

SUNSET RIDGE SCHOOL DISTRICT
NO.29, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

525 Sunset Ridge Road
Northfield, IL 60093
Phone: 847.881.9457
www.sunsetridge29.org

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FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

September 29, 2023

Members of the Board of Education
Sunset Ridge School District No. 29
Northfield, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sunset Ridge School District No. 29, (the District), Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sunset Ridge School District No. 29, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, other supplementary information and supplemental schedules 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 September 29, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUNSET RIDGE SCHOOL DISTRICT NO. 29

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

The discussion and analysis of Sunset Ridge School District No. 29's (the District) financial performance provides an overall review of the District's financial activities, for the year ended June 30, 2023. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

FINANCIAL HIGHLIGHTS

- General revenues from property taxes, personal property replacement taxes, state aid, investment earnings and other sources accounted for \$16,048,305 or 76.8% of the District's total revenue of \$20,891,459. Program specific revenues in the form of charges for services, contributions, and grants were \$4,843,154, or 23.2% of total revenue.
- The District's net position for FY 23 resulted in a 14.5% increase from \$13,740,466 to \$15,727,545.
- During FY 23, the District did not issue any long-term debt.
- The District had \$18,904,380 in expenses related to governmental activities. However, only \$4,843,154 of these expenses was offset by program specific charges, contributions, and grants.
- The District's modified accrual fund financial statements also reflect a continued strong financial position with total governmental fund assets of \$23,644,329 and total governmental fund balances of \$15,284,033; \$14,952,969 of which is related to operating funds (General, Operations and Maintenance, Transportation, and Municipal Retirement/Social Security Funds).
- Among the major funds, the General Fund (which includes the Educational, Tort Immunity and Judgment, and Working Cash Accounts) had \$18,481,185 in revenues, primarily consisting of property taxes, state aid, and other local revenue, and \$16,367,766 in expenditures.
- The District continued to pay down the general obligation bonds and general obligation lease certificates by retiring \$1,120,000 in principal and paying \$690,700 in interest.
- The Board of Education Finance/Facilities Committee met quarterly throughout the year. Many topics were discussed including the 2022 annual levy, the long-range capital improvement plan, various contract renewals, and the District's long-range projections. The committee is continually informed about factors that may impact the District's finances including enrollment growth, staffing needs, and potential state and federal changes. Early identification of these factors allows the committee time to plan and react as necessary in order to ensure the District's financial solvency.
- Each year Moody's publishes its Annual Issuer Comment Report about the District. The report provides investors with current economic and financial information as well as highlights key metrics which underpin the District's credit profile. In summary, the report noted the District continues to maintain its Aaa rating and concluded the economy of the District is exceptional, enrollment trend is strong, and the financial profile is excellent. The Board of Education is committed to maintaining the District's strong financial status which only reaffirms to Moody's the strong financial health of the District.

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

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- a. Government-wide financial statements
- b. Fund financial statements
- c. Notes to the financial statements.

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

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

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

Fund financial statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The District maintains the following governmental funds:

- General (includes Educational, Tort Immunity and Judgment, and Working Cash funds)
- Special Revenue (includes Operations and Maintenance, Transportation, Municipal Retirement/Social Security funds)
- Debt Service Fund
- Capital Projects Fund (includes Fire Prevention and Safety fund)

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

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide other post employment benefits and pension data related to the Illinois Municipal Retirement Fund and the Teacher's Retirement System.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

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

Government-Wide Financial Analysis

Net Position: The District's combined net position was \$15,727,545 at June 30, 2023.

Table 1		
Condensed Statement of Net Position		
	Governmental Activities	
	2023	2022
Current Assets	\$ 23,644,329	22,615,682
Capital Assets	27,852,714	28,675,514
Other Assets	—	698,546
Total Assets	51,497,043	51,989,742
Deferred Outflows	1,094,470	295,164
Total Assets/Deferred Outflows	52,591,513	52,284,906
Long-Term Debt	21,200,263	25,472,744
Other Liabilities	1,490,107	1,386,553
Total Liabilities	22,690,370	26,859,297
Deferred Inflows	14,173,598	11,685,143
Total Liabilities/Deferred Inflows	36,863,968	38,544,440
Net Position		
Net Investment in Capital Assets	8,633,356	8,282,508
Restricted	4,128,243	3,992,521
Unrestricted	2,965,946	1,465,437
Total Net Position	15,727,545	13,740,466

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Management's Discussion and Analysis
For the Year Ended June 30, 2023****Government-Wide Financial Analysis (Continued)**

Table 2		
Change in Net Position		
	Governmental Activities	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 305,650	280,682
Operating Grants/Contributions	4,537,504	4,194,832
General Revenues		
Taxes	14,808,980	15,099,120
State Aid-Formula Grants	399,591	386,005
Other General Revenues	839,734	397,423
Total Revenues	20,891,459	20,358,062
Expenses		
Instruction	12,608,910	12,001,527
Support Services		
Pupils and Instructional Staff	800,885	817,724
Administration and Business	2,180,788	2,077,700
Transportation	188,205	49,893
Operations and Maintenance	1,971,265	1,783,423
Central	510,453	336,356
Community Services	8,872	8,349
Interest on Long-Term Debt	635,002	673,267
Total Expenses	18,904,380	17,748,239
Change in Net Position	1,987,079	2,609,823
Net Position - Beginning	13,740,466	11,130,643
Net Position - Ending	15,727,545	13,740,466

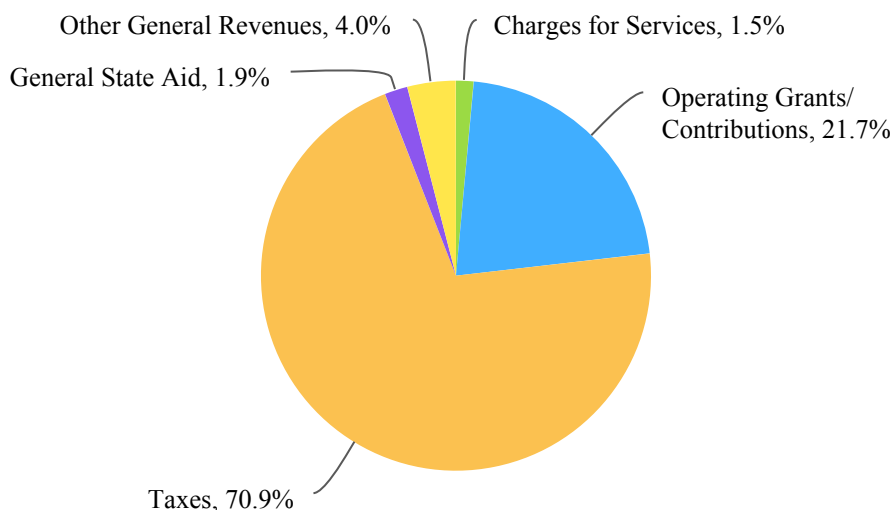
SUNSET RIDGE SCHOOL DISTRICT NO. 29

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

Government-Wide Financial Analysis (Continued)

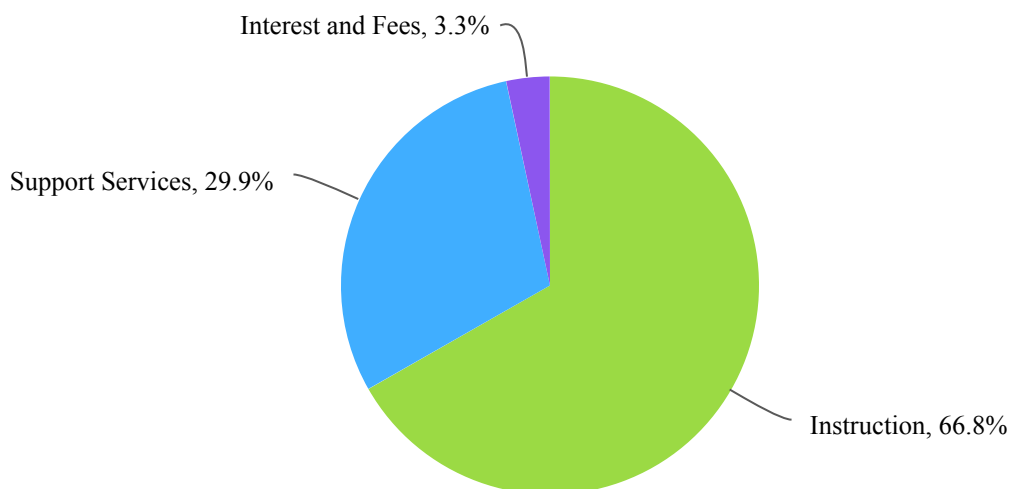
Revenues by Source: Property taxes accounted for the largest portion of the District's revenue, which is 70.9% of total revenues. The remainder of the District's revenue came from state and federal grants, contributions, and other sources.

District-Wide Revenues by Source



Expenses by Function: The total cost of all programs and services was \$18,904,380. The District's expenses are predominantly related to instruction, which makes up 66.8% of total expenses.

District-Wide Expenses by Function



SUNSET RIDGE SCHOOL DISTRICT NO. 29

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

Financial Analysis of the District's Funds

The District's governmental funds' combined fund balance increased by \$877,283 from \$14,406,750 to \$15,284,033.

General Fund Budgetary Highlights

Over the course of the year, the District revised their annual operating budget.

The District's budget for the General Fund anticipated that revenues would exceed expenditures by \$617,002. The actual results for the year show the revenues exceeded expenditures by \$741,244. The actual revenues for property taxes, state sources and the federal sources were under budget by \$748,988, with an offset of direct expenditures under budget by \$822,440.

Capital Assets and Debt Administration

Capital Assets

By the end of FY 2023, the District had compiled a total investment of \$27,852,714 (net of accumulated depreciation) in a broad range of capital assets including land, improvements other than buildings, buildings, and equipment. Total depreciation expense for the year was \$981,390.

More detailed information about capital assets can be found in Note 3 of the notes to the financial statements.

Table 3		
Capital Assets - Net of Depreciation		
	2023	2022
Land	\$ 76,885	76,885
Buildings	27,351,311	28,220,636
Improvements other than Buildings	26,276	29,089
Equipment	398,242	348,904
Total	27,852,714	28,675,514

SUNSET RIDGE SCHOOL DISTRICT NO. 29

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

Capital Assets and Debt Administration (Continued)

Long-Term Liabilities

During FY 2023, the District retired \$1,120,000 in general obligation bonds.

Table 4		
Long-Term Debt Outstanding		
	2023	2022
Compensated Absences	\$ 70,195	81,956
General Obligation Bonds	14,175,000	15,025,000
General Obligation Lease Certificates	4,350,000	4,620,000
Total OPEB Liability - Retiree Health Plan - RHP	43,637	52,902
Total OPEB Liability - THIS	1,799,618	5,499,409
IMRF Net Pension Liability/(Asset)	710,574	(698,546)
TRS Net Pension Liability	594,572	581,862
Unamortized Premium	694,358	748,006
	<u>22,437,954</u>	<u>25,910,589</u>

More detailed information about long-term liabilities can be found in Note 3 of the notes to the financial statements.

Factors Bearing on the District's Future

Sunset Ridge School District 29 received a rating of State Financial Recognition in FY 22 (the highest rating possible issued by the Illinois State Board of Education). Additionally, Moody's reaffirmed the District's Aaa rating as published in the Annual Issuer Comment Report. Both ratings demonstrate the District's strong financial status. The Board of Education will need to continue to maintain a high level of focus on fiscal responsibility in the years to come.

The Board of Education, District Administration, and members of the Sunset Ridge Education Association (SREA) will embark upon negotiating the next SREA contract which is scheduled to expire in August 2024. The District has enjoyed a long history of educational excellence and it will be important the next contract will continue to ensure the District's ability to attract and retain high quality teachers in a fiscally responsible manner, benefiting both our schools and community.

Similar to last year, property tax payments will be delayed by Cook County and are forecasted to be due by December 1, 2023. The delay is a combination of assessment reviews being late and the implementation of a new software program in the County. Fortunately, the District has adequate fund balance to cover all financial needs throughout the delay. The long-term financial impact is yet to be seen, especially if the County decides to continue this pattern of delays.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

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

Factors Bearing on the District's Future (Continued)

The District will continue to work towards meeting the Strategic Plan initiatives including onboarding four new Board of Education members, improving communication with all stakeholders, expanding curricular, instructional and mental health supports, continued investment in safety and security, implementing innovative and engaging educational resources, improving Middlefork School, and continuing to ensure the District's financial solvency.

The District continues to utilize the operating fund surplus on an annual basis to cover the on-going cost of the general obligation lease certificates issued in FY 2015 and 2016 in the amount of \$24.4 million for the new Sunset Ridge School which opened in 2017. Since the Board of Education elected not to go to referendum for this debt, and there is no dedicated levy to pay it back, the District has carefully and strategically maintained healthy surpluses to cover this annual debt payment. The remaining debt service requirements to maturity including principal and interest is \$23,368,681 which is scheduled to be paid in full in FY 38.

The District schools are annually ranked among the top performing schools in the State. District students continue to be among the highest performing in the region with the vast majority meeting or exceeding state and national academic standards. The community takes great pride in the quality and value of the education students receive and staff provide in every grade from kindergarten through graduation. The District continues to cultivate an inclusive learning community that engages hearts and minds one child at a time. The tradition of educational excellence continues at Sunset Ridge School District 29.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Sunset Ridge School District No. 29
525 Sunset Ridge Road
Northfield, Illinois 60093

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Statement of Net Position

June 30, 2023

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Statement of Net Position****June 30, 2023**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 15,250,624
Receivables - Net of Allowances	
Property Taxes	8,163,814
Intergovernmental	229,891
Total Current Assets	<u>23,644,329</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	76,885
Depreciable	37,322,062
Accumulated Depreciation	<u>(9,546,233)</u>
Total Noncurrent Assets	<u>27,852,714</u>
Total Assets	<u>51,497,043</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - RHP	34,596
Deferred Items - THIS	474,238
Deferred Items - TRS	66,186
Deferred Items - IMRF	<u>519,450</u>
Total Deferred Outflows of Resources	<u>1,094,470</u>
Total Assets and Deferred Outflows of Resources	<u>52,591,513</u>

The notes to the financial statements are an integral part of this statement.

	Governmental Activities
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 40,431
Accrued Payroll	156,051
Accrued Interest Payable	55,934
Current Portion of Long-Term Debt	1,237,691
Total Current Liabilities	<u>1,490,107</u>
Noncurrent Liabilities	
Compensated Absences	56,156
Total OPEB Liability - RHP	43,637
Total OPEB Liability - THIS	1,799,618
Net Pension Liability - TRS	594,572
Net Pension Liability - IMRF	710,574
General Obligation Bonds and Lease Certificates - Net	17,995,706
Total Noncurrent Liabilities	<u>21,200,263</u>
Total Liabilities	<u>22,690,370</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	8,163,814
Deferred Items - RHP	27,170
Deferred Items - THIS	5,917,362
Deferred Items - TRS	65,252
Total Deferred Inflows of Resources	<u>14,173,598</u>
Total Liabilities and Deferred Inflows of Resources	<u>36,863,968</u>
NET POSITION	
Net Investment in Capital Assets	8,633,356
Restricted	
Tort Immunity	75,745
Student Activities	32,674
Operations and Maintenance	2,432,136
Student Transportation	501,013
Retirement Benefits	811,545
Debt Services	194,548
Fire Prevention and Life Safety	80,582
Unrestricted	<u>2,965,946</u>
Total Net Position	<u>15,727,545</u>

The notes to the financial statements are an integral part of this statement.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Statement of Activities

For the Fiscal Year Ended June 30, 2023

		Program Revenues		(Expenses)/
		Charges	Operating	Revenues
		for	Grants/	Governmental
	Expenses	Services	Contributions	Activities
Governmental Activities				
Instruction	\$ 7,821,519	—	397,782	(7,423,737)
Support Services	5,651,596	305,650	21,438	(5,324,508)
Community Services	8,872	—	—	(8,872)
Payments to Other Districts/Govts.	669,107	—	—	(669,107)
Interest on Long-Term Debt	635,002	—	—	(635,002)
State Retirement Contributions	4,118,284	—	4,118,284	—
Total Governmental Activities	18,904,380	305,650	4,537,504	(14,061,226)
General Revenues				
Taxes				
Real Estate Taxes, Levied for General Purposes				13,560,704
Real Estate Taxes, Levied for Specific Purposes				421,204
Real Estate Taxes, Levied for Debt Services				433,836
Personal Property Replacement Taxes				393,236
State Aid-Formula Grants				399,591
Investment Income				280,171
Other General Revenues				559,563
				<u>16,048,305</u>
Change in Net Position				1,987,079
Net Position - Beginning				<u>13,740,466</u>
Net Position - Ending				<u><u>15,727,545</u></u>

The notes to the financial statements are an integral part of this statement.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Balance Sheet - Governmental Funds

June 30, 2023

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Balance Sheet - Governmental Funds

June 30, 2023

	<u>General</u>
ASSETS	
Cash and Investments	\$ 11,519,430
Receivables - Net of Allowances	
Property Taxes	7,082,983
Intergovernmental	<u>222,662</u>
Total Assets	<u><u>18,825,075</u></u>
LIABILITIES	
Accounts Payable	7,358
Payroll Deductions Payable	<u>121,659</u>
Total Liabilities	<u>129,017</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>7,082,983</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>7,212,000</u></u>
FUND BALANCES	
Restricted	513,219
Unassigned	<u>11,099,856</u>
Total Fund Balances	<u><u>11,613,075</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>18,825,075</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue		Municipal Retirement/ Social Security	Debt Service	Capital Projects	Totals
Operations and Maintenance	Transportation			Fire Prevention and Life Safety	
2,475,270	518,115	406,745	250,482	80,582	15,250,624
635,699	25,947	184,223	234,443	519	8,163,814
—	7,229	—	—	—	229,891
3,110,969	551,291	590,968	484,925	81,101	23,644,329
33,073	—	—	—	—	40,431
10,061	24,331	—	—	—	156,051
43,134	24,331	—	—	—	196,482
635,699	25,947	184,223	234,443	519	8,163,814
678,833	50,278	184,223	234,443	519	8,360,296
2,432,136	501,013	406,745	250,482	80,582	4,184,177
—	—	—	—	—	11,099,856
2,432,136	501,013	406,745	250,482	80,582	15,284,033
3,110,969	551,291	590,968	484,925	81,101	23,644,329

The notes to the financial statements are an integral part of this statement.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2023

Total Governmental Fund Balances	\$ 15,284,033
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	27,852,714
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Deferred Outflows/Inflows of Resources related to the retirement plans not reported in the funds.

Deferred Items - Retiree Health Plan - RHP	7,426
Deferred Items - THIS	(5,443,124)
Deferred Items - TRS	934
Deferred Items - IMRF	519,450

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences Payable	(70,195)
Total OPEB Liability - Retiree Health Plan - RHP	(43,637)
Total OPEB Liability - THIS	(1,799,618)
Net Pension Liability - TRS	(594,572)
Net Pension Liability - IMRF	(710,574)
General Obligation Bonds Payable - Net	(19,219,358)
Accrued Interest Payable	(55,934)

Net Position of Governmental Activities	15,727,545
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SUNSET RIDGE SCHOOL DISTRICT NO. 29

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2023**

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2023

	<u>General</u>
Revenues	
Local Sources	
Property Taxes	\$ 12,429,408
Personal Property Replacement Taxes	—
Investment Income	279,772
Other Revenue from Local Sources	864,238
State Aid	371,122
Federal Aid	418,361
On-Behalf Payments - State of Illinois	4,118,284
Total Revenues	<u>18,481,185</u>
Expenditures	
Instruction	
Regular Programs	6,171,049
Special Programs	1,624,035
Other Instructional Programs	384,837
Support Services	
Pupils	732,651
Instructional Staff	60,198
General Administration	776,992
School Administration	480,526
Business	830,762
Transportation	—
Operations and Maintenance	—
Central	510,453
Community Services	8,872
Payments to Other Districts and Govt. Units	669,107
Capital Outlay	—
Debt Service	
Principal Retirement	—
Interest	—
Other Fiscal Charges	—
On-Behalf Expenditures	4,118,284
Total Expenditures	<u>16,367,766</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>2,113,419</u>
Other Financing Sources (Uses)	
Transfers In	—
Transfers Out	<u>(1,372,175)</u>
	<u>(1,372,175)</u>
Net Change in Fund Balances	741,244
Fund Balances - Beginning	<u>10,871,831</u>
Fund Balances - Ending	<u><u>11,613,075</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue					
Operations and Maintenance	Transportation	Municipal Retirement/ Social Security	Debt Service	Capital Projects Fire Prevention and Life Safety	Totals
1,127,837	82,462	341,268	433,836	933	14,415,744
393,236	—	—	—	—	393,236
228	15	70	86	—	280,171
975	—	—	—	—	865,213
—	29,328	—	—	—	400,450
—	—	—	—	—	418,361
—	—	—	—	—	4,118,284
1,522,276	111,805	341,338	433,922	933	20,891,459
—	—	113,135	—	—	6,284,184
—	—	63,848	—	—	1,687,883
—	—	12,663	—	—	397,500
—	—	8,036	—	—	740,687
—	—	—	—	—	60,198
—	—	13,885	—	—	790,877
—	—	17,845	—	—	498,371
—	—	60,778	—	—	891,540
—	188,205	—	—	—	188,205
1,196,451	—	—	—	—	1,196,451
—	—	—	—	—	510,453
—	—	—	—	—	8,872
—	—	—	—	—	669,107
159,664	—	—	—	—	159,664
—	—	—	1,120,000	—	1,120,000
—	—	—	690,700	—	690,700
—	—	—	1,200	—	1,200
—	—	—	—	—	4,118,284
1,356,115	188,205	290,190	1,811,900	—	20,014,176
166,161	(76,400)	51,148	(1,377,978)	933	877,283
—	—	—	1,372,175	—	1,372,175
—	—	—	—	—	(1,372,175)
—	—	—	1,372,175	—	—
166,161	(76,400)	51,148	(5,803)	933	877,283
2,265,975	577,413	355,597	256,285	79,649	14,406,750
2,432,136	501,013	406,745	250,482	80,582	15,284,033

The notes to the financial statements are an integral part of this statement.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 877,283
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Amounts reported for Governmental Activities in the Statement of Activities
are different because:

Governmental Funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	179,902
Depreciation Expense	(981,390)
Disposal - Cost	(138,730)
Disposal - Accumulated Depreciation	117,418

Deferred Outflows/(Inflows) of Resources related to pensions/OPEB plans
are not reported in the funds

Change in Deferred Items - Retiree Health Plan - RHP	(4,976)
Change in Deferred Items - THIS	(2,796,142)
Change in Deferred Items - TRS	34,639
Change in Deferred Items - IMRF	1,223,190

The issuance of long-term debt provides current financial resources to
Governmental Funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Changes in Compensated Absences	11,761
Changes in Total OPEB Liability - Retiree Health Plan - RHP	9,265
Changes in Total OPEB Liability - THIS	3,699,791
Changes in Net Pension Liability - TRS	(12,710)
Changes in Net Pension Liability/(Asset) - IMRF	(1,409,120)
Retirement of Long-Term Debt	1,120,000
Amortization of Bond Premium	53,648

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

3,250

Changes in Net Position of Governmental Activities

1,987,079

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sunset Ridge School District No. 29 (the “District”) is located in Cook County, Illinois and operates as a public-school system governed by an elected Board of Education (the Board). The Board maintains final responsibility for all personnel, budgetary, taxing, and debt matters. The District is organized under the School Code of the State of Illinois, as amended.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District’s accounting policies established under GAAP and used by the District are described below.

REPORTING ENTITY

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34” and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District’s operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District’s functions (instruction, support services, community services, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, interest income, etc.). This government-wide focus is more on the sustainability of the District as an entity and the change in the District’s net position resulting from the current year’s activities.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid. The General Fund is a major fund and is comprised of three subfunds, the Educational Accounts, the Tort Immunity and Judgment Accounts, and the Working Cash Accounts.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Fund. The District maintains three major special revenue funds. The Operations and Maintenance Fund is used to account for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes. The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants. The Municipal Retirement/Social Security Fund is used to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes.

Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service. The Debt Service Fund is treated as a major fund.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds - Continued

Capital Projects Funds are used to account for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities. The Fire Prevention and Life Safety Fund, also a major fund, is used to account for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is used.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end, except for state aid. State aid payments received after 60 days are being considered as available as historically, state aid collected within 60 days has represented all state aid expected to be collected. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with a fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, and grants.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical costs based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	10 - 40 Years
Improvements Other Than Buildings	10 - 40 Years
Equipment	5 - 20 Years

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in the financial statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation leave will be made at rates in effect when the benefits are used. Accumulated vacation leave liabilities at June 30, 2023 are determined on the basis of current salary rates and include salary related payments. Upon termination or retirement, employees do not receive compensation for any unused sick leave; therefore, no liability is recorded at June 30, 2023.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the General Fund, which does not budget for on-behalf pension payments from the State of Illinois. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level.

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

BUDGETARY INFORMATION - Continued

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between the functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. The Budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 13, 2022.
7. All budget appropriations lapse at the end of the fiscal year. The budget was amended and approved on May 16, 2023.

During the fiscal year ended June 30, 2023, supplemental budget appropriations were made.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Transportation	\$ 61,505

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS UNDER THE CUSTODY OF THE TOWNSHIP TREASURER

Under the Illinois Compiled Statutes, the Township Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the Township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS UNDER THE CUSTODY OF THE TOWNSHIP TREASURER - Continued

Cash and investments, other than the student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balances by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Debt Service Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Township Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's Office.

The weighted average maturity of all marketable pooled investments held by the Treasurer was 6.41 years at June 30, 2023. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2023, the fair value of all investments held by the Treasurer's Office was \$15,254,097 and the fair value of the District's proportionate share of the pool was \$15,254,097.

Because all cash and investments are pooled by a separate legal governmental agency (Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

Deposits of the imprest fund and student activity fund, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	Carrying Value	Bank Balance
Deposits with Financial Institutions	\$ 32,674	32,674

DISTRICT DEPOSITS AND INVESTMENTS

Under State law, limits are imposed as to investments in commercial paper, corporate bonds, and mutual funds in which the District may invest, as well as the Illinois School District Liquid Asset Fund Plus (ISDLAF+).

The ISDLAF+ is a non-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company. Investments are sold valued at share price, which is the price for which the investment could be sold.

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DISTRICT DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the District's deposits for governmental activities totaled \$14,361,407 and the bank balances totaled \$14,364,880. In addition, the District has \$889,217 invested in ISDLAF+ at year-end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District utilizes the Township Treasury's investment policy and considers that policy to be binding for the District. The District does not have a formal investment policy that limits investment maturities as means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The Township Treasurer's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2023, the bank balance of the District's deposits with financial institutions totaled \$15,254,097; this entire amount was insured through FDIC insurance.

Custodial Credit Risk - Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township Treasurer's investment policy does not address custodial credit risk for investments. At year end, the District investments in ISDLAF+ were not subject to custodial credit risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township Treasurer's investment policy does not address credit risk. At year-end, the District's investment in ISDLAF+ was rated AAAM by Standard & Poor's.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Township Treasurer's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from over concentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the Township Treasurer's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

PROPERTY TAXES

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2022 levy resolution was approved during the December 13, 2022 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner to real property on January 1 in any year is liable for taxes of that year.

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES - Continued

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

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on or after August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year’s tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2022 property tax levy is recognized as a receivable in the fiscal year 2023, net of estimated uncollectible amounts approximating 1% and less amounts already received. The District considers that the first installment of the 2022 levy is to be used to finance operations in fiscal year 2023. The District has determined that the second installment of the 2022 levy is to be used to finance operations in fiscal year 2023 and has included the corresponding receivable as a deferred inflow of resources on the Balance Sheet - Governmental Funds (page [20](#)) and Statement of Net Position (page [16](#)).

PERSONAL PROPERTY REPLACEMENT TAXES

Personal property replacement taxes are first allocated to the Operations and Maintenance Fund, and the balance is allocated to the remaining funds at the discretion of the District.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Debt Service	General	<u>\$ 1,372,175</u>

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

JOINT AGREEMENTS

The District is a member of the North Suburban Special Education District (NSSD), a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2023****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****CAPITAL ASSETS****Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 76,885	—	—	76,885
Depreciable Capital Assets				
Buildings	35,802,490	40,886	—	35,843,376
Improvements Other than Buildings	272,650	—	—	272,650
Equipment	1,205,750	139,016	138,730	1,206,036
	<u>37,280,890</u>	<u>179,902</u>	<u>138,730</u>	<u>37,322,062</u>
Less Accumulated Depreciation				
Buildings	7,581,854	910,211	—	8,492,065
Improvements Other than Buildings	243,561	2,813	—	246,374
Equipment	856,846	68,366	117,418	807,794
	<u>8,682,261</u>	<u>981,390</u>	<u>117,418</u>	<u>9,546,233</u>
Total Net Depreciable Capital Assets	<u>28,598,629</u>	<u>(801,488)</u>	<u>21,312</u>	<u>27,775,829</u>
Total Net Capital Assets	<u>28,675,514</u>	<u>(801,488)</u>	<u>21,312</u>	<u>27,852,714</u>

Depreciation expense was charged to governmental activities as follows:

Regular Programs	\$ 170,119
Special Programs	36,457
Instructional Staff	70,976
General Administration	9,722
School Administration	9,722
Business	4,859
Operations and Maintenance	<u>679,535</u>
	<u>981,390</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2023****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT****General Obligation Bonds/Lease Certificates**

General Obligation bonds/lease certificates are direct obligations and pledge the full faith and credit of the District. General obligation bonds/lease certificates currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Lease Certificates of 2015 - Due in annual installments of \$210,000 to \$1,040,000 plus semi-annual interest at 3.00% to 5.00% through December 1, 2035.	\$ 9,540,000	—	—	9,540,000
General Obligation Lease Certificates of 2016A - Due in annual installments of \$120,000 to \$850,000 plus semi-annual interest at 2.00% to 3.50% through December 1, 2035.	5,485,000	—	850,000	4,635,000
General Obligation Limited Tax Refunding Bonds of 2018 - Due in annual installments of \$230,000 to \$350,000 plus semi-annual interest at 3.00% to 5.00% through December 1, 2037.	4,620,000	—	270,000	4,350,000
	19,645,000	—	1,120,000	18,525,000

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2023****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT - Continued****Long-Term Liabilities Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 81,956	11,761	23,522	70,195	14,039
Total OPEB Liability - RHP	52,902	—	9,265	43,637	—
Total OPEB Liability - THIS	5,499,409	—	3,699,791	1,799,618	—
Net Pension Liability - TRS	581,862	12,710	—	594,572	—
Net Pension Liability/(Asset) - IMRF	(698,546)	1,409,120	—	710,574	—
General Obligation Lease Certificates	15,025,000	—	850,000	14,175,000	880,000
General Obligation Bonds	4,620,000	—	270,000	4,350,000	290,000
Unamortized Premium	748,006	—	53,648	694,358	53,652
	<u>25,910,589</u>	<u>1,433,591</u>	<u>4,906,226</u>	<u>22,437,954</u>	<u>1,237,691</u>

The obligations for the compensated absences, the total OPEB liability for the Retiree Health Plan (RHP), the total OPEB liability for THIS, the net pension liability/(asset), and the net pension liability for TRS will be repaid from the General Fund (Educational Accounts). The general obligation bonds/lease certificates are being liquidated by the Debt Service Fund.

Legal Debt Margin

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. At year-end the legal debt margin is as follows:

Assessed Valuation - 2021*	<u>\$ 487,002,321</u>
Legal Debt Limit - 6.9% of Assessed Value	33,603,160
Amount of Debt Applicable to Limit	<u>(18,525,000)</u>
Legal Debt Margin	<u>15,078,160</u>

*The 2022 tax levy extension is not available as of the date of this report.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2023****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT - Continued****Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Lease Certificates		General Obligation Limited Tax Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 880,000	494,125	290,000	154,525
2025	910,000	463,025	310,000	139,525
2026	940,000	431,575	230,000	126,025
2027	975,000	397,550	240,000	114,275
2028	1,010,000	364,025	255,000	103,175
2029	1,040,000	333,275	265,000	94,100
2030	1,070,000	301,625	270,000	86,075
2031	1,110,000	264,013	280,000	77,825
2032	1,155,000	220,013	285,000	69,350
2033	1,195,000	174,362	295,000	60,281
2034	1,250,000	126,875	305,000	50,531
2035	1,295,000	77,438	315,000	40,259
2036	1,345,000	26,137	325,000	29,459
2037	—	—	335,000	18,113
2038	—	—	350,000	6,125
Totals	14,175,000	3,674,038	4,350,000	1,169,643

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2023:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 27,852,714
Less: Capital Related Debt	
General Obligation Lease Certificate of 2015	(9,540,000)
General Obligation Lease Certificate of 2016A	(4,635,000)
General Obligation Limited Tax Refunding Bonds of 2018	(4,350,000)
Unamortized Premium	<u>(694,358)</u>
Net Investment in Capital Assets	<u><u>8,633,356</u></u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Education; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Education' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Education, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Minimum Fund Balance Policy. The District's fund balance policy states that the General Fund should maintain a minimum fund balance equal to 40% of the projected annual total revenues for the subsequent fiscal year.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue			Debt Service	Capital Projects	Totals
		Operations and Maintenance	Transportation	Municipal Retirement/ Social Security		Fire Prevention and Life Safety	
Fund Balances							
Restricted							
Tort Immunity	\$ 75,745	—	—	—	—	—	75,745
Student Activities	32,674	—	—	—	—	—	32,674
Operations and Maintenance	—	2,432,136	—	—	—	—	2,432,136
Student Transportation	—	—	501,013	—	—	—	501,013
Retirement Benefits	404,800	—	—	406,745	—	—	811,545
Debt Service	—	—	—	—	250,482	—	250,482
Fire Prevention and Life Safety	—	—	—	—	—	80,582	80,582
	513,219	2,432,136	501,013	406,745	250,482	80,582	4,184,177
Unassigned	11,099,856	—	—	—	—	—	11,099,856
Total Fund Balances	11,613,075	2,432,136	501,013	406,745	250,482	80,582	15,284,033

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District purchased coverage against such risks and participates in the following public entity risk pool: The Collective Liability Insurance Cooperative (CLIC) for property damage, injury claims, and worker's compensation claims. The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provide that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pool. Settled claims has not exceeded coverage for the past three years.

Complete financial statements for CLIC can be obtained from its Treasurer, 860 Tartans Drive, West Dundee, Illinois 60118. The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

CONTINGENT LIABILITIES

State and Federal Aid Contingencies

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. Management believes such disallowances, if any, would be immaterial.

Grantor Agencies

Federal and state grants-in-aid received by the District are subject to audit and adjustment by grantor agencies. If grant revenues collected are received for expenditures paid which are subsequently disallowed, the District may be required to repay the revenues collected. In the opinion of management, liabilities resulting from such disallowed expenditures paid, if any, will not be material.

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The aggregate amounts recognized for the two plans are:

	Pension Expense/ (Revenue)	Net Pension Liability	Deferred Outflows	Deferred (Inflows)
OPEB - RHP	\$ 9,736	43,637	34,596	(27,170)
OPEB - THIS	(853,783)	1,799,618	474,238	(5,917,362)
	(844,047)	1,843,255	508,834	(5,944,532)

Post-Retirement Health Plan

Plan Description

Plan Description. The District's defined benefit OPEB plan, Retiree Health Plan (RHP), provides OPEB for all permanent full-time general and public safety employees of the District. RHP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. The Retiree Health Plan (RHP) provides limited health care and life insurance coverage for its eligible retired employees. Such coverage is provided for retired employees until they reach age 65. The District does not issue a stand-alone report for the postretirement health plan.

Plan Membership. As of June 30, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1
Inactive Employee Entitled to but not yet Receiving Benefits	—
Active Employees	<u>29</u>
Total	<u><u>30</u></u>

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Post-Retirement Health Plan - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.50%
Discount Rate	4.13%
Healthcare Cost Trend Rates	
PPO	
Initial	7.50%
Ultimate	4.50%
HMO	
Initial	8.70%
Ultimate	0.045
Retirees' Share of Benefit-Related Costs	Same as Healthcare Cost Trend Rates

The discount rate was based on the S&P Municipal Bond 20-Year-High-Grade Rate Index as of June 30, 2022.

Mortality rates were based on the PubG.H-2010(B) Mortality Table for Males or Females with future mortality improvement using Scale MP-2020.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	<u>\$ 52,902</u>
Changes for the Year:	
Service Cost	2,976
Interest on the Total OPEB Liability	1,877
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(93)
Benefit Payments	(14,025)
Other Changes	—
Net Changes	<u>(9,265)</u>
Balance at June 30, 2023	<u>43,637</u>

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Post-Retirement Health Plan - Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 4.13%, while the prior valuation used 4.09%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

		1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$	46,042	43,637	41,441

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using variable Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using variable Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

		1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$	40,552	43,637	47,250

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2023****NOTE 4 - OTHER INFORMATION - Continued****OTHER POST-EMPLOYMENT BENEFITS - Continued****Post-Retirement Health Plan - Continued****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the District recognized OPEB expense of \$9,736. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 3,914	(13,077)	(9,163)
Change in Assumptions	30,682	(14,093)	16,589
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	34,596	(27,170)	7,426

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2024	\$ 4,883
2025	4,883
2026	4,883
2027	(197)
2028	(3,185)
Thereafter	(3,841)
Total	7,426

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. THIS health coverage includes provisions for medical, prescription drug, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2015, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Benefits Provided. The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS, who are not employees of the State, to contribute to the THIS Fund.

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

On Behalf Contributions to 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 THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2023. State of Illinois contributions were \$66,984, and the District recognized revenues and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2022 and June 30, 2021 were 1.24 and 1.24 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$65,303 and \$80,260, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2023. Contributions were 0.92 percent during the year ended June 30, 2022 and 2021, respectively. For the year ended June 30, 2023, 2022 and 2021 the District paid \$49,866, \$48,614 and \$59,547 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

Further Information on the THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <https://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."

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Plan Description - Continued

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation: 2.25%

Salary Increases: Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.

Investment Rate of Return: 2.75%, net of OPEB plan investment expense, including inflation, for all plan years.

Healthcare Cost Trend Rates: Trend rates for plan year 2023 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.81% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the PubNS2010 Non-Safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT2010 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.

Single Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since TRIP 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.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Employer's Proportionate Share of the OPEB Liability	\$ 2,000,022	1,799,618	1,593,687

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table shows the plan's net OPEB liability as of June 30, 2022, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current claims trend rates are 8.00% in plan year end 2024, decreasing to an ultimate trend rate of 4.25% in plan year end 2039.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's Proportionate Share of the OPEB Liability	\$ 1,520,717	1,799,618	2,105,682

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

At June 30, 2023, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2022, the District's proportion was 0.026292 percent, which was an increase of 0.001357 from its proportion measured as of June 30, 2021. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follow:

Employer's Proportionate Share of the Net OPEB Liability	\$ 1,799,618
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>2,448,207</u>
Total	<u><u>4,247,825</u></u>

For the year ending June 30, 2023, the District recognized OPEB revenue and expense of \$66,984 for support provided by the State. For the year ending June 30, 2023, the District recognized OPEB revenue of \$853,783. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ —	(1,177,039)	(1,177,039)
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(4,437,556)	(4,437,556)
Changes of Assumptions	260	(41)	219
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	424,112	(302,726)	121,386
Total Pension Expense to be Recognized in Future Periods	424,372	(5,917,362)	(5,492,990)
Employer Contributions Subsequent to the Measurement Date	49,866	—	49,866
Totals	<u>474,238</u>	<u>(5,917,362)</u>	<u>(5,443,124)</u>

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

For the fiscal year ended, \$49,866 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2024	\$ (901,285)
2025	(841,159)
2026	(750,562)
2027	(726,709)
2028	(717,505)
Thereafter	<u>(1,555,770)</u>
Total	<u><u>(5,492,990)</u></u>

RETIREMENT SYSTEMS

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

The aggregate amounts recognized for the two pension plans are:

	Pension Expense	Net Pension Liability	Deferred Outflows	Deferred (Inflows)
TRS	\$ 30,050	594,572	66,186	(65,252)
IMRF	278,827	710,574	519,450	—
	<u>308,877</u>	<u>1,305,146</u>	<u>585,636</u>	<u>(65,252)</u>

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS)

Plan Descriptions, Provisions and Funding Policies

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 only be made by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for TRS's administration. TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 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 years of creditable earnings within the last 10 years of creditable service and at 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. Disability and death benefits are also provided.

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 than 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.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Benefits Provided - Continued

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.

Contributions

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

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

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2023, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$4,051,300 in pension contributions from the State.

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 \$43,167 and are deferred because they were paid after the June 30, 2022 measurement date.

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

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

Notes to the Financial Statements**June 30, 2023**

NOTE 4 - OTHER INFORMATION - Continued**RETIREMENT SYSTEMS - Continued****Teachers' Retirement System (TRS) - Continued****Contributions - Continued**

For the fiscal year ended June 30, 2023, the employer pension contribution was 10.49 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from those funds. For the fiscal year ended June 30, 2023, salaries totaling \$84,001 were paid from federal and special trust funds that required employer contributions of \$8,812. These contributions are deferred because they were paid after the June 30, 2022 measurement date.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer 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 employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$14,038 for salary in excess of the Governor's statutory salary contributions and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2022, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the employer follows below:

Employer's Proportionate Share of the Net Pension Liability	\$ 594,572
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>51,575,194</u>
Total	<u><u>52,169,766</u></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 employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2022, the employer's proportion was 0.00070 percent, which was an increase of 0.00000 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the employer recognized pension expense of \$4,051,300 and revenue of \$4,051,300 for support provided by the state. At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2023****NOTE 4 - OTHER INFORMATION - Continued****RETIREMENT SYSTEMS - Continued****Teachers' Retirement System (TRS) - Continued****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 1,195	(3,278)	(2,083)
Net Difference Between Projected and Actual Earnings on Pension Investments	544	—	544
Changes of Assumptions	2,742	(1,135)	1,607
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	9,726	(60,839)	(51,113)
Total Pension Expense to be Recognized in Future Periods	14,207	(65,252)	(51,045)
Employer Contributions Subsequent to the Measurement Date	51,979	—	51,979
Totals	66,186	(65,252)	934

\$51,979 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2024	\$ (21,810)
2025	(16,931)
2026	(13,097)
2027	3,162
2028	(2,369)
Thereafter	—
Total	(51,045)

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions

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

Inflation: 2.50 Percent

Salary Increases: Varies by Amount of Service Credit

Investment Rate of Return: 7.00 Percent, Net of Pension Plan Investment Expense, Including Inflation

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

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:

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions - Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	16.3%	5.7%
U.S. Small/Mid Cap	1.9%	6.8%
International Equities Developed	14.1%	6.6%
Emerging Market Equities	4.7%	8.6%
U.S. Bonds Core	6.9%	1.2%
Cash Equivalents	1.2%	(0.3)%
TIPS	0.5%	0.3%
International Debt Developed	1.2%	6.6%
Emerging International Debt	3.7%	3.8%
Real Estate	16.0%	5.4%
Private Debt	12.5%	5.3%
Hedge Funds	4.0%	3.5%
Private Equity	15.0%	10.0%
Infrastructure	2.0%	5.9%
Total	100.0%	

Discount Rate

At June 30, 2022, the discount rate used to measure the total pension liability was 7.0 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.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

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

	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Employer's Proportionate Share of the OPEB Liability	\$ 727,167	594,572	484,620

TRS Fiduciary Net Position

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

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

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

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	61
Inactive Plan Members Entitled to but not yet Receiving Benefits	230
Active Plan Members	<u>28</u>
Total	<u><u>319</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended June 30, 2023, the District's contribution was 7.22% of covered payroll.

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.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

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

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

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 1,430,755	710,574	150,267

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2023****NOTE 4 - OTHER INFORMATION - Continued****RETIREMENT SYSTEMS - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Changes in the Net Pension Liability/(Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2021	\$ 6,568,505	7,267,051	(698,546)
Changes for the Year:			
Service Cost	128,968	—	128,968
Interest on the Total Pension Liability	466,805	—	466,805
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	244,514	—	244,514
Changes of Assumptions	—	—	—
Contributions - Employer	—	106,016	(106,016)
Contributions - Employees	—	60,085	(60,085)
Net Investment Income	—	(813,521)	813,521
Benefit Payments, Including Refunds of Employee Contributions	(388,600)	(388,600)	—
Other (Net Transfer)	—	78,587	(78,587)
Net Changes	451,687	(957,433)	1,409,120
Balances at December 31, 2022	7,020,192	6,309,618	710,574

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

For the year ended June 30, 2023, the District recognized pension expense of \$278,827. At June 30, 2023, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Notes to the Financial Statements****June 30, 2023****NOTE 4 - OTHER INFORMATION - Continued****RETIREMENT SYSTEMS - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 4,559	—	4,559
Changes of Assumptions	—	—	—
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	469,379	—	469,379
Total Pension Expense to be Recognized			
in Future Periods	473,938	—	473,938
Pension Contributions Made Subsequent			
to the Measurement Date	45,512	—	45,512
Total Deferred Amounts Related to IMRF	519,450	—	519,450

\$45,512 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2024	\$ (25,605)
2025	78,926
2026	153,584
2027	267,033
2028	—
Thereafter	—
Total	473,938

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in the Employer's Total OPEB Liability
Post-Retirement Health Plan
- Schedule Employer Contributions
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
Teachers' Retirement System
- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund
Operations and Maintenance - Special Revenue Fund
Transportation - Special Revenue Fund
Municipal Retirement/Social Security - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Post-Retirement Health Plan

Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2023

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Post-Retirement Health Plan

Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2023

	6/30/18
Total OPEB Liability	
Service Cost	\$ 1,345
Interest	1,585
Changes in Benefit Terms	—
Differences Between Expected and Actual	
Experience	10,775
Change of Assumptions or Other Inputs	(2,585)
Benefit Payments	(30,688)
Other	74,840
Net Change in Total OPEB Liability	55,272
Total OPEB Liability - Beginning	59,392
Total OPEB Liability - Ending	114,664
Covered-Employee Payroll	\$ 1,100,827
Total OPEB Liability as a Percentage of	
Covered-Employee Payroll	10.42%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018 through 2023.

6/30/19	6/30/20	6/30/21	6/30/22	6/30/23
2,542	3,135	3,322	3,898	2,976
3,861	2,663	1,995	1,527	1,877
—	—	—	—	—
—	(6,664)	—	(12,242)	—
2,673	(3,146)	1,471	(4,503)	(93)
(14,863)	(11,112)	(11,750)	(11,705)	(14,025)
(7,928)	(4,936)	—	—	—
(13,715)	(20,060)	(4,962)	(23,025)	(9,265)
114,664	100,949	80,889	75,927	52,902
100,949	80,889	75,927	52,902	43,637
1,100,827	1,179,271	1,179,271	1,264,583	1,310,420
9.17%	6.86%	6.44%	4.18%	3.33%

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Teacher's Health Insurance Security Fund
Schedule of Employer Contributions
June 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 53,564	\$ 53,564	\$ —	\$ 6,086,866	0.88%
2019	56,685	56,685	—	6,161,441	0.92%
2020	58,264	58,264	—	6,333,036	0.92%
2021	59,547	59,547	—	6,472,545	0.92%
2022	48,614	48,614	—	7,255,894	0.67%
2023	49,866	49,866	—	7,442,615	0.67%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Teacher's Health Insurance Security Fund Schedule of Employer Contributions - Continued June 30, 2023

Notes to the Schedule of Employer Contributions

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Sponsor's Fiscal Year End	June 30, 2023

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2022, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Fair Value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation for all plan years.
Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the actuarial valuation as of June 30, 2021.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non-Safety Disabled Retiree Table. PreRetirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2023 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.81% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Teacher's Health Insurance Security Fund****Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability****June 30, 2023**

	6/30/18	6/30/19
Employer's Proportion of the Net OPEB Liability	0.0251910%	0.025678%
Employer's Proportionate Share of the Net OPEB Liability	\$ 6,536,911	6,764,985
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	8,584,518	9,083,853
Total	15,121,429	15,848,838
Employer's Covered Payroll	\$ N/A	6,086,866
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered Payroll	N/A	111.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.17%)	(0.07%)

Notes:

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

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

6/30/20	6/30/21	6/30/22	6/30/23
0.025067%	0.025067%	0.024935%	2.629200%
6,937,933	6,692,889	5,499,409	1,799,618
8,878,411	9,066,983	7,456,422	2,488,207
15,816,344	15,759,872	12,955,831	4,287,825
6,161,441	6,333,036	6,472,545	7,255,894
112.60%	105.68%	84.97%	24.80%
0.25%	0.70%	1.40%	5.24%

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Teachers' Retirement System****Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
June 30, 2023**

	6/30/15	6/30/16
Employer's Proportion of the Net Pension Liability	0.0011%	0.0011%
Employer's Proportionate Share of the Net Pension Liability	\$ 647,749	735,170
State's Proportionate Share of the Net Pension Liability Associated with the Employer	37,719,807	42,302,280
Total	38,367,556	43,037,450
Employer's Covered Payroll	\$ 6,113,904	6,533,238
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	10.59%	11.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.95%	41.47%
Contractually-Required Contribution	\$ 37,975	39,320
Contributions in Relation to the Contractually Required Contribution	37,975	39,320
Contribution Deficiency (Excess)	—	—
Employer's Covered Payroll	\$ 6,533,238	6,610,563
Contributions as a % of Covered Payroll	0.58%	0.59%

Notes:

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

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

For the 2022 measurement year, the assumed investment rate of return was of 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 2021-2017 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

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

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23
0.0010%	0.0009%	0.0008%	0.0008%	0.0007%	0.0007%	0.0007%
818,489	674,443	662,273	640,019	627,346	581,862	594,572
52,471,098	42,905,233	45,368,464	45,549,441	49,137,018	48,766,221	51,575,194
53,289,587	43,579,676	46,030,737	46,189,460	49,764,364	49,348,083	52,169,766
6,610,563	6,086,866	6,161,440	6,333,036	6,472,545	7,255,894	7,442,615
12.38%	11.08%	10.75%	10.11%	9.69%	8.02%	7.99%
36.44%	39.26%	40.00%	39.60%	37.80%	0.00%	42.80%
40,156	35,795	36,391	37,233	46,218	55,118	51,979
40,156	35,795	36,451	35,973	46,212	55,120	51,980
—	—	(60)	1,260	6	(2)	(1)
6,610,563	6,086,866	6,161,440	6,333,036	6,472,545	7,255,894	7,442,615
0.61%	0.59%	0.59%	0.57%	0.71%	0.76%	0.70%

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Illinois Municipal Retirement Fund Schedule of Employer Contributions June 30, 2023

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 107,748	\$ 107,748	\$ —	\$ 1,258,738	8.56%
2016	110,330	110,330	—	1,227,254	8.99%
2017	119,180	119,495	315	1,183,520	10.10%
2018	117,210	117,210	—	1,154,409	10.15%
2019	114,588	114,588	—	1,190,187	9.63%
2020	119,445	119,445	—	1,258,927	9.49%
2021	135,878	135,878	—	1,377,793	9.86%
2022	122,793	122,793	—	1,385,867	8.86%
2023	92,897	92,897	—	1,287,314	7.22%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

June 30, 2023

See Following Page

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Illinois Municipal Retirement Fund****Schedule of Changes in the Employer's Net Pension Liability/(Asset)****June 30, 2023**

	12/31/14	12/31/15
Total Pension Liability		
Service Cost	\$ 144,367	130,393
Interest	320,706	368,717
Differences Between Expected and Actual Experience	160,103	(102,146)
Change of Assumptions	214,972	11,553
Benefit Payments, Including Refunds of Member Contributions	(175,512)	(210,532)
Net Change in Total Pension Liability	664,636	197,985
Total Pension Liability - Beginning	4,291,659	4,956,295
Total Pension Liability - Ending	4,956,295	5,154,280
Plan Fiduciary Net Position		
Contributions - Employer	\$ 107,748	110,330
Contributions - Members	56,644	55,227
Net Investment Income	266,282	23,140
Benefit Payments, Including Refunds of Member Contributions	(175,512)	(210,532)
Other (Net Transfer)	24,522	(199,321)
Net Change in Plan Fiduciary Net Position	279,684	(221,156)
Plan Net Position - Beginning	4,370,838	4,650,522
Plan Net Position - Ending	4,650,522	4,429,366
Employer's Net Pension Liability/(Asset)	\$ 305,773	724,914
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.83%	85.94%
Covered Payroll	\$ 1,258,759	1,227,254
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	24.29%	59.07%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2021. Changes in assumptions related to the demographics were made in 2014 and 2017.

12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
134,370	122,304	108,344	117,768	120,953	129,304	128,968
382,319	401,499	411,459	420,528	436,138	449,204	466,805
(9,794)	47,345	(53,712)	(18,441)	5,798	44,135	244,514
(11,449)	(149,993)	139,504	—	(47,044)	—	—
(220,492)	(274,144)	(288,597)	(303,482)	(308,782)	(370,817)	(388,600)
274,954	147,011	316,998	216,373	207,063	251,826	451,687
5,154,280	5,429,234	5,576,245	5,893,243	6,109,616	6,316,679	6,568,505
5,429,234	5,576,245	5,893,243	6,109,616	6,316,679	6,568,505	7,020,192
119,495	115,146	120,069	110,639	126,411	141,200	106,016
53,400	51,558	52,765	54,651	60,566	67,826	60,085
296,900	794,396	(250,940)	901,165	784,851	1,025,993	(813,521)
(220,492)	(274,144)	(288,597)	(303,482)	(308,782)	(370,817)	(388,600)
14,506	(131,484)	108,077	(29,035)	27,165	(11,321)	78,587
263,809	555,472	(258,626)	733,938	690,211	852,881	(957,433)
4,429,366	4,693,175	5,248,647	4,990,021	5,723,959	6,414,170	7,267,051
4,693,175	5,248,647	4,990,021	5,723,959	6,414,170	7,267,051	6,309,618
736,059	327,598	903,222	385,657	(97,491)	(698,546)	710,574
86.44%	94.13%	84.67%	93.69%	101.54%	110.63 %	89.88 %
1,183,520	1,145,734	1,172,542	1,214,466	1,289,910	1,424,826	1,335,219
62.19%	28.59%	77.03%	31.76%	(7.56%)	(49.03%)	53.22%

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 12,961,487	12,928,487	12,345,745	(582,742)
Tort Immunity	79,414	82,278	83,663	1,385
Investment Income	100,002	260,021	279,772	19,751
Sales to Pupils - Lunch	285,000	285,000	294,963	9,963
Admissions - Other	3,000	3,000	(15)	(3,015)
Fees	—	—	10,687	10,687
Private Sources	365,500	495,000	512,156	17,156
Other Local Fees	15,200	50,200	46,447	(3,753)
Total Local Sources	13,809,603	14,103,986	13,573,418	(530,568)
State Sources				
General State Aid	370,263	370,263	370,263	—
Special Education				
Private Facility Tuition	3,750	3,750	—	(3,750)
State Free Lunch and Breakfast	23	23	9	(14)
Other State Sources	850	850	850	—
Total State Sources	374,886	374,886	371,122	(3,764)
Federal Sources				
Special Milk Program	3,500	4,500	5,699	1,199
Title I - Low Income	56,981	57,907	56,681	(1,226)
Title IV - Safe and Drug Free School	—	14,663	14,450	(213)
Federal - Special Education				
Preschool Flow-Through	1,365	1,577	1,577	—
Federal - Special Education				
IDEA Flow-Through	141,342	176,722	174,234	(2,488)
IDEA Room and Board	110,000	110,000	—	(110,000)
Title II - Teacher Quality	18,328	16,375	15,730	(645)
Medicaid Matching Funds				
Administrative Outreach	—	1,086	1,085	(1)
Other Federal Resources	164,197	199,398	148,905	(50,493)
Total Federal Sources	495,713	582,228	418,361	(163,867)
Total Direct Revenues	14,680,202	15,061,100	14,362,901	(698,199)
On-Behalf Payments	—	—	4,118,284	4,118,284
Total Revenues	14,680,202	15,061,100	18,481,185	3,420,085

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures				
Instruction				
Regular Programs				
Salaries	\$ 5,205,269	5,206,892	5,102,952	103,940
Employee Benefits	763,653	763,653	738,720	24,933
Purchased Services	137,000	143,900	63,797	80,103
Supplies and Materials	261,230	278,712	239,069	39,643
Non-Capitalized Equipment	23,500	23,500	26,511	(3,011)
	6,390,652	6,416,657	6,171,049	245,608
Special Education Programs				
Salaries	1,423,590	1,423,590	1,322,363	101,227
Employee Benefits	309,907	309,907	279,466	30,441
Purchased Services	10,000	10,000	8,616	1,384
Supplies and Materials	13,000	14,950	13,590	1,360
	1,756,497	1,758,447	1,624,035	134,412
Gifted Programs				
Salaries	194,194	194,194	191,819	2,375
Employee Benefits	37,683	37,683	37,104	579
Supplies and Materials	1,500	1,500	1,773	(273)
	233,377	233,377	230,696	2,681
Bilingual Programs				
Salaries	115,749	115,749	115,749	—
Employee Benefits	30,547	30,547	30,389	158
Supplies and Materials	500	500	621	(121)
	146,796	146,796	146,759	37
Student Activities				
Other Objects	—	—	7,382	(7,382)
Total Instruction	8,527,322	8,555,277	8,179,921	375,356

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services				
Pupils				
Guidance Services				
Salaries	\$ 84,086	84,086	84,085	1
Employee Benefits	12,985	12,985	13,076	(91)
	97,071	97,071	97,161	(90)
Health Services				
Salaries	138,425	138,425	138,424	1
Employee Benefits	26,699	26,699	26,911	(212)
Purchased Services	1,500	1,500	960	540
Supplies and Materials	5,425	5,425	5,695	(270)
	172,049	172,049	171,990	59
Psychological Services				
Salaries	173,840	173,840	172,738	1,102
Employee Benefits	37,981	37,981	38,071	(90)
Purchased Services	1,000	1,000	1,000	—
	212,821	212,821	211,809	1,012
Speech Pathology and Audiology Services				
Salaries	192,208	192,208	185,594	6,614
Employee Benefits	24,123	24,123	24,259	(136)
Supplies and Materials	525	525	377	148
	216,856	216,856	210,230	6,626
Other Support Services				
Purchased Services	31,500	31,500	41,461	(9,961)
Total Pupils	730,297	730,297	732,651	(2,354)

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Instructional Staff				
Improvement of Instructional Services				
Purchased Services	\$ 74,528	78,738	53,968	24,770
Supplies and Materials	525	1,500	699	801
	75,053	80,238	54,667	25,571
Assessment and Testing				
Supplies and Materials	13,750	13,750	5,531	8,219
Total Instructional Staff	88,803	93,988	60,198	33,790
General Administration				
Board of Education Services				
Purchased Services	102,631	81,131	72,066	9,065
Other Objects	96,500	100,000	77,159	22,841
	199,131	181,131	149,225	31,906
Executive Administration Services				
Salaries	308,120	308,120	308,120	—
Employee Benefits	55,689	55,689	55,687	2
Purchased Services	10,000	10,000	3,869	6,131
Supplies and Materials	3,250	3,250	481	2,769
Other Objects	14,000	14,000	2,021	11,979
	391,059	391,059	370,178	20,881
Special Area Administration Services				
Salaries	132,500	132,500	132,500	—
Employee Benefits	26,256	26,256	26,253	3
	158,756	158,756	158,753	3

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
General Administration - Continued				
Tort Immunity Services				
Purchased Services	\$ 91,260	100,976	98,836	2,140
Total General Administration	840,206	831,922	776,992	54,930
School Administration				
Office of the Principal Services				
Salaries	414,703	414,703	402,076	12,627
Employee Benefits	78,184	78,184	75,344	2,840
Purchased Services	2,100	2,400	2,068	332
Supplies and Materials	1,200	1,350	488	862
Other Objects	550	550	550	—
Total School Administration	496,737	497,187	480,526	16,661
Business				
Direction of Business Support Services				
Salaries	194,000	194,000	194,000	—
Employee Benefits	39,769	39,769	40,462	(693)
Total Business	233,769	233,769	234,462	(693)
Fiscal Services				
Salaries	162,953	162,953	163,404	(451)
Employee Benefits	22,253	22,253	17,348	4,905
Purchased Services	51,000	54,000	51,487	2,513
Supplies and Materials	50,000	62,000	53,482	8,518
Total Fiscal Services	286,206	301,206	285,721	15,485
Operations and Maintenance of Plant Services				
Purchased Services	1,500	1,500	—	1,500

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Business - Continued				
Food Services				
Purchased Services	\$ 285,000	285,000	286,096	(1,096)
Capital Outlay	—	—	20,238	(20,238)
Other Objects	100	100	—	100
Non-Capitalized Equipment	28,000	28,000	4,245	23,755
	313,100	313,100	310,579	2,521
Total Business	834,575	849,575	830,762	18,813
Central				
Information Services				
Purchased Services	10,000	5,000	2,056	2,944
Data Processing Services				
Supplies and Materials	215,750	255,750	242,490	13,260
Non-Capitalized Equipment	165,000	270,000	265,907	4,093
	380,750	525,750	508,397	17,353
Total Central	390,750	530,750	510,453	20,297
Total Support Services	3,381,368	3,533,719	3,391,582	142,137
Community Services				
Salaries	6,614	6,614	6,614	—
Employee Benefits	682	682	694	(12)
Purchased Services	—	1,564	1,564	—
Total Community Services	7,296	8,860	8,872	(12)

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Payments to Other Districts and Governmental Units				
Payments for Regular Programs				
Other Objects	\$ 2,500	2,500	1,888	612
Payments for Special Education Programs				
Purchased Services	128,011	196,566	195,640	926
Other Objects	775,000	775,000	471,579	303,421
	903,011	971,566	667,219	304,347
Total Payments to Other Districts and Governmental Units	905,511	974,066	669,107	304,959
Total Direct Expenditures	12,821,497	13,071,922	12,249,482	822,440
On Behalf Payments	—	—	4,118,284	(4,118,284)
Total Expenditures	12,821,497	13,071,922	16,367,766	(3,295,844)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,858,705	1,989,178	2,113,419	124,241
Other Financing (Uses)				
Transfers Out	(1,372,176)	(1,372,176)	(1,372,175)	1
Net Change in Fund Balance	486,529	617,002	741,244	124,242
Fund Balances - Beginning			10,871,831	
Fund Balance - Ending			11,613,075	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Operations and Maintenance Account - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 1,043,574	1,083,574	1,127,837	44,263
Personal Property Replacement Taxes	374,056	374,056	393,236	19,180
Investment Income	50	250	228	(22)
Rentals	1,000	1,000	975	(25)
Total Revenues	1,418,680	1,458,880	1,522,276	63,396
Expenditures				
Support Services				
Business				
Operation and Maintenance of Plant Services				
Salaries	240,973	238,273	231,514	6,759
Employee Benefits	69,412	69,412	69,408	4
Purchased Services	609,792	746,292	710,278	36,014
Supplies and Materials	45,250	55,250	52,490	2,760
Capital Outlay	67,250	214,150	159,664	54,486
Non-Capitalized Equipment	130,787	135,179	132,761	2,418
Total Expenditures	1,163,464	1,458,556	1,356,115	102,441
Net Change in Fund Balance	255,216	324	166,161	165,837
Fund Balance - Beginning			2,265,975	
Fund Balance - Ending			2,432,136	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Transportation - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 129,303	129,303	82,462	(46,841)
Investment Income	4	20	15	(5)
Total Local Sources	129,307	129,323	82,477	(46,846)
State Sources				
Transportation - Special Education	30,000	30,000	29,328	(672)
Total Revenues	159,307	159,323	111,805	(47,518)
Expenditures				
Support Services				
Business				
Pupil Transport Services				
Purchased Services	142,200	126,700	188,205	(61,505)
Net Change in Fund Balance	17,107	32,623	(76,400)	(109,023)
Fund Balance - Beginning			577,413	
Fund Balance - Ending			501,013	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Municipal Retirement/Social Security - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 157,810	12,000	4,660	(7,340)
Social Security/Medicare Only Levy	229,079	365,967	336,608	(29,359)
Investment Income	7	78	70	(8)
Total Revenues	386,896	378,045	341,338	(36,707)
Expenditures				
Instruction				
Regular Programs	121,955	121,955	113,135	8,820
Special Education Programs	81,748	81,748	63,848	17,900
Gifted Programs	7,085	7,085	6,259	826
Bilingual Programs	6,930	6,930	6,404	526
Total Instruction	217,718	217,718	189,646	28,072
Support Services				
Pupils				
Guidance Services	1,220	1,220	1,212	8
Health Services	2,102	2,102	1,877	225
Psychological Services	2,522	2,522	2,337	185
Speech Pathology and Audiology Services	2,788	2,788	2,610	178
Total Pupils	8,632	8,632	8,036	596
General Administration				
Executive Administration Services	11,906	11,906	11,796	110
Special Area Administration Services	2,104	2,104	2,089	15
Total General Administration	14,010	14,010	13,885	125
School Administration				
Office of the Principal Services	20,482	20,482	17,845	2,637

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Municipal Retirement/Social Security - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Business				
Direction of Business Support Services	\$ 3,116	3,116	3,046	70
Fiscal Services	24,322	24,322	23,696	626
Operations and Maintenance of				
Plant Services	37,115	37,115	34,036	3,079
Total Business	64,553	64,553	60,778	3,775
Total Support Services	107,677	107,677	100,544	7,133
Total Expenditures	325,395	325,395	290,190	35,205
Net Change in Fund Balance	61,501	52,650	51,148	(1,502)
Fund Balance - Beginning			355,597	
Fund Balance - Ending			406,745	

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - General Fund Subfunds
- Budgetary Comparison Schedules - General Fund Subfunds
- Budgetary Comparison Schedules - Major Governmental Funds
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes the Educational Accounts, Tort Immunity and Judgment Accounts, and the Working Cash Accounts.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Operations and Maintenance Fund

The Operations and Maintenance Fund is used to account for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund

The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund

The Municipal Retirement/Social Security Fund is used to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Fire Prevention and Life Safety Fund

The Fire Prevention and Life Safety Fund is used to account for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund - by Accounts****Combining Balance Sheet****June 30, 2023**

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Totals
ASSETS				
Cash and Investments	\$ 11,368,546	75,745	75,139	11,519,430
Receivables - Net of Allowances				
Property Taxes	7,033,684	46,704	2,595	7,082,983
Intergovernmental	222,662	—	—	222,662
Total Assets	18,624,892	122,449	77,734	18,825,075
LIABILITIES				
Accounts Payable	7,358	—	—	7,358
Payroll Deductions Payable	121,659	—	—	121,659
Total Liabilities	129,017	—	—	129,017
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	7,033,684	46,704	2,595	7,082,983
Total Liabilities and Deferred Inflows of Resources	7,162,701	46,704	2,595	7,212,000
FUND BALANCES				
Restricted	437,474	75,745	—	513,219
Unassigned	11,024,717	—	75,139	11,099,856
Total Fund Balances	11,462,191	75,745	75,139	11,613,075
Total Liabilities, Deferred Inflows of Resources and Fund Balances	18,624,892	122,449	77,734	18,825,075

SUNSET RIDGE SCHOOL DISTRICT NO. 29**General Fund - by Accounts****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****For the Fiscal Year Ended June 30, 2023**

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Totals
Revenues				
Local Sources				
Property Taxes	\$ 12,341,085	83,663	4,660	12,429,408
Investment Income	279,754	17	1	279,772
Other	864,238	—	—	864,238
State Sources	371,122	—	—	371,122
Federal Sources	418,361	—	—	418,361
On-Behalf Payments	4,118,284	—	—	4,118,284
Total Revenues	18,392,844	83,680	4,661	18,481,185
Expenditures				
Instruction				
Regular Programs	6,171,049	—	—	6,171,049
Special Programs	1,624,035	—	—	1,624,035
Other Instructional Programs	384,837	—	—	384,837
Support Services				
Pupils	732,651	—	—	732,651
Instructional Staff	60,198	—	—	60,198
General Administration	678,156	98,836	—	776,992
School Administration	480,526	—	—	480,526
Business	830,762	—	—	830,762
Central	510,453	—	—	510,453
Community Services	8,872	—	—	8,872
Payments to Other Districts and Government Units	669,107	—	—	669,107
On-Behalf Expenditures	4,118,284	—	—	4,118,284
Total Expenditures	16,268,930	98,836	—	16,367,766
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,123,914	(15,156)	4,661	2,113,419
Other Financing (Uses)				
Transfers Out	(1,372,175)	—	—	(1,372,175)
Net Change in Fund Balance	751,739	(15,156)	4,661	741,244
Fund Balances - Beginning	10,710,452	90,901	70,478	10,871,831
Fund Balances - Ending	11,462,191	75,745	75,139	11,613,075

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 12,956,395	12,923,395	12,341,085	(582,310)
Investment Income	100,000	260,000	279,754	19,754
Sales to Pupils - Lunch	285,000	285,000	294,963	9,963
Admissions - Other	3,000	3,000	(15)	(3,015)
Fees	—	—	10,687	10,687
Private Sources	365,500	495,000	512,156	17,156
Other Local Fees	15,200	50,200	46,447	(3,753)
Total Local Sources	13,725,095	14,016,595	13,485,077	(531,518)
State Sources				
General State Aid	370,263	370,263	370,263	—
State Free Lunch and Breakfast	23	23	9	(14)
Special Education				
Private Facility Tuition	3,750	3,750	—	(3,750)
Other State Sources	850	850	850	—
Total State Sources	374,886	374,886	371,122	(3,764)
Federal Sources				
Special Milk Program	3,500	4,500	5,699	1,199
Title I - Low Income	56,981	57,907	56,681	(1,226)
Title IV - Safe and Drug Free School	—	14,663	14,450	(213)
Federal - Special Education				
Preschool Flow-Through	1,365	1,577	1,577	—
Federal - Special Education				
IDEA Flow-Through	141,342	176,722	174,234	(2,488)
IDEA Room and Board	110,000	110,000	—	(110,000)
Title II - Teacher Quality	18,328	16,375	15,730	(645)
Medicaid Matching Funds				
Administrative Outreach	—	1,086	1,085	(1)
Other Federal Sources	164,197	199,398	148,905	(50,493)
Total Federal Sources	495,713	582,228	418,361	(163,867)
Total Direct Revenues	14,595,694	14,973,709	14,274,560	(699,149)
On-Behalf Payments	—	—	4,118,284	4,118,284
Total Revenues	14,595,694	14,973,709	18,392,844	3,419,135

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures				
Instruction				
Regular Programs				
Salaries	\$ 5,205,269	5,206,892	5,102,952	103,940
Employee Benefits	763,653	763,653	738,720	24,933
Purchased Services	137,000	143,900	63,797	80,103
Supplies and Materials	261,230	278,712	239,069	39,643
Non-Capitalized Equipment	23,500	23,500	26,511	(3,011)
	6,390,652	6,416,657	6,171,049	245,608
Special Education Programs				
Salaries	1,423,590	1,423,590	1,322,363	101,227
Employee Benefits	309,907	309,907	279,466	30,441
Purchased Services	10,000	10,000	8,616	1,384
Supplies and Materials	13,000	14,950	13,590	1,360
	1,756,497	1,758,447	1,624,035	134,412
Gifted Programs				
Salaries	194,194	194,194	191,819	2,375
Employee Benefits	37,683	37,683	37,104	579
Supplies and Materials	1,500	1,500	1,773	(273)
	233,377	233,377	230,696	2,681
Bilingual Programs				
Salaries	115,749	115,749	115,749	—
Employee Benefits	30,547	30,547	30,389	158
Supplies and Materials	500	500	621	(121)
	146,796	146,796	146,759	37
Student Activities				
Other Objects	—	—	7,382	(7,382)
Total Instruction	8,527,322	8,555,277	8,179,921	375,356

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services				
Pupils				
Guidance Services				
Salaries	\$ 84,086	84,086	84,085	1
Employee Benefits	12,985	12,985	13,076	(91)
	97,071	97,071	97,161	(90)
Health Services				
Salaries	138,425	138,425	138,424	1
Employee Benefits	26,699	26,699	26,911	(212)
Purchased Services	1,500	1,500	960	540
Supplies and Materials	5,425	5,425	5,695	(270)
Non-Capitalized Equipment	—	—	—	—
	172,049	172,049	171,990	59
Psychological Services				
Salaries	173,840	173,840	172,738	1,102
Employee Benefits	37,981	37,981	38,071	(90)
Purchased Services	1,000	1,000	1,000	—
	212,821	212,821	211,809	1,012
Speech Pathology and Audiology Services				
Salaries	192,208	192,208	185,594	6,614
Employee Benefits	24,123	24,123	24,259	(136)
Supplies and Materials	525	525	377	148
	216,856	216,856	210,230	6,626
Other Support Services				
Purchased Services	31,500	31,500	41,461	(9,961)
Total Pupils	730,297	730,297	732,651	(2,354)

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Instructional Staff				
Improvement of Instructional Services				
Purchased Services	\$ 74,528	78,738	53,968	24,770
Supplies and Materials	525	1,500	699	801
	75,053	80,238	54,667	25,571
Assessment and Testing				
Supplies and Materials	13,750	13,750	5,531	8,219
Total Instructional Staff	88,803	93,988	60,198	33,790
General Administration				
Board of Education Services				
Purchased Services	102,631	81,131	72,066	9,065
Other Objects	96,500	100,000	77,159	22,841
	199,131	181,131	149,225	31,906
Executive Administration Services				
Salaries	308,120	308,120	308,120	—
Employee Benefits	55,689	55,689	55,687	2
Purchased Services	10,000	10,000	3,869	6,131
Supplies and Materials	3,250	3,250	481	2,769
Other Objects	14,000	14,000	2,021	11,979
	391,059	391,059	370,178	20,881
Special Area Administration Services				
Salaries	132,500	132,500	132,500	—
Employee Benefits	26,256	26,256	26,253	3
	158,756	158,756	158,753	3
Total General Administration	748,946	730,946	678,156	52,790

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
School Administration				
Office of the Principal Services				
Salaries	\$ 414,703	414,703	402,076	12,627
Employee Benefits	78,184	78,184	75,344	2,840
Purchased Services	2,100	2,400	2,068	332
Supplies and Materials	1,200	1,350	488	862
Other Objects	550	550	550	—
Total School Administration	496,737	497,187	480,526	16,661
Business				
Direction of Business Support Services				
Salaries	194,000	194,000	194,000	—
Employee Benefits	39,769	39,769	40,462	(693)
	233,769	233,769	234,462	(693)
Fiscal Services				
Salaries	162,953	162,953	163,404	(451)
Employee Benefits	22,253	22,253	17,348	4,905
Purchased Services	51,000	54,000	51,487	2,513
Supplies and Materials	50,000	62,000	53,482	8,518
	286,206	301,206	285,721	15,485
Operations and Maintenance of Plant Services				
Purchased Services	1,500	1,500	—	1,500
Food Services				
Purchased Services	285,000	285,000	286,096	(1,096)
Capital Outlay	—	—	20,238	(20,238)
Supplies and Materials	100	100	—	100
Non-Capitalized Equipment	28,000	28,000	4,245	23,755
	313,100	313,100	310,579	2,521
Total Business	834,575	849,575	830,762	18,813

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Central				
Information Services				
Purchased Services	\$ 10,000	5,000	2,056	2,944
Data Processing Services				
Supplies and Materials	215,750	255,750	242,490	13,260
Non-Capitalized Equipment	165,000	270,000	265,907	4,093
	380,750	525,750	508,397	17,353
Total Central	390,750	530,750	510,453	20,297
Total Support Services	3,290,108	3,432,743	3,292,746	139,997
Community Services				
Salaries	6,614	6,614	6,614	—
Employee Benefits	682	682	694	(12)
Purchased Services	—	1,564	1,564	—
Total Community Services	7,296	8,860	8,872	(12)
Payments to Other Districts and Governmental Units				
Payments for Regular Programs				
Other Objects	2,500	2,500	1,888	612
Payments for Special Education Programs				
Purchased Services	128,011	196,566	195,640	926
Other Objects	775,000	775,000	471,579	303,421
	903,011	971,566	667,219	304,347
Total Payments to Other Districts and Governmental Units	905,511	974,066	669,107	304,959
Total Direct Expenditures	12,730,237	12,970,946	12,150,646	820,300

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
On Behalf Payments	\$ —	—	4,118,284	(4,118,284)
Total Expenditures	12,730,237	12,970,946	16,268,930	(3,297,984)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,865,457	2,002,763	2,123,914	121,151
Other Financing (Uses) Transfers Out	(1,372,176)	(1,372,176)	(1,372,175)	1
Net Change in Fund Balance	493,281	630,587	751,739	121,152
Fund Balance - Beginning			10,710,452	
Fund Balance - Ending			11,462,191	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Tort Immunity - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 79,414	82,278	83,663	1,385
Investment Income	1	20	17	(3)
Total Revenues	79,415	82,298	83,680	1,382
Expenditures				
Support Services				
Insurance Payments				
Purchased Services	91,260	100,976	98,836	2,140
Net Change in Fund Balance	(11,845)	(18,678)	(15,156)	3,522
Fund Balance - Beginning			90,901	
Fund Balance - Ending			75,745	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Working Cash Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 5,092	5,092	4,660	(432)
Investment Income	1	1	1	—
Total Revenues	5,093	5,093	4,661	(432)
Expenditures	—	—	—	—
Net Change in Fund Balance	5,093	5,093	4,661	(432)
Fund Balance - Beginning			70,478	
Fund Balance - Ending			75,139	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 445,478	445,478	433,836	(11,642)
Investment Income	6	100	86	(14)
Total Revenues	445,484	445,578	433,922	(11,656)
Expenditures				
Debt Service				
Payments on Long Term Debt				
Principal Retirement	1,120,000	1,120,000	1,120,000	—
Interest	690,702	690,702	690,700	2
Other Fiscal Charges	1,300	1,300	1,200	100
Total Expenditures	1,812,002	1,812,002	1,811,900	102
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,366,518)	(1,366,424)	(1,377,978)	(11,554)
Other Financing Sources				
Transfers In	1,372,176	1,372,176	1,372,175	1
Net Change in Fund Balance	5,658	5,752	(5,803)	(11,555)
Fund Balance - Beginning			256,285	
Fund Balance - Ending			250,482	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Fire Prevention and Life Safety - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
General Levy	\$ 1,021	1,021	933	(88)
Investment Income	1	1	—	(1)
Total Revenues	1,022	1,022	933	(89)
Expenditures	—	—	—	—
Net Change in Fund Balance	1,022	1,022	933	(89)
Fund Balance - Beginning			79,649	
Fund Balance - Ending			80,582	

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Consolidated Year-End Financial Report
June 30, 2023**

CSFA #	Program Name	State	Federal	Other	Totals
586-18-0408	Special Milk Program	\$ —	5,699	—	5,699
586-43-0430	Title II - Teacher Quality	—	15,730	—	15,730
586-44-0414	Title I - Low Income	—	56,681	—	56,681
586-44-1588	Title IVA Student Support and Academic Enrichment	—	14,450	—	14,450
586-57-0420	Fed. - Sp. Ed. - Pre-School Flow Through	—	1,577	—	1,577
586-62-2402	Federal Programs - Emergency Relief	—	148,905	—	148,905
586-64-0417	Fed. - Sp. Ed. - IDEA - Flow Through	—	174,234	—	174,234
	Other Grant Programs and Activities	—	—	—	—
	All Other Costs Not Allocated	—	—	18,487,104	18,487,104
	Totals	—	417,276	18,487,104	18,904,380



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

September 29, 2023

Members of the Board of Education
Sunset Ridge School District No. 29
Northfield, 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 the aggregate remaining fund information of the Sunset Ridge School District No. 29, Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 29, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 the District's internal control. According, we do not express an opinion on the effectiveness of the District'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 District'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 the District'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*.

Sunset Ridge School District No. 29, Illinois
September 29, 2023

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Summary of Assessed Valuations, Tax Rates and Extensions - Last Five Tax Levy Years
June 30, 2023**

	2018	2019	2020	2021	2022
Assessed Valuation	\$ 471,462,419	515,234,662	524,693,940	524,693,940	N/A
Tax Rates					
Educational	2.4502	2.3209	2.3603	2.5824	N/A
Tort Immunity and Judgment	0.0166	0.0142	0.0146	0.0179	N/A
Operations and Maintenance	0.2483	0.2080	0.1918	0.2388	N/A
Debt Service	0.0948	0.0875	0.0876	0.0960	N/A
Transportation	0.0238	0.0218	0.0238	0.0259	N/A
Municipal Retirement	0.0351	0.0322	0.0290	0.0010	N/A
Social Security	0.0351	0.0322	0.0421	0.0746	N/A
Working Cash	0.0010	0.0009	0.0009	0.0100	N/A
Fire Prevention and Safety	0.0002	0.0002	0.0002	0.0002	N/A
Total Tax Rates	2.9051	2.7179	2.7503	3.0468	N/A
Tax Extensions					
Educational	\$ 11,551,772	11,958,081	12,384,162	12,576,171	N/A
Tort Immunity and Judgment	78,262	73,163	76,573	87,173	N/A
Operations and Maintenance	1,170,641	1,071,688	1,006,244	1,162,961	N/A
Debt Service	447,148	450,739	459,664	467,539	N/A
Transportation	112,208	112,431	124,677	126,133	N/A
Municipal Retirement	165,483	165,000	152,164	4,870	N/A
Social Security	165,483	165,000	220,883	363,303	N/A
Working Cash	4,714	4,637	4,909	4,870	N/A
Fire Prevention and Safety	942	1,030	982	974	N/A
Total Tax Extensions	13,696,653	14,001,769	14,430,258	14,793,994	N/A
Total Tax Collections	\$ 12,642,920	13,601,090	14,178,273	14,746,586	7,567,961
Percentage Collected	92.31%	97.14%	98.25%	99.68%	N/A

N/A - The 2022 tax levy extension is not available as of the date of this report.

SUNSET RIDGE SCHOOL DISTRICT NO. 29**Operating Costs and Tuition Charge - Current Fiscal Year and Prior Fiscal Year
June 30, 2023 and June 30, 2022**

	6/30/2023	6/30/2022
Average Daily Attendance (ADA):	451	444
Operating Costs		
Educational	\$ 12,143,264	11,613,569
Operations and Maintenance	1,356,115	986,437
Debt Service	1,811,900	1,805,025
Transportation	188,205	49,893
Municipal Retirement/Social Security	290,190	321,577
Tort Immunity and Judgment	98,836	70,481
Subtotal	15,888,510	14,846,982
Less Revenues/Expenditures of Nonregular Programs		
Total Payments to Other Districts and Governmental Units	669,107	486,523
Community Services	8,872	8,349
Non-Capitalized Equipment	423,388	167,358
Capital Outlay	185,938	0
Debt Principal Retired	1,120,000	1,075,000
Subtotal	2,407,305	1,737,230
Operating Costs	13,481,205	13,109,752
Operating Costs Per Pupil - Based on ADA	29,892	29,526
Operating Costs	13,481,205	13,109,752
Less Revenues from Specific Programs, Such as Special Education or Lunch Programs	894,495	1,216,945
Net Operating Costs	12,586,710	11,892,807
Depreciation Allowance	1,024,332	1,026,210
Allowable Tuition Costs	13,611,042	12,919,017
Tuition Charge Per Pupil - Based on ADA	30,180	29,097

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Long-Term Debt Requirements

General Obligation Lease Certificates of 2015

June 30, 2023

Date of Issue	December 7, 2015
Date of Maturity	December 1, 2035
Authorized Issue	\$9,540,000
Interest Rates	3.00% - 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zion First National Bank, Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 210,000	356,700	566,700
2025	215,000	346,075	561,075
2026	310,000	334,500	644,500
2027	750,000	313,300	1,063,300
2028	775,000	286,675	1,061,675
2029	795,000	263,125	1,058,125
2030	820,000	238,900	1,058,900
2031	855,000	209,500	1,064,500
2032	890,000	174,600	1,064,600
2033	920,000	138,400	1,058,400
2034	960,000	100,800	1,060,800
2035	1,000,000	61,600	1,061,600
2036	1,040,000	20,800	1,060,800
	9,540,000	2,844,975	12,384,975

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Long-Term Debt Requirements

General Obligation Lease Certificates of 2016A

June 30, 2023

Date of Issue	March 14, 2016
Date of Maturity	December 1, 2035
Authorized Issue	\$9,140,000
Interest Rates	2.00% - 3.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zion First National Bank, Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 670,000	137,425	807,425
2025	695,000	116,950	811,950
2026	630,000	97,075	727,075
2027	225,000	84,250	309,250
2028	235,000	77,350	312,350
2029	245,000	70,150	315,150
2030	250,000	62,725	312,725
2031	255,000	54,513	309,513
2032	265,000	45,413	310,413
2033	275,000	35,962	310,962
2034	290,000	26,075	316,075
2035	295,000	15,838	310,838
2036	305,000	5,337	310,337
	4,635,000	829,063	5,464,063

SUNSET RIDGE SCHOOL DISTRICT NO. 29

Long-Term Debt Requirements

General Obligation Limited Tax Refunding Bonds of 2018

June 30, 2023

Date of Issue	September 25, 2018
Date of Maturity	December 1, 2037
Authorized Issue	\$5,100,000
Interest Rates	3.00% - 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zion First National Bank, Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 290,000	154,525	444,525
2025	310,000	139,525	449,525
2026	230,000	126,025	356,025
2027	240,000	114,275	354,275
2028	255,000	103,175	358,175
2029	265,000	94,100	359,100
2030	270,000	86,075	356,075
2031	280,000	77,825	357,825
2032	285,000	69,350	354,350
2033	295,000	60,281.00	355,281
2034	305,000	50,531.00	355,531
2035	315,000	40,259.00	355,259
2036	325,000	29,459.00	354,459
2037	335,000	18,113.00	353,113
2038	350,000	6,125.00	356,125
	4,350,000	1,169,643	5,519,643