u>	<u>\$ 7,033,374</u>	<u>\$ 6,545,645</u>	<u>\$ 5,848,429</u>	<u>\$ 5,030,106</u>	<u>\$ 5,360,701</u>	<u>\$ 4,756,711</u>	<u>\$ 4,509,677</u>	<u>\$ 4,578,118</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ 743,424</u>	<u>\$ (724,360)</u>	<u>\$ (177,485)</u>	<u>\$ 391,689</u>	<u>\$ 902,147</u>	<u>\$ 194,192</u>	<u>\$ 642,235</u>	<u>\$ 655,839</u>	<u>\$ 427,888</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.88%	111.48%	102.79%	93.72%	84.79%	96.50%	88.10%	87.30%	91.45%
Covered Valuation Payroll	\$ 1,362,688	\$ 1,225,809	\$ 1,159,156	\$ 1,202,862	\$ 1,013,670	\$ 970,019	\$ 965,327	\$ 1,023,827	\$ 1,066,255
Net Pension Liability as a Percentage of Covered Valuation Payroll	54.56%	(59.09)%	(15.31)%	32.56%	89.00%	20.02%	66.53%	64.06%	40.13%

CASS ELEMENTARY SCHOOL DISTRICT NO. 63

SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - IMRF

JUNE 30, 2023

The Schedule of Employer Contributions, of the District's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), follows:

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2022	\$ 114,738	\$ 114,738	\$ -	\$ 1,362,688	8.42%
2021	\$ 131,284	\$ 131,284	\$ -	\$ 1,225,809	10.71%
2020	\$ 127,623	\$ 127,623	\$ -	\$ 1,159,156	11.01%
2019	\$ 118,001	\$ 118,001	\$ -	\$ 1,202,862	9.81%
2018	\$ 113,126	\$ 113,126	\$ -	\$ 1,013,670	11.16%
2017	\$ 107,381	\$ 107,197	\$ 184	\$ 970,019	11.05%
2016	\$ 106,668	\$ 106,668	\$ -	\$ 965,327	11.05%
2015	\$ 117,331	\$ 117,331	\$ -	\$ 1,023,827	11.46%
2014	\$ 118,248	\$ 119,615	\$ (1,367)	\$ 1,066,255	11.22%

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

METHODS AND ASSUMPTIONS USED TO DETERMINE THE 2022 CONTRIBUTION RATES

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	21-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	2.75%
<i>Price Inflation:</i>	2.25%
<i>Salary Increases:</i>	2.85% to 13.75%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based tables 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 to 2019.
<i>Mortality:</i>	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.
<i>Other Information:</i>	There were no benefit changes during the year.

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

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SUPPLEMENTAL INFORMATION
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS
FOR THE YEARS 2022, 2021, 2020 AND 2019

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSESSED VALUATIONS	<u>\$ 381,742,640</u>	<u>\$ 375,891,461</u>	<u>\$ 368,778,025</u>	<u>\$ 353,326,094</u>
TAX RATES				
Education	\$ 2.2696	\$ 2.1938	\$ 2.2007	\$ 2.2301
Special Education	0.0225	0.0217	0.0217	0.0220
Operations and Maintenance	0.2756	0.2663	0.2671	0.2706
Bond and Interest	0.3471	0.0912	0.0917	0.0954
Transportation	0.0483	0.0467	0.0468	0.0473
Municipal Retirement	0.0401	0.0387	0.0388	0.0392
Social Security	0.0491	0.0474	0.0475	0.0481
Aggregate Refunds	<u>0.0043</u>	<u>0.0057</u>	<u>-</u>	<u>-</u>
	<u>\$ 3.0566</u>	<u>\$ 2.7115</u>	<u>\$ 2.7143</u>	<u>\$ 2.7527</u>
TAX EXTENSIONS				
Education	\$ 8,664,030	\$ 8,246,307	\$ 8,115,698	\$ 7,879,525
Special Education	85,892	81,568	80,025	77,732
Operations and Maintenance	1,052,083	1,000,999	985,006	956,100
Bond and Interest	1,325,029	342,813	338,169	337,073
Transportation	184,382	175,541	172,588	167,123
Municipal Retirement	153,079	145,470	143,086	138,504
Social Security	187,436	178,173	175,170	169,950
Aggregate Refunds	<u>16,415</u>	<u>21,426</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,668,346</u>	<u>\$ 10,192,297</u>	<u>\$ 10,009,742</u>	<u>\$ 9,726,007</u>

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SUPPLEMENTAL INFORMATION
SCHEDULE OF OPERATING EXPENDITURES PER PUPIL
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
TOTAL EXPENDITURES		
Educational Fund	\$ 13,162,835	\$ 12,084,187
Operations and Maintenance Fund	1,134,629	1,254,981
Bond and Interest Fund	341,752	336,827
Transportation Fund	724,122	515,332
Municipal Retirement/Social Security Fund	331,476	323,368
	<u>\$ 15,694,814</u>	<u>\$ 14,514,695</u>
 Less: Receipts/Expenditures Not Applicable to Operating Expense of Regular Programs		
Educational Fund		
Summer School Programs	\$ 9,040	\$ 8,184
Community Services	4,974	1,938
Nonprogrammed Charges	17,372	303,741
Capital Outlay	230,724	142,875
Tuition	673,528	500,262
Principal Paid on Capital Leases	55,547	75,662
State "On-Behalf" Contributions	3,156,778	2,780,242
Student Activities	45,076	36,668
Operations and Maintenance Fund		
Capital Outlay	52,797	120,440
Bond Principal Paid	235,000	231,167
Bond and Interest Fund		
Bond Principal Paid	190,000	180,000
Transportation Fund		
Principal Paid on Capital Lease	48,222	71,291
Transportation Fees from Other Districts	-	470
Municipal Retirement/Social Security Fund		
Summer School	129	119
	<u>\$ 4,719,187</u>	<u>\$ 4,453,059</u>
 NET OPERATING EXPENDITURES	 \$ 10,975,627	 \$ 10,061,636
 AVERAGE DAILY ATTENDANCE	 <u>682.09</u>	 <u>725.34</u>
 OPERATING EXPENDITURES PER PUPIL	 <u><u>\$ 16,091</u></u>	 <u><u>\$ 13,872</u></u>

CASS ELEMENTARY SCHOOL DISTRICT NO. 63
SUPPLEMENTAL INFORMATION
SCHEDULE OF PER CAPITA TUITION CHARGE
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
NET OPERATING EXPENDITURES	\$ 10,975,627	\$ 10,061,636
LESS: Offsetting Receipts/Revenues		
Educational Fund		
Special Education	\$ 117,467	\$ 92,023
Special Education - IDEA - Flow-Through	164,556	209,862
State Free Lunch & Breakfast	431	2,778
Other State Grants	850	850
Title II - Teacher Quality	20,335	15,875
National School Lunch Program	164,364	215,046
Title IV - Safe & Drug-Free Schools	10,000	10,000
Title I - Low Income	86,428	62,824
Medicaid Matching Funds	29,900	22,252
CARES Act - Emergency Relief Grant	253,386	85,775
Food Services	102,485	14,711
Pupil Activities	217,968	228,339
Student Activities (included above)	(47,800)	(41,003)
Special Education Contributions from EBF Funds	221,241	220,809
English Learning (Bilingual) Contributions from EBF Funds	3,095	2,333
Operations and Maintenance Fund		
Rentals	110,233	94,170
Infrastructure Improvement Grant	50,000	50,000
Transportation Fund		
Transportation Fees	83,839	84,068
State Transportation Aid	159,253	177,507
	<u>\$ 1,748,031</u>	<u>\$ 1,548,219</u>
NET OPERATING EXPENSE FOR TUITION COMPUTATION	\$ 9,227,596	\$ 8,513,417
ADD: Depreciation Allowance	<u>648,994</u>	<u>670,604</u>
TOTAL ALLOWANCE FOR TUITION COMPUTATION	\$ 9,876,590	\$ 9,184,021
AVERAGE DAILY ATTENDANCE	<u>682.09</u>	<u>725.34</u>
PER CAPITA TUITION CHARGE	<u>\$ 14,480</u>	<u>\$ 12,662</u>