

SUMMIT HILL SCHOOL DISTRICT NO. 161
FRANKFORT, ILLINOIS
ANNUAL COMPREHENSIVE FINANCIAL
REPORT
JUNE 30, 2023

Prepared by:

Summit Hill School District No. 161
Business Services Department

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INTRODUCTORY SECTION



www.summithill.org

Summit Hill School District 161

Arbury Hills School ■ Frankfort Square School ■ Indian Trail School
Dr. Julian Rogus School ■ Walker Intermediate School ■ Summit Hill Jr. High

December 13, 2023

Citizens and Board of Education
Summit Hill School District No. 161
20100 S. Spruce Drive
Frankfort, Illinois 60423

The Annual Comprehensive Financial Report of Summit Hill School District No. 161 for the fiscal year ended June 30, 2023, is hereby submitted. We believe that the data, as presented, is accurate in all material aspects; that it is presented in a manner to fairly describe the financial position and results of operation of the District as measured by the financial activity of its various funds.

The Annual Comprehensive Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the basic financial statements and required supplementary information as well as the Independent Auditors' Report on the financial statements. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations and Independent Auditors' Report on the internal control structure and compliance with applicable laws and regulations are included in a separate report. The report is available for viewing at Mary Drew Administrative Center of Summit Hill School District 161.

This Transmittal Letter is designed to be read in conjunction with the Management Discussion and Analysis.

Reporting Entity

The District defines its reporting entity by applying the criteria set forth in GASB Statement No. 14 to potential component units. A component unit is an organization for which the District is financially accountable or other organizations that, because of the nature or significance of their relationship with the District, would cause the District's financial statements to be misleading or incomplete if they were omitted from the reporting entity. These criteria are discussed in greater detail in Note 1 to the basic financial statements. Using these criteria, management has determined that the District has no component units, nor is it a component unit of any other organization.

General Information

The District operates six schools with a total enrollment of approximately 2,499 students in pre- school to 8th grade during the 2022-2023 school year. Enrollment downward trends are expected to be slight but when compiled over time together could significantly alter the number of students the District serves. Existing District facilities are more than adequate for both the current student population as well as future projected populations.

The District provides a broad range of educational programs and services. These include elementary curriculum offerings, special education services, early childhood services, and a wide- range of extracurricular activities.

The District is located in Will County, approximately 35 miles southwest of Chicago and encompasses just under 12 square miles. The school district is not a component unit of any other governmental body and there are no component units that need to be included in the District's financial statements.

Frankfort Township is one of the most advantageously situated areas of the greater Chicagoland area. Serving the District and the Township is the Interstate Highway I-80. The network of highways includes U.S. Routes 30 & 45, and State Highway 43 (Harlem Avenue). Interstate Highway I-57 is located just east of the District. Commuter rail service to downtown Chicago is readily available at one convenient location within the Township and at two locations just outside the Township.

The area's population was reported as 20,842 on the 2023 census information and has grown by approximately 2,200 in the past decade. This is inversely related to the downward change in enrollment, that may be partially attributed to the age of the current population as well as the family size.

The District's tax base is currently \$1,021,949,386 in an area that is largely suburban, single-family housing. The tax base has been consistently rising for the past several years. Back in 2021, the Illinois "tax cap" law limiting the growth of property tax revenue to the state's CPI calculation of 1.4% applied to the 2021 levy. "One major data point that drives this calculation is the CPI, as established by the Illinois Department of Revenue (IDOR). Property Tax Extension Limitation Law (PTELL) says that each year, the data point used for CPI shall be the lesser of the figure certified by IDOR or 5%. Since PTELL was introduced in 1991, IDOR has never certified a CPI over 5% until 2022." Then in 2022 the CPI for the levy was certified to be 7%. County Clerks calculated the 2022 extension limitations for taxing bodies using 5% as the CPI in the Limiting Rate formula. While there are other variables that go into that formula, what this means is that every taxing district is likely entitled to *at least* a 5% increase for their 2022 extension as compared to 2021." (Will County Clerk's Office). Again, for the 2023 extension the county clerks will utilize 5% as the CPI in the Limiting Rate formula.

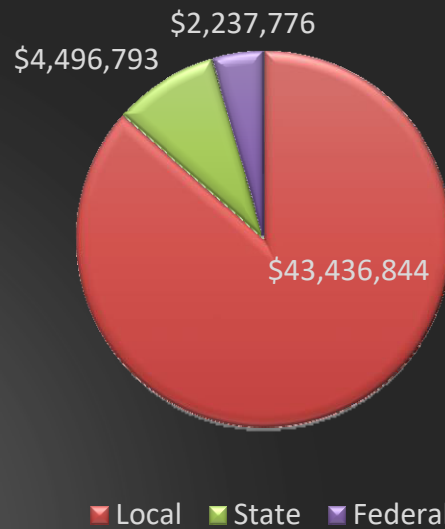
Financial Outlook

The District's financial health discloses a stable situation and adequate fund balances to finance operations. Although, declining enrollment is adversely impacting the District. At FYE June 30, 2023, excluding activity funds: the District's total fund balance totaled to \$29.4 million, the excess of revenue over expense totaled 1.3 million, \$914k is the excess of revenue over expense total excluding the \$406k excess of revenue over expense from the Debt Service Fund.

Revenues

General revenues for governmental activities are primarily derived from one local source, the District's real estate tax levy. Other revenue sources include evidenced based funding and grants provided by or through the State of Illinois, as well as federal sources. The year-end financial statements are prepared on an accrual basis, as explained in further detail in the notes to the basic financial statements.

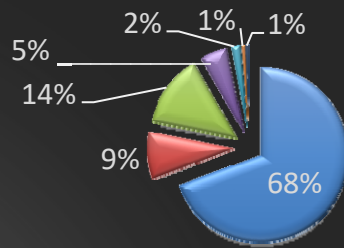
Source of Revenue FYE 2023



Expenditures

Expenditures for governmental activities are comprised mainly of salaries, benefits, payments to other districts through purchased services, and debt service. They were mostly disbursed from the education fund (listed below). The measurement focus and basis of accounting used for expense recognition is described in the MD&A section as well as in the notes to the basic financial statements.

Expenditures by Fund FYE June 30, 2023



- Education
- Debt Service
- IMRF/Social Security
- Working Cash
- Operations & Maintenance
- Transportation
- Capital Projects

Facilities

The District's seven building structures are in good to fair condition. The mechanics are also in fair condition. The District's architect performed a facility assessment study and developed an updated list as of November of 2021. Maintenance needs are both large and small in scope. The District is utilizing the facility assessment to develop a corresponding timeline to accomplish the recommended repairs. Asphalt coating of the parking lots took place at six of the seven buildings in the summer of 2022. Hilda Walker school parking lots have planned upgrades for the summer of 2024. Also in the summer of 2022, working with the District architect the cooling tower at Summit Hill Junior High was replaced. A door project at Hilda Walker, Indian Trail and Arbury School was completed in the summer of 2022. In the summer of 2023, working with the current roofing manufacturer the Hilda Walker remaining sections of roof were resurfaced. This now makes the whole roof resurfaced and under warranty until 2041.

Internal Accounting and Budgetary Controls

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure the accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable but not absolute assurance that these objectives are being met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

Through strong internal controls, the School District assures these benefits:

- Help achieve financial performance targets
- Ensure reliable financial reporting
- Reduce fraud opportunities
- Prevent loss of resources
- Ensure compliance with laws and regulations
- Preserve financial integrity
- Reduce adverse publicity

As a recipient of state and federal financial assistance, the District is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by the management of the District.

As a part of the District's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs as well as to determine that the District has complied with applicable laws and regulations.

The District completes the budget process annually as stipulated by state statute. The process begins in the spring and continues until the final budget is approved by the Board of Education by the end of September. The Superintendent maintains the staffing plan based on enrollment and other staffing needs. This information is shared with the Director of Business Services who develops an estimate of the salary and benefits based on the collective bargaining agreement and other contractual agreements with employees. Other anticipated expenditures are estimated based on known needs, spending trend analysis, and other information.

Budgetary control is maintained internally at program and line-item levels by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Variances from budget at the program and line-item levels occurring because of unanticipated requirements are fully disclosed to the District's management team and to the Board of Education.

Local Property Taxes and Evidence Based Funding

Collection of local property taxes depends on the assessed value of the real property in the school district. The primary responsibility for the assessment of real property in the District is conducted in the office of the Frankfort Township Assessor. Following general trends in property value across Will County, the equalized assessed valuation of the property in the District increased approximately to \$1,021,949,386 in 2022 from \$963,074,491 in 2021. This continues a trend of modest increases to property values throughout the District as housing prices in the Frankfort area have been steady or rising.

The chart below discloses the history of local property tax collections, and evidenced based funding (previously known as general state aid), and the percentage of fund revenue represented by the evidenced based funding. The property tax extension of \$40,096,643 includes PA 102 0519 ADJ of \$26,003.01. The EBF payment schedule for FYE 2023 is trending upwards to \$3,039,674. A large share of support for education falls on the local taxpayers. The major taxpayers are provided within this report. Despite these revenue trends, the District's fund balances are adequate to fund current operations, largely due to cost containment.

The increase comes subsequent to a time when the State of Illinois has fundamentally changed their approach to funding schools to the Evidence Based Funding (EBF) model. The District did receive more funding than it had been receiving in recent years. This was due to the new model as well as the additional tiered funding that is allocated as part of the EBF model.

Ended June 30th	Evidenced Based Funding / General State Aid	Property Tax Extension	Total	EBF/GSA% OF TOTAL
2017	\$ 1,493,674	\$ 35,769,951	\$ 37,263,625	4%
2018	\$ 2,718,381	\$ 36,803,079	\$ 39,521,460	7%
2019	\$ 2,811,124	\$ 37,871,550	\$ 40,682,674	7%
2020	\$ 2,915,354	\$ 38,881,671	\$ 41,797,025	7%
2021	\$ 2,915,354	\$ 40,096,643	\$ 43,011,997	7%
2022	\$ 2,982,800	\$ 42,627,553	\$ 45,610,353	6%
2023	\$ 3,039,663			

Debt Administration

The established debt repayment schedules disclose annual increases through fiscal year ending June 30, 2025. Then, a decline ensues until the year ending June 30, 2027, when the current bonds are projected to be paid off in full.

Fiscal year due date	Annual amount due
2024	\$ 7,237,800
2025	\$ 7,847,600
2026	\$ 6,968,100
2027	\$ 4,248,750

Summit Hill School District 161 Mission

The mission of SHSD 161 was adopted by the Board of Education in 2003. It follows: The mission of Summit Hill School District #161, in collaboration with the family and the community, is to provide our students with the highest quality educational opportunities in a safe, supportive and stimulating learning environment which will empower them to become productive global citizens and successful lifelong learners.

School Board Goals (2022-2023)

The Board of Education adopts a set of goals annually and works with the administration to develop one-year action plans to support those longer-term goals. The goals are below:

Goal 1:

Improve student achievement/academic performance on the pathway to high school readiness and future college/career readiness through a challenging, rigorous, yet supportive and enjoyable curriculum. (Policy 6:10)

Goal 2:

To provide and expand technology and infrastructure in support of efficient teaching, learning, research, and communication to our entire learning community that is effective, meaningful, and continually innovative. (Policy 6:235)

Goal 3:

To strengthen our financial position through responsible budgeting, maximizing financial/human resources, reporting, and advocating for a high-quality education provided to all students. (Policy 4:10, 4:20)

Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBOI) has awarded a Certificate of Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for each fiscal year beginning with the June 30, 1986 report.

To be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to the program's standards. Such a report must satisfy both generally accepted accounting principles and applicable requirements.

The Certificate of Excellence is valid for a period of one year only. We believe that our current report once again conforms to the program's requirements, and we are submitting it to ASBO to determine its eligibility for another certificate for the year ended June 30, 2023.

Independent Audit

The Illinois School Code and the School Board's policy require that an annual audit be performed by an independent certified public accountant. The accounting firm of Mack and Associates, P.C. was selected by the District to perform the audit. The Independent Auditors' Report is included in the Financial Section of this report.

Closing Statement

It is the intent of the business office that this Annual Comprehensive Financial Report will provide the citizens and Board of Education of Summit Hill School District 161, outside investors, and interested parties with meaningful financial data, presented accurately and comprehensively. It is hoped that all readers of this report will obtain a clear and concise picture of the District's financial condition as of June 30, 2023.

The Superintendent, Dr. Paul McDermott and the Director of Business Services, Julie Stearns joined Summit Hill School District 161 beginning on July 1, 2021. The Annual Comprehensive Financial Report for the year ended June 30, 2023, has been audited by the independent accounting firm Mack and Associates, P.C. The FYE June 30, 2023 discloses healthy financial balances and a continued financial status of recognition. Appreciation is expressed to the Board of Education for Summit Hill School District 161 for their service to the District.

Respectfully submitted,

J. Stearns

Julie Stearns, CPA, CSBO
Director of Business Services & Treasurer

Summit Hill School District 161
Board of Education and Administration
At June 30, 2023

ADMINISTRATORS at June 30, 2023

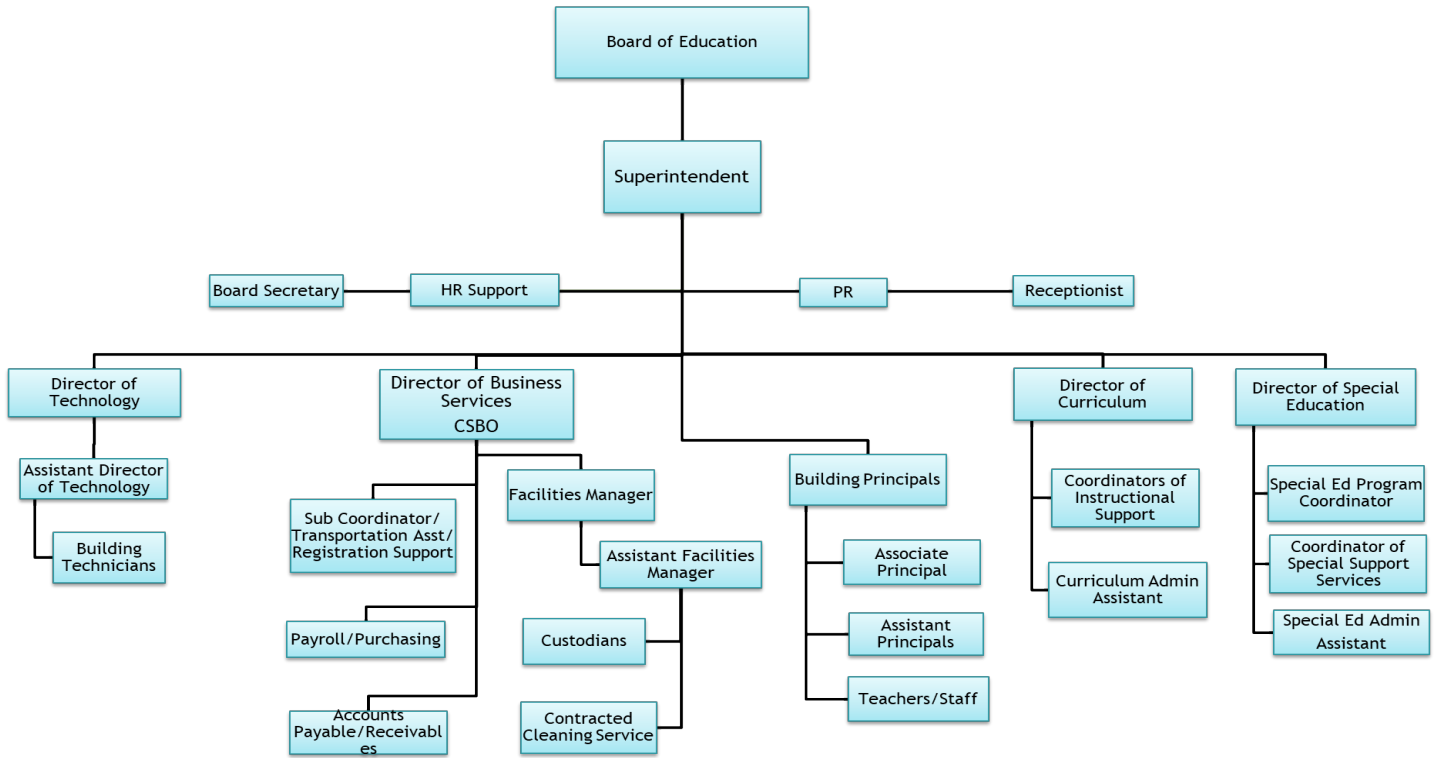
Paul McDermott	Superintendent
John Snipes	Director of Curriculum
Leslie DeBoer	Director of Special Services
Julie Stearns	Director of Business Services
Brian Skibinski	Director of Technology
Frances Boss	Principal- Arbury School
Colin Bradley	Principal-Dr. Julian Rogus School
Tracy Bulfer	Asst. Principal- Dr. Julian Rogus School
Jason Isdonas	Principal- Frankfort Square School
Dana Wright	Principal- Indian Trail School
Maura Carroll	Principal-Hilda Walker Intermediate
Marianne Hourihan	Asst. Principal-Hilda Walker Intermediate
Laura Goebel	Principal- Summit Hill Junior High School
Ryan Nagle	Associate Principal-Summit Hill
Matthew Zemke	Asst. Principal-Summit Hill Junior High

BOARD MEMBERS at June 30, 2023

Jim Martin - 2025
Joy Murphy - 2027
Katie Campbell 2025
Stefanie McCleish 2025
Amy Berk 2025
Mathhew Carey 2027
John Winter 2027

Summit Hill School District 161

Organizational Chart





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Summit Hill School District 161

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style with a large, flowing 'J' and 'H'.

**John W. Hutchison
President**

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a large, flowing 'S' and 'M'.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA

CATE MOULTON, CPA
KYLE SHEPPARD, CPA
MADISON SCHEEL, CPA
CHRIS CHRISTENSEN
JESSIKA MCGARVEY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Education
Summit Hill School District No. 161
Frankfort, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Summit Hill School District No. 161 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 Summit Hill School District No. 161 as of June 30, 2023, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Summit Hill School District No. 161, 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Summit Hill School District No. 161'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.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions.

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension and OPEB data schedules and related notes be presented to supplement the basic financial statements. Such information, 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 Summit Hill School District No. 161's financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Summit Hill School District No. 161's basic financial statements. The combining general fund financial statements, bond and interest fund financial statements, and combining and individual nonmajor fund financial statements 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, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplemental Information

Management is responsible for the supplemental information included in the annual report. The supplemental information is comprised of the introductory section and the statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

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

Report on Summarized Comparative Information

We previously audited Summit Hill School District No. 161's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 2022. The summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of Summit Hill School District No. 161'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 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 Summit Hill School District No. 161's internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
December 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Summit Hill School District 161

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2023

The discussion and analysis of Summit Hill School District 161's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2023. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars, and excluding activity funds. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- In total, net position increased by \$7.5 to a total net position of \$27.3. This represents a 38% increase to FYE 2023 from FYE 2022. Major contributing factors include continued repayment of the District's long-term debt and changes in the District's pension liabilities and deferred outflows/inflows of resources related to pensions.
- Total local revenue sources totaled \$43.4 in FYE 2023 vs. \$41 in FYE 2022 which represents a 5% increase in revenue; state revenue sources totaled \$4.5 in FYE 2023 vs. \$4.4 in FYE 2022; and federal revenue sources totaled \$2.2 in FYE 2023 vs. \$2.4 in FYE 2022. There were total revenues of \$49.8 in FYE 2023 vs. \$47.8 in FYE 2022 before on behalf payments, of \$12 FYE 2023 vs. 10.8 in FYE 2022. There were total revenues of \$62.2 in FYE 2023 vs. \$58.6 in FYE 2022 including the respective on behalf payments.
- The District's total expenses were \$48.8 in FYE 2023 vs. \$45.7 in FYE 2022 which is a 6% increase in cost, before on behalf payments of \$12 and \$10.8 respectively. There were total expenses of \$60.8 in FYE 2023 vs. \$56.5 in FYE 2022 including the respective on behalf payments.
- The total fund balance increased by \$1.3 in FYE 2023 vs. \$1.9 in FYE 2022. This resulted in an ending fund balance of \$29.4 vs. \$28.1 in FYE 2022.
- Educational technology continues to be a focus for the District. The Elementary and Secondary Emergency Relief Grant III (ESSER III) supported the purchase of 825 Lenovo devices along with their extreme shell cases for student educational growth in FYE 2022. Looking forward to FYE 2024, the Elementary and Secondary Relief (ESSR) Digital Equity Grant is planned to support the purchase of 500 devices utilizing the grant funds totaling \$186,400.
- The District continues to pay down its long-term debt. Currently, the District does not have plans to issue any new long-term debt and the existing debt is projected to be completely paid off during the fiscal year ending 2027. Payments for long-term debt were \$6.7 in FYE 2023, are \$7.2 in FYE 2024, 7.8 in FYE 2025, 7.0 in FYE 2026 and lastly \$4.2 in FYE 2027.
- The District is a member of the Educational Benefits Cooperative (EBC), a health insurance pool that the school districts belong to, for better group pricing. Despite participating in an insurance pool, significant increases are still noted for FYE 2024. The increases include 11.4% for PPO health insurance, 3.5% for HMO health insurance and 2.6% for dental insurance.
- Previously interest income was a nominal portion of the revenue stream. There has been an upward trend in interest income for FYE 2023 and it is projected to maintain for FYE 2024. The District continues to work with PMA Financial to obtain the best rates possible.

Summit Hill School District 161

Management's Discussion and Analysis (Unaudited)

As of and 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:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

This report also contains other supplementary 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/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between them 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, operation 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 can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary 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.

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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Summit Hill School District 161

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2023

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Education Fund, Operations and Maintenance Fund, Tort Fund, Working Cash Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, and the Capital Projects Fund.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Notes to basic 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 pension benefits to its non-certified employees.

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2023, than it was in the prior year, increasing 38% to \$27.3.

Table 1		
Condensed Statements of Net Position (in millions of dollars)		
	<u>2023</u>	<u>2022</u>
Assets:		
Current and other assets	\$ 53.3	51.3
Capital assets	<u>46.4</u>	<u>47.8</u>
Total assets	<u>99.7</u>	<u>99.1</u>
Total deferred outflows of resources	<u>4.5</u>	<u>3.8</u>
Liabilities:		
Current liabilities	2.8	2.2
Long-term liabilities:	<u>34.0</u>	<u>50.5</u>
Total liabilities	<u>36.8</u>	<u>52.7</u>
Total deferred inflows of resources	<u>40.1</u>	<u>30.4</u>
Net position:		
Net investment in capital assets	21.6	17.1
Restricted	6.6	5.8
Unrestricted (deficit)	<u>(.9)</u>	<u>(3.1)</u>
Total net position	<u>\$ 27.3</u>	<u>19.8</u>

Summit Hill School District 161
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2023

Table 2

Changes in Net Position (in millions of dollars)

<i>Program revenues:</i>	2023	2022
Charges for services	\$0.60	\$.50
Operating grants & contributions	15.6	14.6
<i>General revenues:</i>		
Taxes	41.3	39.4
Evidenced based funding	3.0	2.9
Other	<u>1.6</u>	<u>1.2</u>
Total revenues	<u>62.1</u>	<u>58.6</u>
Expenses:		
Instruction	38.4	36.9
Pupil & instructional staff services	4.5	3.3
Administration & business	2.4	2.8
Transportation	2.4	2.3
Interest & fees	0.8	0.8
Other	<u>6.1</u>	<u>5.4</u>
Total expenses	<u>54.6</u>	<u>51.5</u>
Increase (decrease) in net position	7.5	7.1
Net position, beginning of year	<u>19.8</u>	<u>12.7</u>
Net position, end of year	<u>\$27.30</u>	<u>\$19.80</u>

In FYE 2023, Revenues in the governmental activities of the District totaled to \$62.1, which exceeded expenses by \$7.5.

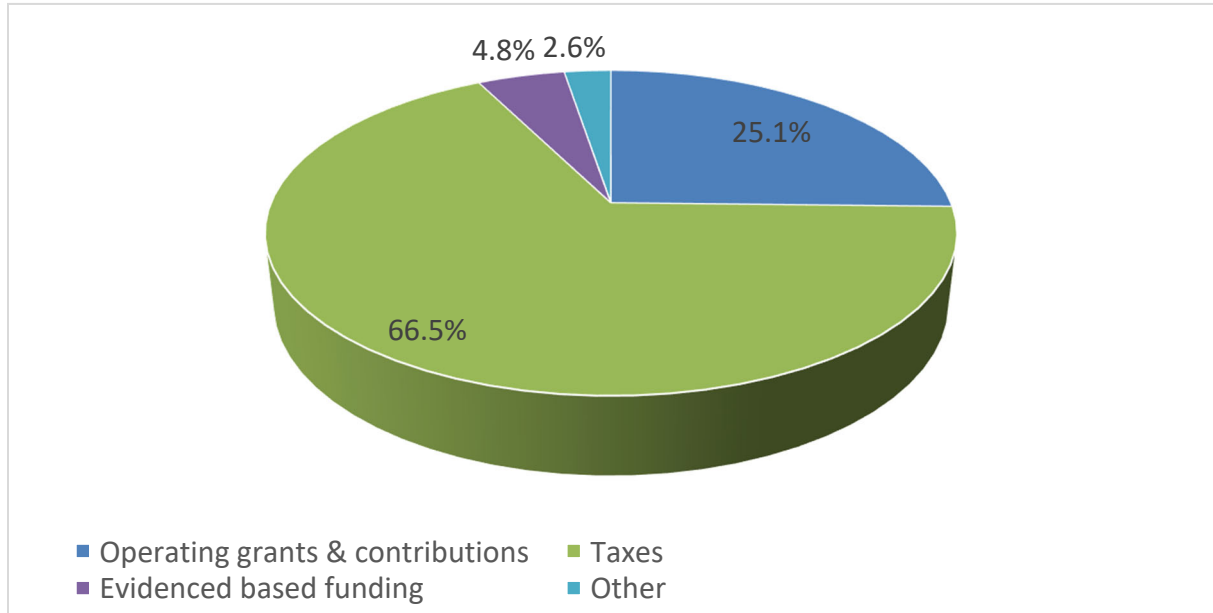
The on-behalf receipts and disbursements changed to \$12 in 2023 from \$10.7 in 2022.

Property taxes accounted for the largest portion of the District's revenues, at 67% of the total. The remainder of the revenues came from state, federal grants, and other sources.

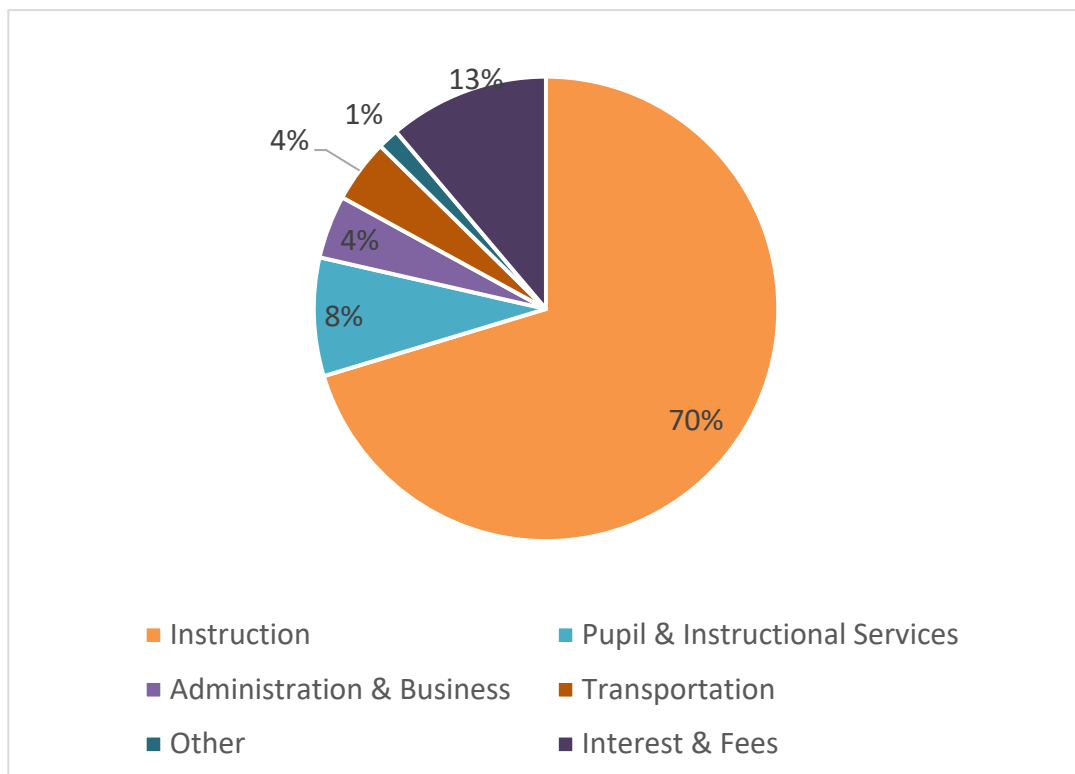
The total cost of all the District's programs was \$54.6, majority of the costs pertain to instructing and caring for the students and student transportation.

Summit Hill School District 161
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2023

Revenues – District Wide FYE 6/30/2023



Expenditures – District Wide FYE 6/30/2023



Summit Hill School District 161
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2023

Table 3 Budgetary Variations (in millions of dollars)			
General fund:	Budget FYE 2023	Actual FYE 2023	Variance FYE 2023
Education Fund	45.2	45.9	-0.7
Operations & Maintenance Fund	4.7	4.3	.4
Tort Fund	0.3	0.31	-0.01
Working Cash Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>50.2</u>	<u>50.51</u>	<u>-.31</u>

In FYE 2023, the over budget expenditure in the education fund pertains mainly to the on-behalf payments as well as Special Education increased costs. There was not an amended budget for FYE 2023, FYE 2022 or FYE 2021.

Capital Assets and Debt Administration

Capital Assets

By the end of 2023, the District had compiled a total investment of \$93.7 (\$46.4 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$1.4. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Table 4 Capital Assets (net of depreciation) (in millions of dollars)		
	<u>2023</u>	<u>2022</u>
Land	\$3.9	\$3.9
Buildings	41.5	43.0
Equipment	.35	0.6
Land improvements	<u>.65</u>	<u>0.2</u>
Total	<u>\$ 46.4</u>	<u>\$ 47.8</u>

Long-term debt

The District issued \$8.9 of Taxable General Obligation Refunding School Bonds, series 2020. A portion of the proceeds was used for the refunding of \$8.7 of the outstanding General Obligation Refunding School Bonds Series 2012. The net proceeds of \$9 were deposited in an irrevocable trust with an escrow agent to provide for the refunding of the series 2012 General Obligation Refunding School Bonds.

Summit Hill School District 161
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2023

These bonds have an interest rate of 2% to 3% like the other District bonds, except for the bonds that mature in 2024. The bonds that mature in 2024 incur interest charges between 3% to 4%.

Due to inflation and higher interest rates the District is earning approximately 5% on investments. It is favorable to receive a higher rate of return on investment compared to the interest outflow paid on bonds.

Net pension liability and OPEB liability decreased by \$9.3 to \$8.9.

More detailed information about long-term debt can be found in Note 6 of the basic financial statements.

Table 5 Outstanding Long-Term Debt (in millions of dollars)		
	2023	2022
General obligation bonds	\$ 25.1	\$31.2
Net Pension and Other Post- Employment Benefits Liabilities	<u>8.9</u>	<u>18.2</u>
Total	<u><u>\$34.0</u></u>	<u><u>\$49.4</u></u>

Factors Bearing on the District’s Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that may impact financial operations in the future:

As the COVID-19 pandemic came to an end, the corresponding ESSER grants trended downward in availability. ESSER I, II and III plus ESSER ID and ESSER PS have been completely utilized capturing \$1.7 to pay applicable expenses. The Digital Equity grant in the amount of \$186,400 is the remaining ESSER grant available, and it is planned for computer purchases in 2024.

“2022 Levy CPI was certified to be 7%. County Clerks calculated the 2022 extension limitations for taxing bodies using 5% as the CPI in the Limiting Rate formula. While there are other variables that go into that formula, what this means is that every taxing district is likely entitled to *at least* a 5% increase for their 2022 extension as compared to 2021.” (Will County Clerk’s Office). Based upon the current CPI taxing districts are again likely entitled to at least a 5% increase for their 2023 extension.

Property tax freeze and pension reform are still monitored for any changes that would impact the District.

The District's enrollment has been on a downward trend for the past several years. Enrollment information is used in the Evidenced Based Funding (EBF) calculation. The EBF payment schedule for FYE 2024 reflects a less than 1% increase over FYE 2023. The modest increase appears to reflect the decreasing enrollment. The annualized amount projected for FYE 2024 is \$3,041,830 and the annual amount for FYE 2023 was \$3,039,674.

A four-year collective bargaining agreement with the District’s certified staff for the school years 2022-2023, 2023-2024, 2024-2025, 2025-2026 includes a 5% raise per year.

Health insurance expense has increased in FYE 2024 at 11.4% for PPO health, 3.5% for HMO health and 2.6% for dental insurance.

Summit Hill School District 161

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2023

The school district's seven building structures are in good to fair condition. The mechanics are in fair condition. The District's architect performed a facility assessment study and developed an updated list as of November of 2021. Maintenance needs vary in scope. The District is utilizing the facility assessment to develop a corresponding timeline to accomplish the recommended repairs.

Also in the summer of 2022, working with the District architect the cooling tower at Summit Hill Junior High was replaced. In the summer of 2023, working with the current roofing manufacturer the Hilda Walker remaining sections of roof were resurfaced. This now makes the whole roof resurfaced and under warranty until 2041. There have been updates in the outside lighting.

The bond payment schedule established prior to July 1, 2021, discloses increased cost trends through the fiscal year ending June 30, 2025. Thereafter, a downward trend is projected. The existing bonds are projected to be paid off in full during the fiscal year ending June 30, 2027.

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, please contact the Business Office at:

Julie Stearns
Summit Hill School District 161
20100 S. Spruce Drive Frankfort, IL 60423

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position

June 30, 2023

	Governmental Activities	
	2023	2022
<u>Assets</u>		
Cash in bank	\$ 30,895,137	30,781,132
Entitlements receivable	480,791	755,916
Property tax receivable	21,886,667	18,636,702
Prepaid expenditures	94,891	156,429
Net pension asset	-	1,013,824
Capital assets:		
Land	3,946,982	3,946,982
Land Improvements	1,729,651	1,600,018
Building	85,888,283	85,409,940
Equipment	2,155,928	2,060,756
Accumulated depreciation	(47,351,009)	(45,201,946)
Total assets	99,727,321	99,159,753
<u>Deferred Outflows of Resources</u>		
Unamortized loss on refunding	330,819	508,227
Deferred outflows of resources related to pensions	3,063,363	1,490,353
Deferred outflows of resources related to other postemployment benefits	1,139,625	1,780,313
Total deferred outflows of resources	4,533,807	3,778,893
<u>Liabilities</u>		
Accounts payable	1,128,053	597,868
Accrued salaries	1,658,497	1,682,974
Payroll liabilities	30,521	32,313
Long-term liabilities:		
Due Within One Year:		
Bonds payable	6,610,000	5,925,000
Due in More Than One Year:		
Bonds payable, net of premium	18,539,152	25,306,347
Net pension liability	3,441,340	1,762,158
Net OPEB liability	5,438,286	17,447,006
Total liabilities	36,845,849	52,753,666
<u>Deferred Inflows of Resources</u>		
Property taxes levied for subsequent years	21,100,639	19,847,838
Deferred inflows of resources related to pensions	1,870,692	2,872,138
Deferred inflows of resources related to other postemployment benefits	17,149,280	7,639,118
Total deferred inflows of resources	40,120,611	30,409,094
<u>Net Position</u>		
Net Investment in Capital Assets	21,551,502	17,092,630
Restricted	6,626,959	5,787,286
Unrestricted	(883,793)	(3,104,030)
Total Net Position	\$ 27,294,668	19,775,886

The Notes to Basic Financial Statements are an integral part of this statement.

Government-wide Financial Statements
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position Governmental Activities	
		Charges for Services	Operating Grants and Contributions	2023	2022
Governmental Activities					
Instruction	\$ 26,443,362	581,055	2,485,068	(23,377,239)	(23,108,892)
Pupil Support	4,463,031	-	-	(4,463,031)	(3,318,419)
Other Support	6,155,054	-	-	(6,155,054)	(5,359,111)
Transportation	2,427,806	-	-	(2,427,806)	(2,295,837)
Administration	2,433,501	-	1,184,804	(1,248,697)	(1,460,222)
Community Services	14,902	-	-	(14,902)	(13,038)
On Behalf Payments	11,979,025	-	11,979,025	-	-
Unallocated Interest and Fiscal Charges	714,975	-	-	(714,975)	(786,991)
Total Governmental Activities	<u>\$ 54,631,656</u>	<u>581,055</u>	<u>15,648,897</u>	<u>(38,401,704)</u>	<u>(36,342,510)</u>
General Revenues:					
Taxes:					
Property Taxes				\$ 41,254,023	39,420,667
Evidence Based Funding				3,045,866	2,989,015
Corporate Personal Property Replacement Taxes				357,568	307,986
Investment Earnings				713,903	19,289
Miscellaneous				549,126	692,410
Total General Revenues				<u>45,920,486</u>	<u>43,429,367</u>
Change in Net Position				7,518,782	7,086,857
Net Position Beginning of Year				19,775,886	12,689,029
Net Position End of Year				<u>\$ 27,294,668</u>	<u>19,775,886</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds				Total Governmental Funds	
	General Fund	Special Revenue Fund Transportation Fund	Debt Service Fund Bond & Interest Fund	Nonmajor Governmental Funds	2023	2022
<u>Assets</u>						
Cash	\$ 23,494,221	1,244,016	4,683,396	1,473,504	30,895,137	30,781,132
Entitlements receivable	189,256	291,535	-	-	480,791	755,916
Property tax receivable	17,264,083	287,934	3,721,603	613,047	21,886,667	18,636,702
Prepaid expenditures	42,525	52,366	-	-	94,891	156,429
Total assets	<u>\$ 40,990,085</u>	<u>1,875,851</u>	<u>8,404,999</u>	<u>2,086,551</u>	<u>53,357,486</u>	<u>50,330,179</u>
<u>Liabilities</u>						
Accounts payable	\$ 1,086,536	41,517	-	-	1,128,053	597,868
Accrued salaries	1,656,191	2,306	-	-	1,658,497	1,682,974
Payroll liabilities	-	-	-	30,521	30,521	32,313
Unearned revenue	-	-	-	-	-	50,000
Total liabilities	<u>2,742,727</u>	<u>43,823</u>	<u>-</u>	<u>30,521</u>	<u>2,817,071</u>	<u>2,363,155</u>
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	<u>16,645,086</u>	<u>277,593</u>	<u>3,587,944</u>	<u>590,016</u>	<u>21,100,639</u>	<u>19,847,838</u>
Total deferred inflows of resources	<u>16,645,086</u>	<u>277,593</u>	<u>3,587,944</u>	<u>590,016</u>	<u>21,100,639</u>	<u>19,847,838</u>
<u>Fund Balances</u>						
Nonspendable Fund Balance	42,525	52,366	-	-	94,891	156,429
Assigned Fund Balance	169,411	1,502,069	-	-	1,671,480	2,255,427
Restricted Fund Balance	343,890	-	4,817,055	1,466,014	6,626,959	5,787,286
Unassigned Fund Balance	21,046,446	-	-	-	21,046,446	19,920,044
Total Fund Balances	<u>21,602,272</u>	<u>1,554,435</u>	<u>4,817,055</u>	<u>1,466,014</u>	<u>29,439,776</u>	<u>28,119,186</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 40,990,085</u>	<u>1,875,851</u>	<u>8,404,999</u>	<u>2,086,551</u>	<u>53,357,486</u>	<u>50,330,179</u>

Reconciliation to Statement of Net Position:

Total governmental fund balances \$ 29,439,776 28,119,186

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities of \$93,720,844, (net of accumulated depreciation of \$47,351,009), are not financial resources and therefore are not reported in the funds. 46,369,835 47,815,750

Unamortized loss on refunding is shown as a deferred outflow of resources and, therefore, are not reported in the funds. 330,819 508,227

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Also, governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Long-term liabilities and related accounts at year-end consist of the following:

Unamortized issuance premium (318,306) (476,347)
General Obligation Bonds (24,830,000) (30,755,000)

The total net pension liability is reported as a liability on the statement of net position. (3,441,340) (748,334)

The total other postemployment benefits liability is reported as a liability on the statement of net position. (5,438,286) (17,447,007)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows and inflows of resources related to pensions at year-end are as follows:

Deferred outflows of resources related to pensions 3,062,517 1,490,353
Deferred inflows of resources related to pensions (1,870,692) (2,872,137)

Deferred outflows and inflows of resources related to other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows and inflows of resources related to other postemployment benefits at year-end are as follows:

Deferred outflows of resources related to other postemployment benefits 1,139,625 1,780,313
Deferred inflows of resources related to other postemployment benefits (17,149,280) (7,639,118)

Net Position of Governmental Activities \$ 27,294,668 19,775,886

The Notes to Basic Financial Statements are an integral part of this statement.

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

	Major Funds:			Nonmajor Governmental Funds	Total Governmental Funds	
	General Fund	Special Revenue Fund Transportation Fund	Debt Service Fund Bond & Interest Fund		2023	2022
Revenues:						
Local Sources	\$ 34,618,403	541,119	7,047,698	1,229,624	43,436,844	40,955,226
State Sources	3,311,989	1,184,804	-	-	4,496,793	4,427,397
Federal Sources	1,882,597	-	-	355,179	2,237,776	2,411,653
On Behalf Payments	11,979,025	-	-	-	11,979,025	10,782,833
Total Revenues	51,792,014	1,725,923	7,047,698	1,584,803	62,150,438	58,577,109
Expenditures:						
Current						
Instructional	23,938,335	-	-	489,874	24,428,209	23,006,934
Support						
Pupil Support	3,199,742	-	-	92,961	3,292,703	3,195,983
Instructional Staff	1,113,518	-	-	24,070	1,137,588	1,025,754
General administration	1,236,254	-	-	26,919	1,263,173	1,210,276
School administration	1,586,726	-	-	42,770	1,629,496	1,546,229
Business	4,974,622	63,208	-	110,608	5,148,438	5,071,794
Central	1,247,365	-	-	86,542	1,333,907	1,410,466
Other	-	-	-	-	-	4,439
Payment to Other Districts	1,223,574	2,364,598	-	-	3,588,172	3,111,005
Community Services	14,902	-	-	-	14,902	13,038
On Behalf Payments	11,979,025	-	-	-	11,979,025	10,782,833
Debt Service						
Interest and Fiscal Charges	-	-	714,975	-	714,975	881,000
Principal	-	-	5,925,000	-	5,925,000	5,370,000
Bond Fees	-	-	1,250	-	1,250	2,222
Capital Outlay	-	-	-	373,010	373,010	-
Total Expenditures	50,514,063	2,427,806	6,641,225	1,246,754	60,829,848	56,631,973
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,277,951	(701,883)	406,473	338,049	1,320,590	1,945,136
Fund Balance, Beginning of Year	20,324,321	2,256,318	4,410,582	1,127,965	28,119,186	26,174,050
Fund Balance, End of Year	\$ 21,602,272	1,554,435	4,817,055	1,466,014	29,439,776	28,119,186

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - Governmental Activities	\$ 1,320,590	1,945,136
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Amounts reported for governmental activities in the Statement of Activities are different because:

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These transactions are summarized as follows:

General obligation bond payments	5,925,000	5,370,000
Amortization of bond premium	158,041	175,625
Amortization of loss on refunding	(177,408)	(184,932)

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. The change in fund balance must be increased by capital purchases and decreased by depreciation expense:

Capital asset purchases	703,148	298,380
Depreciation expense	(2,149,063)	(2,131,118)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds as follows:

Accrued interest payable	-	94,009
Change in OPEB liability	1,857,871	689,044
Change in pension liability	(119,397)	830,713

Change in Net Position of Governmental Activities (Statement B)	\$ 7,518,782	7,086,857
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The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summit Hill School District No. 161 (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Illinois. It is governed by a seven-member Board of Education (the "Board") elected by registered voters of the District.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Summit Hill School District No. 161 (the "District"). Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District does not engage in any business-type activities.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

The District is a member of the Lincoln-Way Area Special Education District 843 (LWASE) along with other area school districts. The District's pupils benefit from programs administered under this joint agreement, and the District benefits from jointly administered grants and programming. The joint agreement undergoes a separate audit, and financial information is available at its office. The LWASE office is located at 601 Willow Street, Frankfort, Illinois.

A. Reporting Entity

The District is governed by the Board of Education and provides primary education, transportation, building maintenance and general administrative services. The District was created by consolidation of several smaller districts in 1971.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public services, and special financing relationships. There are no component units as defined above that are included in the District's reporting entity. The District is not included in any other governmental reporting entity.

B. *Basis of Presentation*

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Presentation (Continued)

Government-wide Financial Statements. The Statement of Net Position and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. As general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements. During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

C. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education.

District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. 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:

- a. total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Fund Accounting (Continued)

- b. Total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

There are two categories of funds utilized by the District: governmental and fiduciary.

Governmental Funds: Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the District's major governmental funds:

The General Fund, which consists of the Educational Fund, the Operations and Maintenance Fund, the Tort Fund, and the Working Cash Fund, is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The Educational Fund accounts for the direct costs of instruction, health, lunch programs and all costs of administration. The Operations and Maintenance Fund accounts for all costs of maintaining, improving or repairing school buildings and property. The Tort Fund accounts for insurance and liability costs. The Working Cash Fund accounts for resources held by the District to be used for temporary interfund loans to the Educational Fund, the Operations and Maintenance Fund, and the Transportation Fund.

The Transportation Fund is used to account for the accumulation of financial resources for, and the payment of costs related to pupil transportation.

The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs.

The District reports the following nonmajor governmental funds:

Special revenue funds:

This fund type is used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes other than debt service or capital projects. The District's only nonmajor special revenue fund is the Social Security and Illinois Municipal Retirement Fund.

Capital projects funds:

This fund type accounts for financial resources earmarked or segregated for the acquisition and/or construction of capital assets, except those financed and accounted for in other funds. The District's only nonmajor capital projects fund is the Capital Projects Fund.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Fund Accounting (Continued)

Fiduciary Funds: Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

Inter-fund Activity: During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as transfers in/out. While reported in fund financial statements, the transfers are eliminated in the preparation of the government-wide financial statements.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide Financial Statements: The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in accordance with the District's appropriation ordinance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements: All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Additionally, property taxes are recognized as revenues in accordance with the District's appropriation ordinance. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. GASB 96 was implemented as of June 30, 2023, however, there is no impact on the financial statements as there were no leases that met this criteria. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Cash and investments of the District are pooled into a common pooled account in order to maximize investment opportunities. Each fund whose monies are deposited into the pooled account has equity herein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's equity in the pooled account is available upon demand and is considered to be a cash equivalent when preparing these financial statements. Each fund's portion of the pool is displayed on its respective balance sheet as "equity in pooled cash and investments." In addition, non-pooled cash and investments are separately held and reflected in the respective funds as "cash" and "investments."

F. Investments

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Cash deposits are reported at carrying amount which reasonable estimates fair value. The reported value of the Illinois Funds and the Illinois Liquid Asset Funds is the same as the fair value of each Fund's shares.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Entitlements Receivable

Entitlements receivable consist of grants due from the state of Illinois and the federal government. The District considers its entitlements receivable to be fully collectible; accordingly, an allowance for uncollectible entitlements receivable has not been established. At June 30, 2023, entitlements receivable consisted of the following:

IDEA Special Education	\$ 10,488
ARP ID	2,226
ARP Preschool	259
Medicaid	34,864
National School Lunch Program	6,203
State Free Lunch & Breakfast	1,203
State Special Education Tuition	39,737
Title I	5,272
Title II	6,684
Title III	20,904
Title IV	1,984
ESSER 3	59,441
Transportation	195,586
Transportation - Special Education	95,940
Total	<u>\$ 480,791</u>

H. Inventory

The District's policy is to record all purchases of supplies and materials as expenditures when purchased, rather than when consumed; therefore, inventory is not reflected in the accompanying financial statements unless there are material amounts on hand. At June 30, 2023, the amounts on hand were insignificant.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

J. Capital Assets

Capital assets, which include land, buildings, and equipment, reported in the government-wide financial statements are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to the capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at estimated fair value at the date of donation.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Capital Assets (Continued)

Land improvements, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings	25-40 Years
Improvements	15-20 Years
Equipment	5-15 Years

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and IMRF and additions to/deductions from the TRS and IMRF fiduciary net position have been determined on the same basis as they are reported by TRS and IMRF.

L. Compensated Absences

It is the District's policy for noncertified personnel to earn vacation pay after completing one year of service. This vacation pay must be used within the next twelve months or it converts to sick leave. Certified employees working less than twelve months do not earn vacation pay.

Full-time employees earn fifteen sick days annually. Any unused portion is accumulated and carried forward. Upon termination or retirement, employees do not receive compensation for any unused sick leave; therefore, no liability is recorded at June 30, 2023.

M. 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, as well as gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Gains (losses) on refundings are reported as deferred inflows (outflows) of resources. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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 source. 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.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category:

1. The deferred charge on refunding reported in the government-wide Statement of Net Position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
2. The deferred outflows of resources related to changes in net pension and OPEB liabilities result from differences between actuarially expected and actual experience, net differences between actuarially projected and actual earnings on plan investments, changes in actuarial assumptions, changes in proportion and differences between contributions and proportionate share of contributions, and timing differences.

In addition to liabilities, the Statement of Net Position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenues) until that time. The District has two types of items that qualify for reporting in this category:

1. The property taxes levied for subsequent years represent the portion of the 2022 tax levy not received within 60 days of year-end and, therefore, not recognized as revenues during the year ended June 30, 2023.
2. The deferred outflows of resources related to changes in net pension and OPEB liabilities result from differences between actuarially expected and actual experience, net differences between actuarially projected and actual earnings on plan investments, changes in actuarial assumptions, changes in proportion and differences between contributions and proportionate share of contributions, and timing differences.

O. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Q. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). See Note 8 for further details regarding fund balances.

The District does not have a policy for maintaining a minimum fund balance.

R. Program Revenues

Amounts reported as program revenues 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

S. Estimates

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

T. Comparative Data

Comparative data for the prior year have been presented in order to provide an understanding of the changes in the financial position and operations of these funds.

Certain reclassifications may have been made to prior year data to conform to the current-year presentation.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 2: DEPOSITS AND INVESTMENTS

The Illinois statutes authorize the District to invest in U.S. Government, State of Illinois, and Municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; and certain short-term obligations of U.S. corporations.

As of June 30, 2023, equity in pooled cash and investments were comprised of the following:

Deposits with financial institutions	\$ 4,248,128
ISDLAF+ money market accounts	25,100,115
The Illinois Funds	<u>1,546,894</u>
Total	<u>\$ 30,895,137</u>

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

The District's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution.

At June 30, 2023, the carrying amount of the District's deposits was \$4,248,128 and the bank balance was \$4,639,452. At June 30, 2023, all of the District's uninsured deposits were fully collateralized by securities held by the pledging financial institution.

Investments

Investment Policies:

The District's investments are subject to the following risks:

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District places no limit on the amount the District may invest in any one issuer.

Custodial credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations and the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 3: COMMON BANK AND INVESTMENT ACCOUNTS

Separate bank accounts are not maintained for all District funds; instead, cash of certain funds is combined in common bank accounts. The general checking, payroll, imprest, debit card, Illinois Funds and ISDLAF accounts are allocated between funds. Individual accounting records are maintained showing the cash balance attributed to each fund. As of June 30, 2023, the funds participating in the common bank accounts had the following cash balances:

<u>Fund</u>	<u>Pooled Cash & Investments</u>
General Fund:	
Educational Fund	\$ 11,631,753
Operations & Maintenance Fund	3,186,411
Tort Fund	340,166
Working Cash Fund	8,335,891
Total General Fund	<u>23,494,221</u>
Transportation Fund	1,244,016
Debt Service Fund	4,683,396
IMRF and Social Security Fund	972,538
Capital Projects Fund	<u>500,966</u>
Totals	<u><u>\$ 30,895,137</u></u>

NOTE 4: PROPERTY TAXES

The property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of the levy. The District receives significant distributions of tax receipts approximately one month after the due dates. The billings are considered past due 30 days after the respective billing date at which time the applicable property is subject to lien and penalties and interest are assessed.

The 2021 levy was passed by the Board on December 16, 2021 which was increased by bond and interest levy and decreased by statutory limitations to \$40,096,643, of which \$40,001,225 was collected. Of this amount, \$20,153,384 was recognized as revenue in the current fiscal year.

The 2022 levy was passed by the Board on December 21, 2022 in the amount of \$35,698,151, increased by bond and interest levy and decreased by statutory limitations to \$42,627,552, of which \$21,100,930 was collected in the current fiscal year. The remainder of the 2022 levy will be collected during the next fiscal year.

SUMMIT HILL SCHOOL DISTRICT NO. 161**Notes to Basic Financial Statements
For the Year Ended June 30, 2023****NOTE 4: PROPERTY TAXES - (Continued)**

The following specific levies are accounted for in the General Fund, and could result in restricted fund balances:

	Special Education	Tort Immunity
Restricted Balance - June 30, 2022	\$ -	248,739
Revenues	531,139	408,682
Expenses:		
Special Education	5,081,914	-
Liability Insurance	-	313,531
Total Expenses	5,081,914	313,531
Restricted Balance - June 30, 2023	\$ -	343,890

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	July 1, 2022	Governmental Activities		June 30, 2023
		Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 3,946,982	-	-	3,946,982
Total capital assets, not being depreciated	3,946,982	-	-	3,946,982
Capital Assets, being depreciated:				
Land improvements	1,600,018	129,633	-	1,729,651
Buildings	85,409,940	478,343	-	85,888,283
Equipment	2,060,756	95,172	-	2,155,928
Total capital assets, being depreciated	89,070,714	703,148	-	89,773,862
Total capital assets	93,017,696	703,148	-	93,720,844
Less accumulated depreciation:				
Land improvements	(1,379,793)	(19,552)	-	(1,399,345)
Buildings	(42,364,690)	(2,065,306)	-	(44,429,996)
Equipment	(1,457,463)	(64,205)	-	(1,521,668)
Total accumulated depreciation	(45,201,946)	(2,149,063)	-	(47,351,009)
Total capital assets being depreciated, net	43,868,768	(1,445,915)	-	42,422,853
Governmental activities capital assets, net	\$ 47,815,750	(1,445,915)	-	46,369,835

SUMMIT HILL SCHOOL DISTRICT NO. 161**Notes to Basic Financial Statements
For the Year Ended June 30, 2023****NOTE 5: CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
Instructional	\$ 1,367,666
Pupil Support	123,465
Other Support	619,991
Administration	37,941
Total	<u>\$ 2,149,063</u>

The District's Net Investment in Capital Assets presented on the Statement of Net Position is calculated as follows:

Capital Assets, Net of Accumulated Depreciation	\$ 46,369,835
Plus: Deferred Charge on Refunding	330,819
Less: Bonds Payable and Unamortized Premium	<u>(25,149,152)</u>
Net Investment in Capital Assets	<u>\$ 21,551,502</u>

NOTE 6: LONG-TERM DEBT OBLIGATIONS

The following is a summary of the District's general long-term debt obligations and related activity for the year ended June 30, 2023:

	Principal Outstanding 7/1/2022	Additions	Reductions	Principal Outstanding 6/30/2023	Amount Due in One Year
Long-term debt:					
Bonds payable:					
G.O. Refunding School Bonds - Series 2013	\$ 9,215,000	-	3,745,000	5,470,000	5,470,000
G.O. Refunding School Bonds - Series 2014	2,010,000	-	2,010,000	-	-
G.O. Refunding School Bonds - Series 2014C	10,770,000	-	-	10,770,000	-
G.O. Refunding School Bonds - Series 2020	8,760,000	-	170,000	8,590,000	1,140,000
Deferred issuance premium	476,347	-	157,195	319,152	-
Total long-term debt	<u>31,231,347</u>	<u>-</u>	<u>6,082,195</u>	<u>25,149,152</u>	<u>6,610,000</u>
Pension obligations (Note 10):					
Net pension liability - TRS	1,762,158	-	33,570	1,728,588	-
Net pension liability (asset) - IMRF	<u>(1,013,824)</u>	<u>-</u>	<u>(2,726,576)</u>	<u>1,712,752</u>	<u>-</u>
	748,334	-	(2,693,006)	3,441,340	-
Other postemployment benefits obligation (Note 11):					
Net OPEB liability - THIS	17,320,610	-	12,056,960	5,263,650	-
Net OPEB liability - Health Plan	126,396	-	(48,240)	174,636	-
	<u>17,447,006</u>	<u>-</u>	<u>12,008,720</u>	<u>5,438,286</u>	<u>-</u>
Total long-term obligations	<u>\$ 49,426,687</u>	<u>-</u>	<u>15,397,909</u>	<u>34,028,778</u>	<u>6,610,000</u>

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 6: LONG-TERM DEBT OBLIGATIONS - (Continued)

Fund balance of \$4,817,055 is available in the Debt Service Fund to service the above bonds payable. The net pension liability of the Teachers' Retirement System of the State of Illinois and the other postemployment benefits liabilities will be liquidated by the General Fund. The net pension liability of the Illinois Municipal Retirement Fund will be liquidated by the Municipal Retirement/Social Security Fund.

Bonds Payable

The following bonds were issued to provide funds for the acquisition and construction of major capital facilities, and for the subsequent refunding of the original bonds. All principal and interest payments on bonds payable are made from the Debt Service Fund.

General Obligation Refunding School Bonds – Series 2013

On December 13, 2013, the District issued \$9,590,000 in \$5,000 denomination general obligation school refunding and bonds. The bonds' final maturity is January 1, 2024. Bonds are due annually on January 1st, and interest is due semi-annually on January 1st and July 1st. Interest ranges from 3% to 4%.

Proceeds of this bond were used to advance refund \$9,120,000 of outstanding General Obligation School Bonds – Series 2005, which had an interest rate of 5%. The net proceeds were deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, the General Obligation School Bonds – Series 2005 referred to above are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

Debt service to maturity of these bonds is as follows:

Fiscal Year			
Due	Principal	Interest	Total
2024	\$ 5,470,000	218,800	5,688,800
Totals	\$ 5,470,000	218,800	5,688,800

General Obligation Refunding School Bonds – Series 2014

On January 28, 2014, the District issued \$9,570,000 in \$5,000 denomination general obligation school refunding bonds. The bonds' final maturity is January 1, 2023. Bonds are due annually on January 1st, and interest is due semi-annually on January 1st and July 1st. Interest ranges from 2% to 3%. Proceeds of this bond were used to advance refund \$9,400,000 of outstanding General Obligation School Bonds – Series 2005.

These bonds were paid in full during the year ended June 30, 2023.

SUMMIT HILL SCHOOL DISTRICT NO. 161**Notes to Basic Financial Statements
For the Year Ended June 30, 2023****NOTE 6: LONG-TERM DEBT OBLIGATIONS - (Continued)***General Obligation Refunding School Bonds – Series 2014C*

On October 16, 2014, the District issued \$21,900,000 in \$5,000 denomination general obligation school refunding bonds. The bonds' final maturity is January 1, 2027. Bonds are due annually on January 1st, and interest is due semi-annually on January 1st and July 1st. Interest ranges from 2% to 3%. Proceeds of this bond were used to advance refund \$21,900,000 of outstanding General Obligation School Bonds – Series 2005.

Debt service to maturity of these bonds is as follows:

Fiscal Year			
Due	Principal	Interest	Total
2024	\$ -	323,100	323,100
2025	-	323,100	323,100
2026	6,645,000	323,100	6,968,100
2027	4,125,000	123,750	4,248,750
Totals	<u>\$ 10,770,000</u>	<u>1,093,050</u>	<u>11,863,050</u>

General Obligation Refunding School Bonds – Series 2020

On December 29, 2020, the District issued \$8,930,000 in \$5,000 denomination general obligation school refunding bonds. The bonds' final maturity is January 1, 2025. Bonds are due annually on January 1st, and interest is due semi-annually on January 1st and July 1st. Interest ranges from 2% to 3%. Proceeds of this bond were used to advance refund \$8,675,000 of outstanding General Obligation Refunding School Bonds – Series 2012.

Debt service to maturity of these bonds is as follow:

Fiscal			
Year Due	Principal	Interest	Total
2024	\$ 1,140,000	85,900	1,225,900
2025	7,450,000	74,500	7,524,500
Totals	<u>\$ 8,590,000</u>	<u>160,400</u>	<u>8,750,400</u>

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

NOTE 6: LONG-TERM DEBT OBLIGATIONS - (Continued)

Total debt service requirements to maturity for all debt outstanding are as follows:

Fiscal Year			
Due	Principal	Interest	Total
2024	\$ 6,610,000	627,800	7,237,800
2025	7,450,000	397,600	7,847,600
2026	6,645,000	323,100	6,968,100
2027	4,125,000	123,750	4,248,750
Totals	<u>\$ 24,830,000</u>	<u>1,472,250</u>	<u>26,302,250</u>

Prior Year Defeased Debt

In prior years, the District defeased various bond issues by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2023, \$17,170,000 of defeased bonds remains outstanding.

NOTE 7: LEGAL DEBT MARGIN

Legal debt margin is the percent of the District's assessed valuation which is subject to debt limitation. The statutory debt limitation for the District is 6.9%. The District's legal debt margin limitation is as follows for the fiscal year ended June 30, 2023:

Assessed Valuation (2022)	<u>\$ 1,021,949,386</u>
Statutory Debt Limitation (6.9%)	\$ 70,514,508
Less: Applicable Debt	<u>25,149,152</u>
Legal Debt Margin	<u>\$ 45,365,356</u>

SUMMIT HILL SCHOOL DISTRICT NO. 161**Notes to Basic Financial Statements
For the Year Ended June 30, 2023****NOTE 8: FUND BALANCE PRESENTATION**

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Following is a summary of how these balances are reported and definitions of the differences.

Fund	General Fund	Debt Services Fund	Transportation Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:	\$ 42,525	-	52,366	-	94,891
Restricted for:					
Debt Service	-	4,817,055	-	-	4,817,055
Municipal retirement	-	-	-	965,048	965,048
Tort immunity	343,890	-	-	-	343,890
Capital projects	-	-	-	500,966	500,966
Total restricted	343,890	4,817,055	-	1,466,014	6,626,959
Assigned to:					
Student activity funds	169,411	-	-	-	169,411
Transportation	-	-	1,502,069	-	1,502,069
Total Assigned	169,411	-	1,502,069	-	1,671,480
Unassigned	21,046,446	-	-	-	21,046,446
Total Fund Balances	\$ 21,602,272	4,817,055	1,554,435	1,466,014	29,439,776

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service and Special Revenue Funds are by definition restricted for these specified purposes. The District has several revenue sources received within different funds that also fall into these categories.

C. Committed Fund Balance

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

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 8: FUND BALANCE PRESENTATION - (Continued)

C. Committed Fund Balance (Continued)

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes. The District's policy is such that, in governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Expenditures of Fund Balance

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

NOTE 9: RISK MANAGEMENT- CLAIMS AND JUDGMENTS

The District is exposed to various risks of loss related to employee health benefits, worker's compensation claims, theft of, damage to, and destruction of assets and natural disasters. To protect from such risk, the District participates in the following public entity risk pools: the Educational Benefits Cooperative and the Collective Liability Insurance Cooperative. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past four fiscal years.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 10: RETIREMENT FUND COMMITMENTS

The District's totals for pension-related amounts are reported in the accompanying financial statements as follows:

	Governmental Activities
Net pension liabilities (asset):	
IMRF	\$ 1,712,752
TRS	1,728,588
Total net pension liabilities (asset)	<u>\$ 3,441,340</u>
Deferred outflows related to pensions:	
IMRF	\$ 2,339,792
TRS	723,571
Total deferred outflows	<u>\$ 3,063,363</u>
Deferred inflows related to pensions:	
IMRF	\$ 1,054,900
TRS	815,792
Total deferred inflows	<u>\$ 1,870,692</u>
Pension expense (benefit)	
IMRF	\$ 501,631
TRS	14,197
Total pension expense	<u>\$ 515,828</u>

A. *Teachers Retirement System of the State of Illinois*

General Information about the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the system's administration.

TRS issues a publicly available financial report that can be obtained at <http://trsil.org/financial/acfrs/fy2022>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 679-3675, option 2.

Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)

Benefits Provided

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

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

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

Public Act 100.0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and Tier II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

Contributions

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

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

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)

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

Contributions - (Continued)

On Behalf Contributions to TRS – The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2023, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$11,778,262 in pension contributions from the State of Illinois.

2.2 Formula Contributions – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023 were \$129,381 and are deferred because they were paid after the June 30, 2022 measurement date.

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

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

For the year ended June 30, 2023, the employer pension contribution was 10.49 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling \$8,066 were paid from federal and special trust funds that required employer contributions of \$846. 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 and \$0 for sick leave days granted in excess of the normal annual allotment.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)

A. Teachers Retirement System of the State of Illinois (Continued)

Contributions - (Continued)

Employer Retirement Cost Contributions - (Continued)

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

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

District's proportionate share of the Net Pension Liability	\$ 1,728,588
State's proportionate share of the Net Pension Liability associated with the District	<u>149,943,521</u>
Total	<u><u>\$ 151,672,109</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 District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2022, the District's proportion was 0.0020617613 percent, which was decrease of 10% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension revenue and expense of \$11,778,262 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,474	9,531
Net difference between projected and actual earnings on pension plan investments	1,581	-
Changes of assumptions	7,970	3,300
Changes in proportion and differences between employer contributions and proportionate share of contributions	580,102	802,961
Employer contributions subsequent to the measurement date	<u>130,444</u>	<u>-</u>
Total	<u><u>\$ 723,571</u></u>	<u><u>815,792</u></u>

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)

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

\$130,444 reported as deferred inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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:

Year Ended June 30,	Net Deferred Outflow (Inflow) of Resources
2024	\$ (179,819)
2025	(30,868)
2026	19,608
2027	(18,593)
2028	(12,992)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	Varies by amount of service credit
Investment rate of return	7%, net of pension plan investment expense, including inflation
Municipal Bond Rate	3.54%

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.

SUMMIT HILL SCHOOL DISTRICT NO. 161**Notes to Basic Financial Statements
For the Year Ended June 30, 2023****NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)***A. Teachers Retirement System of the State of Illinois (Continued)*

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

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

Discount Rate

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2022 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service costs 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.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 2,114,078	1,728,588	1,408,926

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*.

B. *Illinois Municipal Retirement Defined Benefit Pension Plan*

IMRF Plan Description

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

Benefits Provided

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

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (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.

Employees Covered by Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	76
Inactive plan members entitled to but not yet receiving benefits	219
Active plan members	<u>101</u>
Total	<u><u>396</u></u>

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2022 and fiscal year ended June 30, 2023 are summarized below. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
District required contribution rate for 2022	8.43%
District required contribution rate for 2023	7.24%
District actual contributions for 2022	\$ 275,597
District actual contributions for fiscal year 2023	\$ 281,280

Net Pension Liability

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

Total pension liability	\$ 12,360,773
Plan fiduciary net position	<u>10,648,021</u>
Net pension liability	<u><u>\$ 1,712,752</u></u>

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- 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, Disables 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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.5%	6.50%
International Equity	18%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternative Investments	9.5%	6.25-9.90%
Cash Equivalents	<u>1%</u>	4.00%
Total	<u>100%</u>	

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- B. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- C. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

Changes in the Net Pension Liability

A schedule of changes in the net pension liability and related ratios can be found on Schedule B-1 of the Required Supplementary Information section of this report.

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

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

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Total Pension Liability	\$ 13,739,143	12,360,773	11,252,581
Plan Fiduciary Net Position	10,648,021	10,648,021	10,648,021
Net Pension Liability (Asset)	<u>\$ 3,091,122</u>	<u>1,712,752</u>	<u>604,560</u>

SUMMIT HILL SCHOOL DISTRICT NO. 161**Notes to Basic Financial Statements
For the Year Ended June 30, 2023****NOTE 10: RETIREMENT FUND COMMITMENTS - (Continued)***B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)***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 benefit of \$501,631. At June 30, 2023, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 255,694	-
Net difference between projected and actual earnings on pension plan investments	1,948,528	1,054,900
Changes of assumptions	-	-
Total deferred amounts to be recognized in future periods	2,204,222	1,054,900
Employer contributions subsequent to the measurement date	135,570	-
Total	<u>\$ 2,339,792</u>	<u>1,054,900</u>

\$135,570 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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 in future periods as follows:

Year Ended December 31,	Net Deferred Outflow of Resources
2023	\$ 173,522
2024	203,143
2025	285,525
2026	487,132
Total	<u>\$ 1,149,322</u>

C. Social Security

Employees not qualifying for coverage under the Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$592,462, the total required contribution for the current year.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The District's totals for OPEB-related amounts are reported in the accompanying financial statements as follows:

	Governmental Activities
Net OPEB liabilities:	
THIS	\$ 5,263,650
Postretirement health plan	174,636
Total net OPEB liabilities (asset)	<u>\$ 5,438,286</u>
Deferred outflows related to OPEB:	
THIS	\$ 1,098,707
Postretirement health plan	40,918
Total deferred outflows	<u>\$ 1,139,625</u>
Deferred inflows related to OPEB:	
THIS	\$ 17,033,670
Postretirement health plan	115,610
Total deferred inflows	<u>\$ 17,149,280</u>
OPEB expense (benefit)	
THIS	\$ 2,125,331
Postretirement health plan	29,904
Total OPEB expense	<u>\$ 2,155,235</u>

A. *THIS Fund Contributions*

Plan Description

The District (employer) participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment 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 Fund members are retirees who were certified educators or administrators. Eligibility is currently limited to former full-time employees and others who were not full-time employees that meet certain requirements, and their dependents.

The plan is administered through a trust by the Illinois Department of Central Management Services (CMS) with the cooperation of the Teachers' Retirement System of the State of Illinois (TRS).

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (Continued)

A. *THIS Fund Contributions (Continued)*

Plan Fiduciary Net Position

Detailed information about the THIS Fund's fiduciary net position is available in a publicly available financial report that includes financial statements and required supplementary information. That report may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of TRS. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

Contributions

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

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

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (Continued)

A. *THIS Fund Contributions (Continued)*

On Behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 0.90% of pay during the year ended June 30, 2023. State of Illinois contributions were \$200,763, and the employer recognized revenue and expenditures of this amount during the year.

Employer Contributions to the THIS Fund

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67% during the year ended June 30, 2023. For the year ended June 30, 2023, the employer paid \$149,457 to the THIS Fund, which was 100% of the required contribution.

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

At June 30, 2023, the employer reported a liability for its proportionate share of the THIS Fund's net OPEB liability. The state's proportionate share is for disclosure purposes only. The amount recognized by the employer 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 employer were as follows:

Employer's proportionate share of the net OPEB liability	\$ 5,263,650
State's proportionate share that is associated with the employer	<u>5,263,648</u>
Total	<u>\$ 10,527,298</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. The employer's proportion of the net OPEB liability was based on the employer's share of contributions to the THIS Fund for the measurement year ended June 30, 2022, relative to the contributions of all participating employers and the state during that period. At June 30, 2022, the employer's proportion was 0.078532%, which was an increase of 0.000248% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the employer recognized OPEB expense of \$2,125,331.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (Continued)

A. THIS Fund Contributions (Continued)

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

Deferred Amounts Related to OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods		
Differences between expected and actual experience	\$ 149,457	3,442,686
Net difference between projected and actual earnings on OPEB plan investments	760	120
Changes in assumptions	4,748	12,984,025
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>794,285</u>	<u>606,839</u>
Total deferred amounts to be recognized in OPEB expense in future periods	949,250	17,033,670
OPEB contributions made subsequent to the measurement date	<u>149,457</u>	<u>-</u>
Total deferred amounts related to OPEB	<u><u>\$ 1,098,707</u></u>	<u><u>17,033,670</u></u>

OPEB contributions made subsequent to the measurement date of \$149,457 will be recognized as a reduction of the net OPEB liability in the reporting year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in reporting years ending June 30 as follows:

Year Ended June 30,	Net Deferred Outflows (Inflows) Of Resources
2024	\$ 2,663,641
2025	2,485,945
2026	2,218,196
2027	2,147,700
2028	1,955,130
2029	1,517,590
Thereafter	3,245,675

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (Continued)

A. *THIS Fund Contributions (Continued)*

Actuarial Valuation Method

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

Actuarial Assumptions

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

Inflation	2.25%
Salary increases	Depends on service and ranges from 8.5% at one year of service to 3.5% at 20 or more years of service.
Investment rate of return	2.75%, net of OPEB plan investment expense, including inflation.
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.

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled annuitants were based on PubNS-2010 Non-Safety Disabled Retiree Table. Pre-retirement annuitants were based on PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (Continued)

A. THIS Fund Contributions (Continued)

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of a 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS Fund 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. Single Discount Rates were 3.69% as of June 30, 2022.

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

The following presents the employer's proportionate share of the net OPEB liability calculated using a Single Discount Rate of 3.69%, as well as what the employer's proportionate share of the net OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower (2.69%) or 1% higher (4.69%) than the current rate.

	1% Lower (2.69%)	Current Discount Rate (3.69%)	1% Higher (4.69%)
Employer's proportionate share of the net OPEB liability	\$ 5,973,897	5,263,650	4,760,211

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

The following presents the employer's proportionate share of the net OPEB liability calculated using a healthcare cost trend rate that is 1% lower or 1% higher than current healthcare cost trend rates. The current claims trend rates are 8% in plan year end 2024, decreasing to an ultimate trend rate of 4.25% in plan year 2039.

	1% Lower (Varies)	Current Discount Rate (Varies)	1% Higher (Varies)
Employer's proportionate share of the net OPEB liability	\$ 4,532,434	5,263,650	6,289,496

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (Continued)

B. Postretirement Health Plan

Plan Description

The District's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contributions and Benefits Provided

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union.

Medical and Dental Coverage

Certified teachers, administrators and IMRF employees and their spouses may continue dental coverage into retirement on the District's plans provided they pay the entire premium. Coverage ceases for the retiree upon attainment of age 65 by the retiree. Coverage ceases for the spouse upon the earlier of the retiree attaining age 65.

Life Insurance

Certified teachers and administrators may continue their basic life coverage through the District plan on a retiree-pay-all basis. The basic life insurance is \$65,000 for certified teachers and final annual salary for administrators. Retirees pay the active rate in effect. Coverage ceases upon attainment of age 65.

IMRF Employees

Employees may elect to continue \$50,000 basic life insurance coverage through the District plan on a retiree-pay-all basis. Retirees pay the active rate in effect. Coverage ceases upon attainment of age 65.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>357</u>
Total	<u><u>360</u></u>

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (Continued)

B. *Postretirement Health Plan (Continued)*

Total OPEB Liability

The District's total OPEB liability of \$174,636 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022, and adjusted to the measurement date, based on procedures that conform to generally accepted actuarial principles and practices.

Inflation	3.00%
Election at Retirement - IMRF employees	10.00%
Election at Retirement - life insurance coverage	75.00%
Discount Rate	4.13%
Healthcare Cost Trend Rate - PPO Plan - Initial	6.50%
Healthcare Cost Trend Rate - HMO Illinois Plan & Life Insurance - Initial	5.00%
Healthcare Cost Trend Rate - Ultimate	4.50%
Fiscal Year the Ultimate Rate is Reached	2039

The discount rate was based on S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2023. Mortality rates were based on the 2022 IMRF Actuarial Valuation Report.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the estimates of future events.

Changes in the Total OPEB Liability

Changes in the total OPEB liability for the year ended June 30, 2023 were as follows:

	Total OPEB Liability
Balance at June 30, 2022	<u>\$ 126,396</u>
Changes for the year:	
Service cost	11,432
Interest on the total OPEB liability	5,116
Changes of benefit terms	22,994
Difference between expected and actual experience	(5,136)
Benefit payments	(2,619)
Changes of assumptions or other inputs	<u>16,453</u>
Net changes	<u>48,240</u>
Balance at June 30, 2023	<u><u>\$ 174,636</u></u>

The total OPEB liability is an unfunded obligation of the District.

SUMMIT HILL SCHOOL DISTRICT NO. 161**Notes to Basic Financial Statements
For the Year Ended June 30, 2023****NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (Continued)***B. Postretirement Health Plan (Continued)*Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 185,078	174,636	164,845

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 161,040	174,636	189,957

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$29,904.

Deferred outflows of resources and deferred inflows of resources related to OPEB result from differences in actual and expected experience or changes of assumptions regarding future events and are recognized in OPEB expense over the expected remaining service life of all employees (active and retired) participating in the Postretirement Health Plan.

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
Differences between expected and actual experience	\$ 6,887	52,765
Changes in assumptions	34,031	62,845
Total	\$ 40,918	115,610

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (Continued)

B. Postretirement Health Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in years ending June 30 as follows:

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (9,638)
2025	(9,638)
2026	(9,638)
2027	(9,881)
2028	(10,713)
Thereafter	(25,183)

Actuarial Methods and Assumptions

Actuarial Assumptions	
Discount Rate	4.13%
Salary Rate increase	4.00%
Expected Rate of Return on Assets	Not Applicable
Health Care Trend	4.50%
Life Insurance	0.00% for all years
Retiree Contribution Trend	Same as Health Care Trend
Mortality, Retirement, Withdrawal, and Disability Rates	IMRF Employees: Rates from December 31, 2022 IMRF Actuarial Valuation Report
Election at Retirement	10% of future IMRF employees are assumed to elect coverage at retirement
Marital Status	50% of employees electing retiree medical coverage are assumed to be married and to elect spousal coverage with males three years older than females

Summary of OPEB Information

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense/expenditures, information about the fiduciary net position of the Teacher Health Insurance Security (THIS) Fund and the Postretirement Health Plan (PHP) and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Basic Financial Statements For the Year Ended June 30, 2023

NOTE 12: INTERGOVERNMENTAL AGREEMENTS

The District and Union School District #81 entered into a food service agreement. The District will reimburse the actual costs of the meals plus operating costs incurred. The District paid \$214,982 to District #81 for food services for the year ended June 30, 2023.

The District became a member of the Schools of Illinois Public Cooperative (SIPC) which is a joint purchasing cooperative to maximize purchasing power and to take advantage of costs of goods or services. The agreement did not require the District to make any payments to SIPC during the year ended June 30, 2023.

NOTE 13: JOINTLY GOVERNED ORGANIZATIONS

The Lincoln-Way Area Special Education District (LWASE) is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the six member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. During fiscal year 2023, the District paid \$1,386,039 to LWASE.

NOTE 14: SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 13, 2023, which is the date the financial statements were available to be issued, and there were no such events required to be recorded or disclosed in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND

SCHEDULE A-1

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
Revenues:				
Local Sources:				
Property Taxes	\$ 32,663,802	32,641,614	22,188	31,384,370
Corporate Personal Property Tax	-	295,402	(295,402)	-
Interest on Investments	299,295	570,522	(271,227)	13,534
Other Income	1,093,350	1,110,865	(17,515)	1,078,611
Total Local Sources:	34,056,447	34,618,403	(561,956)	32,476,515
State Sources:				
Evidence Based Funding Formula	2,581,537	3,045,866	(464,329)	2,822,015
Grants-in-aid	514,551	266,123	248,428	104,418
Total State Sources:	3,096,088	3,311,989	(215,901)	2,926,433
Federal Sources:				
Grants-in-aid	2,232,016	1,882,597	349,419	2,411,653
On Behalf Revenues	11,000,000	11,979,025	(979,025)	10,782,833
Total Revenues	50,384,551	51,792,014	(1,407,463)	48,597,434
Expenditures:				
Instruction	23,562,888	23,938,335	(375,447)	22,552,708
Support Services				
Pupil Support	3,494,661	3,199,742	294,919	3,117,824
Instructional Staff	1,187,229	1,113,518	73,711	1,002,602
General administration	1,255,619	1,236,254	19,365	1,184,248
School administration	1,599,470	1,586,726	12,744	1,505,950
Business	5,125,937	4,974,622	151,315	4,881,250
Central	1,741,422	1,247,365	494,057	1,341,492
Community Services	23,894	14,902	8,992	13,038
Payments to Other Districts and Government Units	1,188,880	1,223,574	(34,694)	879,884
On Behalf Expenditures	11,000,000	11,979,025	(979,025)	10,782,833
Total Expenditures	50,180,000	50,514,063	(334,063)	47,261,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 204,551	1,277,951	1,073,400	1,335,605
Fund Balance, Beginning of Year		20,324,321		18,988,716
Fund Balance, End of Year		\$ 21,602,272		20,324,321

SUMMIT HILL SCHOOL DISTRICT NO. 161
TRANSPORTATION FUND

SCHEDULE A-2

Statement of Revenues, Expenditures and Change in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
Revenues:				
Local Sources:				
Property Taxes	\$ 435,310	496,530	(61,220)	426,506
Corporate Personal Property Tax	270,000	-	270,000	269,230
Interest on Investments	37,000	44,104	(7,104)	1,460
Miscellaneous Revenues	130,000	485	129,515	128,659
Total Local Sources:	872,310	541,119	331,191	825,855
State Sources:				
Evidence Based Funding Formula	354,316	-	354,316	140,000
Regular/Vocational Transportation	811,616	786,535	25,081	868,990
Special Education Transportation	441,758	398,269	43,489	464,974
Total State Sources:	1,607,690	1,184,804	422,886	1,473,964
Total Revenues	2,480,000	1,725,923	754,077	2,299,819
Expenditures:				
Support Services:				
Pupil Transportation Services:				
Salaries	60,000	50,426	9,574	51,510
Employee Benefits	13,932	12,782	1,150	13,206
Purchased Services	197	-	197	-
Total Pupil Transportation Services	74,129	63,208	10,921	64,716
Total Support Services	74,129	63,208	10,921	64,716
Payments to Other Districts & Governments:				
Regular Programs	1,808,136	1,795,070	13,066	1,638,576
Special Education Programs	592,735	569,528	23,207	592,545
Total Payments to Other Districts & Governments	2,400,871	2,364,598	36,273	2,231,121
Total Expenditures	2,475,000	2,427,806	47,194	2,295,837
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 5,000	(701,883)	706,883	3,982
Fund Balance, Beginning of Year		2,256,318		2,252,336
Fund Balance, End of Year		\$ 1,554,435		2,256,318

Schedule of Changes in Net Pension Liability and Related Ratios

Illinois Municipal Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios										
Calendar Year Ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service Cost	\$ 296,653	295,665	301,050	295,676	256,341	274,312	279,700	246,697	214,414	-
Interest on the Total Pension Liability	814,535	775,894	736,247	692,087	638,328	599,900	575,979	521,117	456,897	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	455,429	13,109	84,248	81,686	283,900	262,047	(244,361)	177,889	64,447	-
Assumption Changes	-	-	(78,861)	-	267,698	(244,622)	(19,325)	19,053	311,372	-
Benefit Payments and Refunds	(584,962)	(519,410)	(466,857)	(459,211)	(402,696)	(337,852)	(243,923)	(214,533)	(199,471)	-
Net Change in Total Pension Liability	981,655	565,258	575,827	610,238	1,043,571	553,785	348,070	750,223	847,659	-
Total Pension Liability - Beginning	11,379,118	10,813,860	10,238,033	9,627,795	8,584,224	8,030,439	7,682,369	6,932,146	6,084,487	-
Total Pension Liability - Ending	<u>\$ 12,360,773</u>	<u>11,379,118</u>	<u>10,813,860</u>	<u>10,238,033</u>	<u>9,627,795</u>	<u>8,584,224</u>	<u>8,030,439</u>	<u>7,682,369</u>	<u>6,932,146</u>	<u>-</u>
Plan Fiduciary Net Position										
Employer Contributions	\$ 275,597	304,274	300,990	241,984	251,393	248,039	236,709	256,640	203,200	-
Employee Contributions	147,117	136,657	137,080	127,212	119,936	113,004	121,692	112,854	88,748	-
Pension Plan Net Investment Income	(1,544,439)	1,778,732	1,338,727	1,489,570	(449,021)	1,189,470	449,031	32,556	366,342	-
Benefit Payments and Refunds	(584,962)	(519,410)	(466,857)	(459,211)	(402,696)	(337,852)	(243,923)	(214,533)	(199,471)	-
Other	(38,234)	46,186	39,234	43,222	160,469	(147,572)	30,782	(106,158)	15,545	-
Net Change in Plan Fiduciary Net Position	(1,744,921)	1,746,439	1,349,174	1,442,777	(319,919)	1,065,089	594,291	81,359	474,364	-
Plan Fiduciary Net Position - Beginning	12,392,942	10,646,503	9,297,329	7,854,552	8,174,471	7,109,382	6,515,091	6,433,732	5,959,368	-
Plan Fiduciary Net Position - Ending	<u>\$ 10,648,021</u>	<u>12,392,942</u>	<u>10,646,503</u>	<u>9,297,329</u>	<u>7,854,552</u>	<u>8,174,471</u>	<u>7,109,382</u>	<u>6,515,091</u>	<u>6,433,732</u>	<u>-</u>
Net Pension Liability (Asset)	<u>\$ 1,712,752</u>	<u>(1,013,824)</u>	<u>167,357</u>	<u>940,704</u>	<u>1,773,243</u>	<u>409,753</u>	<u>921,057</u>	<u>1,167,278</u>	<u>498,414</u>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.14%	108.91%	98.45%	90.81%	81.58%	95.23%	88.53%	84.81%	92.81%	N/A
Covered Valuation Payroll	\$ 3,269,247	3,037,958	2,994,923	2,826,903	2,663,071	2,495,371	2,435,280	2,477,210	2,230,797	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	52.39%	-33.37%	5.59%	33.28%	66.59%	16.42%	37.82%	47.12%	22.34%	N/A

Notes to Schedule:

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

Schedule of Contributions

Illinois Municipal Retirement Fund

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2022	\$ 275,598	275,597	1	3,269,247	8.43%
12/31/2021	298,327	304,274	(5,947)	3,037,958	10.02%
12/31/2020	300,990	300,990	-	2,994,923	10.05%
12/31/2019	241,983	241,984	(1)	2,826,903	8.56%
12/31/2018	251,394	251,393	1	2,663,071	9.44%
12/31/2017	248,040	248,039	1	2,495,371	9.94%
12/31/2016	236,709	236,709	-	2,435,280	9.72%
12/31/2015	256,639	256,640	(1)	2,477,210	10.36%
12/31/2014	229,995	203,200	26,795	2,230,797	9.11%

* Estimated based on contribution rate of 8.43% and covered valuation payroll of \$3,269,247

Notes to Schedule:Valuation Date:*Notes*

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

Methods and Assumptions Used to Determine 2022 Contribution Rate:*Actuarial Cost Method*

Aggregate Entry Age Normal

Amortization Method

Level Percentage of Payroll, Closed

Remaining Amortization Period

Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP, and ECO groups): 22-year closed period.

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).

Asset Valuation Method

5-Year smoothed market; 20% corridor

Wage Growth

2.75%

Price Inflation

2.25%

Salary Increases

2.85% to 13.75% including inflation

Investment Rate of Return

7.25%

Retirement Age

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

Mortality

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

Other Information:*Notes*

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

There were no benefit changes during the year.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Teachers' Retirement System of the State of Illinois

SCHEDULE B-3

Schedule of the District's Share of the Net Pension Liability

	Fiscal Year*							
	2022	2021	2020	2019	2018	2017	2016	2015
The District's Proportion of the Net Pension Liability	0.00206%	0.00226%	0.00237%	0.00098%	0.00405%	0.00261%	0.00450%	0.00290%
The District's Proportionate Share of the Net Pension Liability	\$ 1,728,588	1,762,158	2,044,667	797,418	3,154,160	1,993,781	3,548,649	1,929,371
State's Proportionate Share of the Net Pension Liability Associated with the District	149,943,521	147,687,547	160,148,916	56,751,338	216,073,187	131,021,342	145,852,272	112,782,023
Total	\$ 151,672,109	149,449,705	162,193,583	57,548,756	219,227,347	133,015,123	149,400,921	114,711,394
The District's Covered-Employee Payroll	\$ 21,088,796	20,388,158	19,804,511	18,509,203	18,147,007	17,594,433	18,140,676	17,135,768
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	8.20%	8.64%	10.32%	4.31%	17.38%	11.33%	19.56%	11.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.80%	45.10%	37.80%	39.60%	40.00%	39.30%	36.40%	41.50%

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

SCHEDULE B-4

Schedule of Contributions

	Fiscal Year							
	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily-Required Contribution	\$ 129,381	122,315	118,251	130,406	114,401	112,645	103,322	102,048
Contributions in Relation to the Statutorily-Required Contribution	129,381	122,315	118,251	130,651	114,460	175,945	103,322	102,048
Contribution Deficiency (Excess)	\$ -	-	-	(245)	(59)	(63,300)	-	-
District's Covered-Employee Payroll	\$ 22,306,985	21,088,796	20,388,158	19,804,511	18,509,203	18,147,007	17,594,433	18,140,676
Contributions as a Percentage of Covered-Employee Payroll	0.58%	0.58%	0.58%	0.66%	0.62%	0.97%	0.59%	0.56%

Notes to Schedule:

For the 2023 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 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated Sept. 30, 2022.

For the 2022 and 2021 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated Sept. 30, 2021.

For the 2020-2016 measurement years, the assumed investment rate of return was 7.0, 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. 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.

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

SUMMIT HILL SCHOOL DISTRICT NO. 161

Teachers' Health Insurance Security Fund of the State of Illinois

SCHEDULE B-5

Schedule of the District's Share of the Net OPEB Liability

	Fiscal Year*					
	2022	2021	2020	2019	2018	2017
The District's Proportion of the Net OPEB Liability	0.07853%	0.07853%	0.07828%	0.07598%	0.07171%	0.07742%
The District's Proportionate Share of the Net OPEB Liability	\$ 5,263,650	17,320,610	20,929,837	21,028,700	19,982,722	20,089,008
State's Proportionate Share of the Net OPEB Liability Associated with the District	5,263,648	17,320,650	28,354,229	28,475,543	26,832,486	26,381,859
Total	\$ 10,527,298	34,641,260	49,284,066	49,504,243	46,815,208	46,470,867
The District's Covered-Employee Payroll	\$ 21,088,796	20,388,158	19,804,511	18,509,203	18,147,004	17,814,138
District's Proportionate Share of the Net OPEB Liability	24.96%	84.95%	105.68%	113.61%	110.12%	112.77%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.53%	1.42%	0.70%	0.25%	-0.07%	-0.23%

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

SCHEDULE B-6

Schedule of Contributions

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Statutorily-Required Contribution	\$ 149,457	141,295	187,571	182,202	170,285	159,694
Contributions in Relation to the Statutorily-Required Contribution	149,457	141,295	187,571	182,202	170,285	159,694
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-
District's Covered-Employee Payroll	\$ 22,306,985	21,088,796	20,388,158	19,804,511	18,509,203	18,147,007
Contributions as a Percentage of Covered-Employee Payroll	0.67%	0.67%	0.92%	0.92%	0.92%	0.88%

Notes to Schedule:

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

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Postretirement Health Plan

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 11,432	12,016	11,556	22,497	21,435	8,082
Interest	5,116	2,798	4,732	4,288	5,522	5,350
Differences between expected and actual experience	(5,136)	-	(49,233)	-	(21,126)	19,661
Changes of assumptions or other inputs	16,453	(14,843)	(14,692)	1,436	(4,171)	18,316
Benefit payments	(2,619)	(3,848)	-	(5,728)	(3,545)	(9,971)
Changes of benefit terms	22,994	-	-	(386)	(29,384)	(26,403)
Net change in total OPEB liability	48,240	(3,877)	(47,637)	22,107	(31,269)	15,035
Total OPEB Liability - Beginning	126,396	130,273	177,910	155,803	187,072	172,037
Total OPEB Liability - Ending	<u>\$ 174,636</u>	<u>126,396</u>	<u>130,273</u>	<u>177,910</u>	<u>155,803</u>	<u>187,072</u>
District's Covered-Employee Payroll	\$ 24,913,559	18,864,925	19,050,810	19,472,563	19,472,563	18,589,502
Total OPEB Liability as a Percentage of the Covered Valuation Payroll	0.70%	0.67%	0.68%	0.91%	0.80%	1.01%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related OPEB benefits.

The information in the schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Required Supplementary Information For the Year Ended June 30, 2023

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Annual budgets for all governmental funds are adopted on a basis consistent with generally accepted accounting principles.

Appropriations in all budgeted funds lapse at the end of the fiscal year. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. There were no outstanding encumbrances at year-end.

The District's fiscal year 2023 budget was adopted on September 21, 2022 and was not amended.

NOTE 2: BUDGETARY PROCEDURES

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

- Administration submits to the Board of Education proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed disbursements and the means of financing them.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- Prior to September 30, the budget is legally adopted through passage of a resolution. Prior to the last Tuesday in December, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions which change the total budgeted expenditures of any fund must be made by the Board of Education using the same procedures required of its original adoption. The level of control (level at which expenditures may not exceed budget/appropriations) is the fund.
- Formal Budgetary integration is employed as a management control device during the year.
- The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

SUMMIT HILL SCHOOL DISTRICT NO. 161**Notes to Required Supplementary Information
For the Year Ended June 30, 2023****NOTE 3: EXPENDITURES IN EXCESS OF APPROPRIATIONS – MAJOR FUNDS**

The following is a summary of budget and actual results for the District's major governmental funds:

Fund	Revenues			Expenditures		
	Budget	Actual	Variance	Budget	Actual	Variance
General Fund:						
Educational Fund	\$ 45,250,000	46,011,061	761,061	45,200,000	45,899,353	(699,353)
Operations & Maintenance Fund	4,700,000	4,787,413	87,413	4,680,000	4,301,179	378,821
Tort Fund	384,551	408,682	24,131	300,000	313,531	(13,531)
Working Cash Fund	50,000	584,858	534,858	-	-	-
Total General Fund	<u>\$ 50,384,551</u>	<u>51,792,014</u>	<u>1,407,463</u>	<u>50,180,000</u>	<u>50,514,063</u>	<u>(334,063)</u>
Bond and Interest Fund	<u>\$ 6,730,000</u>	<u>7,047,698</u>	<u>317,698</u>	<u>6,729,150</u>	<u>6,641,225</u>	<u>87,925</u>
Transportation Fund	<u>\$ 2,480,000</u>	<u>1,725,923</u>	<u>(754,077)</u>	<u>2,475,000</u>	<u>2,427,806</u>	<u>47,194</u>

The excess of revenues and expenditures over the budgeted amount in the Educational Fund is primarily due to on-behalf payments which were higher than the budgeted amount. Expenditures were also over budget in the Tort Fund.

OTHER INFORMATION

SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND

SCHEDULE C-1

Combining Balance Sheet
June 30, 2023

	Educational Fund	Operations & Maintenance Fund	Tort Fund	Working Cash Fund	Total	
					2023	2022
<u>Assets</u>						
Cash in bank	\$ 11,696,651	3,121,513	340,166	8,335,891	23,494,221	23,122,953
Entitlements receivable	189,256	-	-	-	189,256	421,478
Property tax receivable	14,470,276	2,444,815	213,849	135,143	17,264,083	14,781,883
Prepaid expenditures	42,525	-	-	-	42,525	71,946
Total Assets	<u>\$ 26,398,708</u>	<u>5,566,328</u>	<u>554,015</u>	<u>8,471,034</u>	<u>40,990,085</u>	<u>38,398,260</u>
<u>Liabilities</u>						
Accounts payable	\$ 251,050	831,530	3,956	-	1,086,536	597,868
Accrued salaries	1,640,131	16,060	-	-	1,656,191	1,681,582
Payroll liabilities	-	-	-	-	-	1,981
	<u>1,891,181</u>	<u>847,590</u>	<u>3,956</u>	<u>-</u>	<u>2,742,727</u>	<u>2,281,431</u>
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	13,950,584	2,357,011	206,169	131,322	16,645,086	15,742,508
Unearned revenue	-	-	-	-	-	50,000
Total deferred inflows of resources	<u>13,950,584</u>	<u>2,357,011</u>	<u>206,169</u>	<u>131,322</u>	<u>16,645,086</u>	<u>15,792,508</u>
<u>Fund Balance</u>						
Nonspendable	42,525	-	-	-	42,525	71,946
Assigned	169,411	-	-	-	169,411	83,592
Restricted	-	-	343,890	-	343,890	248,739
Unassigned	10,345,007	2,361,727	-	8,339,712	21,046,446	19,920,044
Total Fund Balance	<u>10,556,943</u>	<u>2,361,727</u>	<u>343,890</u>	<u>8,339,712</u>	<u>21,602,272</u>	<u>20,324,321</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 26,398,708</u>	<u>5,566,328</u>	<u>554,015</u>	<u>8,471,034</u>	<u>40,990,085</u>	<u>38,398,260</u>

SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND

SCHEDULE C-2

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

	Educational Fund	Operations & Maintenance Fund	Tort Fund	Working Cash Fund	Year Ended June 30,	
					2023	2022
Revenues:						
Local Revenues	\$ 28,937,450	4,687,413	408,682	584,858	34,618,403	32,476,515
State Revenues	3,211,989	100,000	-	-	3,311,989	2,926,433
Federal Revenues	1,882,597	-	-	-	1,882,597	2,411,653
On Behalf Payments	11,979,025	-	-	-	11,979,025	10,782,833
Total Revenues Received	46,011,061	4,787,413	408,682	584,858	51,792,014	48,597,434
Expenditures:						
Current:						
Instruction	23,938,335	-	-	-	23,938,335	22,552,708
Support Services						
Pupil Support	3,199,742	-	-	-	3,199,742	3,117,824
Instructional Staff	1,113,518	-	-	-	1,113,518	1,002,602
General Administration	922,723	-	313,531	-	1,236,254	1,184,248
School Administration	1,586,726	-	-	-	1,586,726	1,505,950
Business	752,013	4,222,609	-	-	4,974,622	4,881,250
Central	1,247,365	-	-	-	1,247,365	1,341,492
Intergovernmental:						
Payments to Other Schools	1,145,004	78,570	-	-	1,223,574	879,884
Community Services	14,902	-	-	-	14,902	13,038
On Behalf Payments	11,979,025	-	-	-	11,979,025	10,782,833
Total Expenditures	45,899,353	4,301,179	313,531	-	50,514,063	47,261,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	111,708	486,234	95,151	584,858	1,277,951	1,335,605
Fund Balance, Beginning of Year	10,445,235	1,875,493	248,739	7,754,854	20,324,321	18,988,716
Fund Balance, End of Year	\$ 10,556,943	2,361,727	343,890	8,339,712	21,602,272	20,324,321

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
<u>Educational Fund</u>				
Revenues:				
Local Sources:				
General Property Taxes	\$ 26,850,894	26,778,504	72,390	25,780,518
Special Education Taxes	890,430	531,139	359,291	515,785
Corporate Personal Property Tax	-	295,402	(295,402)	-
Regular Tuition from Pupils	125,000	127,170	(2,170)	122,763
Summer School Tuition from Pupils	20,000	10,700	9,300	19,490
Interest on Investments	209,922	223,460	(13,538)	5,854
Food Sales:				
Lunch	101,000	95,480	5,520	93,360
Athletic Admissions	16,000	17,661	(1,661)	13,126
Fees	22,000	39,203	(17,203)	21,272
Other Activity Revenue	650	587	63	638
Student Activity Fund Revenue	250,000	362,378	(112,378)	138,604
Textbook Rentals	360,000	286,474	73,526	258,382
Other Local Revenues	176,000	169,292	6,708	383,573
Total Local Sources	29,021,896	28,937,450	84,446	27,353,365
State Programs:				
Evidence Based Funding Formula	2,581,537	3,045,866	(464,329)	2,822,015
Special Education - Private Facility Tuition	133,000	159,770	(26,770)	96,292
Special Education - Orphanage - Individual	8,000	-	8,000	-
State Free Lunch and Breakfast	4,000	2,191	1,809	4,028
State Library Grant	269,551	4,162	265,389	4,098
Total State Programs	2,996,088	3,211,989	(215,901)	2,926,433

**SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND**

**SCHEDULE C-3
(CONTINUED)**

**Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023**

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
<u>Educational Fund (Cont.)</u>				
Revenues (continued):				
Federal Programs:				
National School Lunch Program	\$ 329,000	304,342	24,658	504,896
Summer Food Service Program	415,000	-	415,000	-
Title I - Low Income	119,897	130,176	(10,279)	177,647
Title IV - Safe & Drug Free Schools	10,915	21,702	(10,787)	7,899
Title II - Teacher Quality	55,348	67,231	(11,883)	65,428
Federal Charter Schools	118,202	-	118,202	-
IDEA Flow Through	625,458	689,259	(63,801)	630,373
Title III- English Language Acquisition	14,960	25,743	(10,783)	12,966
Medicaid Reimbursement	130,000	106,684	23,316	35,351
Medicaid Fee-For Service	4,300	102,977	(98,677)	98,449
IDEA Preschool Grant	35,903	38,061	(2,158)	11,802
Food Commodities	-	10,588	(10,588)	13,279
ESSER grant	373,033	385,834	(12,801)	853,563
Total Federal Programs	2,232,016	1,882,597	349,419	2,411,653
On Behalf Payments	11,000,000	11,979,025	(979,025)	10,782,833
Total Revenues	45,250,000	46,011,061	(761,061)	43,474,284
Expenditures:				
Instruction:				
Regular Programs:				
Salaries	13,009,859	13,365,936	(356,077)	12,384,463
Employee Benefits	1,605,983	1,698,984	(93,001)	1,498,021
Purchased Services	129,372	162,223	(32,851)	217,426
Supplies and Materials	968,785	743,329	225,456	856,866
Non-Capitalized Equipment	-	-	-	94,034
Total Regular Programs	15,713,999	15,970,472	(256,473)	15,050,810
Special Education Programs:				
Salaries	3,491,102	3,553,424	(62,322)	3,422,218
Employee Benefits	603,622	648,928	(45,306)	592,602
Purchased Services	178,287	416,943	(238,656)	167,237
Supplies and Materials	63,915	66,945	(3,030)	38,961
Total Special Education Programs	4,336,926	4,686,240	(349,314)	4,221,018
Special Education Programs Pre-K:				
Salaries	337,190	389,889	(52,699)	305,393
Employee Benefits	34,988	4,874	30,114	33,165
Supplies and Materials	1,154	911	243	1,094
Total Special Education Programs Pre-K	373,332	395,674	(22,342)	339,652

SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND

SCHEDULE C-3
(CONTINUED)

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
Educational Fund (Cont.)				
Expenditures (continued):				
Instruction (continued):				
Remedial and Supplemental Programs Pre-K:				
Salaries	\$ 1,016,158	1,001,898	14,260	1,003,169
Employee Benefits	109,771	114,924	(5,153)	110,017
Purchased Services	47,731	58,398	(10,667)	6,912
Supplies and Materials	38,055	42,744	(4,689)	76,106
Non-capitalized equipment	-	37,740	(37,740)	-
Total Remedial Programs Pre-K	1,211,715	1,255,704	(43,989)	1,196,204
Interscholastic Programs:				
Salaries	649,708	719,443	(69,735)	640,224
Employee Benefits	24,490	40,490	(16,000)	22,820
Purchased Services	27,130	35,389	(8,259)	23,986
Supplies and Materials	17,205	14,642	2,563	13,730
Other Objects	6,776	4,818	1,958	6,423
Total Interscholastic Programs	725,309	814,782	(89,473)	707,183
Summer School Programs:				
Salaries	40,666	37,395	3,271	38,546
Employee Benefits	3,915	7,806	(3,891)	3,711
Supplies & Materials	3,000	4,576	(1,576)	1,874
Total Summer School Programs	47,581	49,777	(2,196)	44,131
Bilingual Programs:				
Salaries	413,830	393,078	20,752	392,259
Employee Benefits	55,011	67,069	(12,058)	52,144
Purchased Services	5,611	4,766	845	5,318
Supplies and Materials	10,846	18,309	(7,463)	4,260
Total Bilingual Programs	485,298	483,222	2,076	453,981
Regular K-12 Programs Private Tuition:				
Other Objects	14,793	5,506	9,287	14,021
Special Education Programs K-12 Private Tuition				
Total Private Tuition	403,935	400	403,535	382,877
Student Activity Fund Expenditures	250,000	276,558	(26,558)	142,831
Total Instruction	23,562,888	23,938,335	(375,447)	22,552,708

SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND

SCHEDULE C-3
(CONTINUED)

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
Educational Fund (Cont.)				
Expenditures (continued):				
Support Services:				
Attendance and Social Work Services:				
Salaries	\$ 860,170	877,269	(17,099)	763,308
Employee Benefits	140,751	144,639	(3,888)	119,217
Purchased Services	9,036	15,977	(6,941)	7,749
Supplies and Materials	3,157	3,385	(228)	5,814
Total Attendance and Social Work Services	1,013,114	1,041,270	(28,156)	896,088
Guidance Services:				
Salaries	150,671	143,749	6,922	142,816
Employee Benefits	17,013	11,597	5,416	16,125
Supplies and Materials	515	351	164	489
Total Guidance Services	168,199	155,697	12,502	159,430
Health Services:				
Salaries	307,326	380,262	(72,936)	252,305
Employee Benefits	73,011	72,632	379	63,518
Purchased Services	138,000	35,865	102,135	214,440
Supplies and Materials	12,039	15,182	(3,143)	9,985
Total Health Services	530,376	503,941	26,435	540,248
Psychological Services:				
Salaries	403,795	390,223	13,572	382,311
Employee Benefits	46,479	39,686	6,793	54,523
Purchased Services	1,288	22,325	(21,037)	18,580
Supplies and Materials	-	2,320	(2,320)	5,039
Total Psychological Services	451,562	454,554	(2,992)	460,453
Speech Pathology and Audiology Services:				
Salaries	972,096	904,548	67,548	921,419
Employee Benefits	95,703	84,507	11,196	90,715
Purchased Services	40,000	14,513	25,487	1,120
Supplies and Materials	3,586	3,513	73	4,585
Total Speech Pathology and Audiology Services	1,111,385	1,007,081	104,304	1,017,839
Other Support Services - Pupils:				
Salaries	-	34,701	(34,701)	-
Supplies and Materials	46,173	2,498	43,675	43,766
Total Other Support Services - Pupils	46,173	37,199	8,974	43,766

SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND

SCHEDULE C-3
(CONTINUED)

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
Educational Fund (Cont.)				
Expenditures (continued):				
Support Services (continued):				
Improvement of Instruction Services:				
Salaries	\$ 549,152	576,609	(27,457)	510,998
Employee Benefits	124,587	117,018	7,569	105,217
Purchased Services	110,940	91,992	18,948	95,293
Supplies and Materials	111,500	81,398	30,102	13,013
Other Objects	421	419	2	399
Total Improvement of Instruction Services	896,600	867,436	29,164	724,920
Educational Media Services:				
Salaries	159,495	163,714	(4,219)	151,180
Employee Benefits	43,626	35,234	8,392	35,538
Supplies and Materials	43,388	25,630	17,758	39,232
Total Educational Media Services	246,509	224,578	21,931	225,950
Assessment and Testing:				
Purchased Services	-	4,516	(4,516)	9,912
Supplies and Materials	44,120	16,988	27,132	41,820
Total Assessment and Testing	44,120	21,504	22,616	51,732
Board of Education Services:				
Purchased Services	166,061	133,730	32,331	151,758
Supplies and Materials	33,785	37,886	(4,101)	32,024
Other Objects	10,000	7,777	2,223	6,358
Total Board of Education Services	209,846	179,393	30,453	190,140
Executive Administration Services:				
Salaries	354,454	354,975	(521)	330,827
Employee Benefits	53,988	50,725	3,263	48,605
Purchased Services	314	300	14	298
Supplies and Materials	5,087	3,070	2,017	4,821
Other Objects	2,332	2,280	52	2,210
Total Executive Administration Services	416,175	411,350	4,825	386,761
Special Area Administration Services:				
Salaries	290,456	293,734	(3,278)	281,713
Employee Benefits	38,548	37,827	721	36,538
Supplies and Materials	163	-	163	154
Other Objects	431	419	12	409
Total Special Area Administration Services	329,598	331,980	(2,382)	318,814

SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND

SCHEDULE C-3
(CONTINUED)

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
Educational Fund (Cont.)				
Expenditures (continued):				
Support Services (continued):				
Office of the Principal Services:				
Salaries	\$ 1,285,813	1,281,537	4,276	1,218,782
Employee Benefits	292,921	295,412	(2,491)	277,397
Supplies	15,136	6,141	8,995	5,386
Other Objects	5,600	3,636	1,964	4,385
Total Office of the Principal Services	1,599,470	1,586,726	12,744	1,505,950
Direction of Business Support Services:				
Salaries	141,956	133,037	8,919	134,555
Employee Benefits	23,147	20,951	2,196	21,940
Total Direction of Business Support Services:	165,103	153,988	11,115	156,495
Fiscal Services:				
Salaries	105,212	118,383	(13,171)	99,727
Employee Benefits	16,980	15,162	1,818	16,095
Purchased Services	42,294	47,130	(4,836)	44,889
Supplies and Materials	4,164	1,640	2,524	3,947
Other Objects	4,988	360	4,628	4,728
Total Fiscal Services	173,638	182,675	(9,037)	169,386
Operation & Maintenance of Plant Services:				
Purchased Services	5,000	10,900	(5,900)	46,122
Pupil Transportation Services:				
Supplies and Materials	10,000	-	10,000	-
Food Services:				
Salaries	93,006	99,886	(6,880)	88,158
Purchased Services	500	-	500	492,757
Supplies and Materials	275,000	304,564	(29,564)	60,423
Total Food Services	368,506	404,450	(35,944)	641,338
Internal Services:				
Purchased Services	27,542	-	27,542	54,543
Supplies and Materials	-	-	-	2,654
Total Internal Services	27,542	-	27,542	57,197
Information Services:				
Purchased Services	50,000	9,826	40,174	14,981
Staff Services:				
Purchased Services	18,722	-	18,722	17,746

SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND

SCHEDULE C-3
(CONTINUED)

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
Educational Fund (Cont.)				
Expenditures (continued):				
Support Services (continued):				
Data Processing Services:				
Salaries	\$ 685,072	557,065	128,007	412,959
Employee Benefits	114,876	117,562	(2,686)	77,609
Purchased Services	296,023	285,936	10,087	279,454
Supplies and Materials	374,729	198,972	175,757	359,233
Capital Outlay	202,000	78,004	123,996	179,510
Total Data Processing Services	1,672,700	1,237,539	435,161	1,308,765
Total Support Services	9,554,338	8,822,087	732,251	8,934,121
Community Service:	23,894	14,902	8,992	13,038
Payments to Other Governmental Units:				
Payments for Special Education Programs				
Purchased Services	246,982	98,528	148,454	563,113
Other Objects	811,898	1,046,476	(234,578)	239,758
Other Payments	-	-	-	1,062
Total Payments to Other Governmental Units	1,058,880	1,145,004	(86,124)	803,933
On Behalf Payments	11,000,000	11,979,025	(979,025)	10,782,833
Total Expenditures	45,200,000	45,899,353	(699,353)	43,086,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 50,000	111,708	(61,708)	387,651
Fund Balance, Beginning of Year		10,445,235		10,057,584
Fund Balance, End of Year		\$ 10,556,943		10,445,235

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
Operations & Maintenance Fund				
Revenues:				
Local Sources:				
Property Taxes	\$ 4,487,927	4,614,197	(126,270)	4,402,619
Interest on Investments	89,373	71,296	18,077	1,432
Rentals	-	1,890	(1,890)	1,575
Other Revenues	22,700	30	22,670	5,061
Total Local Sources	4,600,000	4,687,413	(87,413)	4,410,687
State Sources:				
State Infrastructure - Maintenance Projects	100,000	100,000	-	-
Total State Sources:	100,000	100,000	-	-
Total Revenues	4,700,000	4,787,413	(87,413)	4,410,687
Expenditures:				
Support Services:				
Facilities Acquisition & Construction Services				
Capital Outlay	163,852	3,300	160,552	-
Total facilities acquisition	163,852	3,300	160,552	-
Operations/Maintenance of Plant:				
Salaries	543,435	402,887	140,548	457,262
Employee Benefits	119,745	91,348	28,397	113,503
Purchased Services	1,515,829	1,637,287	(121,458)	1,593,892
Supplies and Materials	1,391,421	1,134,740	256,681	1,318,876
Capital Outlay	815,718	953,047	(137,329)	327,179
Total Operations/Maintenance of Plant:	4,386,148	4,219,309	166,839	3,810,712
Total Support Services	4,550,000	4,222,609	327,391	3,810,712
Payments to Other Districts:				
Special Education Programs	130,000	78,570	51,430	75,951
Total Expenditures	4,680,000	4,301,179	378,821	3,886,663
Excess of Revenues Over (Under) Expenditures	\$ 20,000	486,234	(466,234)	524,024
Fund Balance, Beginning of Year		1,875,493		1,351,469
Fund Balance, End of Year		\$ 2,361,727		1,875,493

SUMMIT HILL SCHOOL DISTRICT NO. 161
GENERAL FUND

SCHEDULE C-5

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
<u>Tort Fund</u>				
Revenues:				
Local Sources:				
Property Taxes	\$ 384,551	402,826	(18,275)	354,888
Interest Income	-	5,856	(5,856)	1,068
Other Local Revenues	-	-	-	20,767
Total Revenues	384,551	408,682	(24,131)	376,723
Expenditures:				
Support:				
Risk Management and Claims Services				
Purchased Services	300,000	313,531	(13,531)	288,533
Total Expenditures	300,000	313,531	(13,531)	288,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 84,551	95,151	(10,600)	88,190
Fund Balance, Beginning of Year		248,739		160,549
Fund Balance, End of Year		\$ 343,890		248,739

Statement of Revenues, Expenditures and Change in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

	Original & Final Budget	Year Ended June 30, 2023	(Over) / Under Budget	Year Ended June 30, 2022
<u>Working Cash</u>				
Revenues:				
Local Sources:				
Property Taxes	\$ 50,000	314,948	(264,948)	330,560
Interest on Investments	-	269,910	(269,910)	5,180
Total Revenues	50,000	584,858	(534,858)	335,740
Expenditures:	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 50,000</u>	584,858	<u>(534,858)</u>	335,740
Fund balance, Beginning of Year		<u>7,754,854</u>		<u>7,419,114</u>
Fund balance, End of Year		<u>\$ 8,339,712</u>		<u>7,754,854</u>

SUMMIT HILL SCHOOL DISTRICT NO. 161
BOND AND INTEREST FUND

SCHEDULE C-7

Balance Sheet
June 30, 2023

<u>Assets</u>	
Cash	\$ 4,683,396
Property tax receivable	<u>3,721,603</u>
Total assets	<u>\$ 8,404,999</u>
<u>Deferred Inflows of Resources</u>	
Property taxes levied for subsequent years	<u>\$ 3,587,944</u>
<u>Fund Balance</u>	
Restricted Fund Balance	<u>4,817,055</u>
Total deferred inflows of resources and fund balance	<u>\$ 8,404,999</u>

Statement of Revenues, Expenditures
and Change in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

SCHEDULE C-8

	<u>Original & Final Budget</u>	<u>Year Ended June 30, 2023</u>	<u>(Over) / Under Budget</u>	<u>Year Ended June 30, 2022</u>
Revenues:				
Local Sources:				
Property Taxes	\$ 6,728,038	6,971,787	(243,749)	6,519,304
Interest on Investments	1,962	75,911	(73,949)	3,164
Other Local Revenues	-	-	-	14
Total Revenues	<u>6,730,000</u>	<u>7,047,698</u>	<u>(317,698)</u>	<u>6,522,482</u>
Expenditures:				
Debt Service:				
Interest on Long-Term Debt	802,150	714,975	87,175	881,000
Principal on Long-Term Debt	5,925,000	5,925,000	-	5,370,000
Other	2,000	1,250	750	2,222
Total Expenditures	<u>6,729,150</u>	<u>6,641,225</u>	<u>87,925</u>	<u>6,253,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 850</u>	<u>406,473</u>	<u>(405,623)</u>	<u>269,260</u>
Fund Balance, Beginning of Year		<u>4,410,582</u>		<u>4,141,322</u>
Fund Balance, End of Year		<u>\$ 4,817,055</u>		<u>4,410,582</u>

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Social Security and IMRF Fund	Capital Projects Fund	Total Nonmajor Governmental Funds June 30,	
			2023	2022
<u>Assets</u>				
Cash	\$ 972,538	500,966	1,473,504	1,192,296
Property tax receivable	613,047	-	613,047	523,173
Total Assets	<u>\$ 1,585,585</u>	<u>500,966</u>	<u>2,086,551</u>	<u>1,715,469</u>
<u>Liabilities</u>				
Payroll liabilities	\$ 30,521	-	30,521	30,332
<u>Deferred Inflows of Resources</u>				
Property taxes levied for subsequent years	590,016	-	590,016	557,172
<u>Fund Balance</u>				
Restricted	965,048	500,966	1,466,014	1,127,965
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,585,585</u>	<u>500,966</u>	<u>2,086,551</u>	<u>1,715,469</u>

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

			Total Nonmajor Governmental Funds	
			Year Ended June 30,	
	Special Revenue Social Security and IMRF Fund	Capital Projects Fund	2023	2022
Revenues:				
Local Sources:				
Property Taxes	\$ 1,144,092	-	1,144,092	1,090,487
Replacement Taxes	40,397	-	40,397	-
Impact Fees	-	21,769	21,769	38,756
Interest on Investments	21,505	1,861	23,366	1,131
State Sources:				
Evidence Based Funding Formula	-	-	-	27,000
Federal Sources:				
CARES grant revenue	-	355,179	355,179	-
Total Revenues	1,205,994	378,809	1,584,803	1,157,374
Expenditures:				
Current:				
Instructional	489,874	-	489,874	454,226
Supporting Services				
Pupil Support	92,961	-	92,961	78,159
Instructional Staff	24,070	-	24,070	23,152
General administration	26,919	-	26,919	26,028
School administration	42,770	-	42,770	40,279
Business	110,608	-	110,608	125,828
Central	86,542	-	86,542	68,974
Other	-	-	-	4,439
Capital Outlay:	-	373,010	373,010	-
Total Expenditures	873,744	373,010	1,246,754	821,085
Excess (Deficiency) of Revenues Over (Under) Expenditures	332,250	5,799	338,049	336,289
Fund Balance, Beginning of Year	632,798	495,167	1,127,965	791,676
Fund Balance, End of Year	\$ 965,048	500,966	1,466,014	1,127,965

SUMMIT HILL SCHOOL DISTRICT NO. 161
SOCIAL SECURITY AND IMRF FUND

SCHEDULE D-3

Balance Sheet
June 30, 2023

<u>Assets</u>	
Cash in bank	\$ 972,538
Property tax receivable	613,047
Total Assets	<u>\$ 1,585,585</u>
<u>Liabilities</u>	
Payroll liabilities	<u>\$ 30,521</u>
<u>Deferred Inflows of Resources</u>	
Property taxes levied for subsequent years	<u>590,016</u>
<u>Fund Balance</u>	
Restricted for Social Security	93,995
Restricted for IMRF	871,053
Total Fund Balance	<u>965,048</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,585,585</u>

Statement of Revenues, Expenditures
and Changes in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

SCHEDULE D-4

	<u>Original & Final Budget</u>	<u>Year Ended June 30, 2023</u>	<u>(Over) / Under Budget</u>	<u>Year Ended June 30, 2022</u>
Revenues:				
Local sources:				
Property Taxes	\$ 1,075,000	1,144,092	(69,092)	1,090,487
Replacement Taxes	-	40,397	(40,397)	-
Interest on Investments	-	21,505	(21,505)	723
Total local sources	<u>1,075,000</u>	<u>1,205,994</u>	<u>(130,994)</u>	<u>1,091,210</u>
State Sources:				
Evidence Based Funding Formula	-	-	-	27,000
Total Revenues	<u>1,075,000</u>	<u>1,205,994</u>	<u>(130,994)</u>	<u>1,118,210</u>
Expenditures:				
Instructional	480,520	489,874	(9,354)	454,226
Supporting Services				
Pupil Support	85,749	92,961	(7,212)	78,159
Instructional Staff	24,425	24,070	355	23,152
General administration	27,296	26,919	377	25,966
School administration	42,496	42,770	(274)	40,279
Business	148,504	110,608	37,896	125,828
Central	111,010	86,542	24,468	68,974
Other	-	-	-	4,439
Total Expenditures	<u>920,000</u>	<u>873,744</u>	<u>46,256</u>	<u>821,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 155,000</u>	<u>332,250</u>	<u>(177,250)</u>	<u>297,187</u>
Fund Balance, Beginning of Year		<u>632,798</u>		<u>335,611</u>
Fund Balance, End of Year		<u>\$ 965,048</u>		<u>632,798</u>

SUMMIT HILL SCHOOL DISTRICT NO. 161
CAPITAL PROJECTS FUND

SCHEDULE D-5

Balance Sheet
June 30, 2023

<u>Assets</u>	
Cash in Bank	<u>\$ 500,966</u>
<u>Fund Balance</u>	
Restricted Fund Balance	<u>\$ 500,966</u>

Statement of Revenues, Expenditures
and Change in Fund Balance- Budget & Actual
For the Fiscal Year Ended June 30, 2023

SCHEDULE D-6

	<u>Original and Final Budget</u>	<u>Year Ended June 30, 2023</u>	<u>(Over) / Under Budget</u>	<u>Year Ended June 30, 2022</u>
Revenues:				
Local Sources:				
Impact Fees	\$ 40,000	21,769	18,231	38,756
Interest on Investments	1,000	1,861	(861)	408
Total local sources	<u>41,000</u>	<u>23,630</u>	<u>17,370</u>	<u>39,164</u>
State Sources:				
Evidence Based Funding Formula	103,821	-	103,821	-
Other restricted state sources	100,000	-	100,000	-
Total state sources	<u>203,821</u>	<u>-</u>	<u>203,821</u>	<u>-</u>
Federal Sources:				
ESSER grant revenue	355,179	355,179	-	-
Total Revenues	<u>600,000</u>	<u>378,809</u>	<u>221,191</u>	<u>39,164</u>
Expenditures:				
Facilities Acquisition and Construction				
Services:				
Capital Outlay	575,000	373,010	201,990	62
Total Expenditures	<u>575,000</u>	<u>373,010</u>	<u>201,990</u>	<u>62</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 25,000</u>	5,799	<u>19,201</u>	39,102
Fund Balance, Beginning of Year		<u>495,167</u>		<u>456,065</u>
Fund Balance, End of Year		<u>\$ 500,966</u>		<u>495,167</u>

STATISTICAL SECTION

SUMMIT HILL SCHOOL DISTRICT NO. 161

Statistical Section Year Ended June 30, 2023

This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. The section is divided into five sections as follows:

Financial Trends - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

	<u>Page</u>
Net Position by Component	72
Changes in Net Position	73
Fund Balances of Governmental Funds	74
Changes in Fund Balance	75

Revenue Capacity - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

	<u>Page</u>
Assessed Value and Actual Value of Taxable Property	76
Assessed Valuations, Rates, Extensions and Collections	77
Property Tax Rates - Direct and Overlapping Governments	78
Principal Property Taxpayers	79

Debt Capacity - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

	<u>Page</u>
Ratios of Outstanding Debt by Type	80
Ratios of General Bonded Debt Outstanding	81
Direct and Overlapping General Obligation Bonded Debt	82
Legal Debt Margin Information	83

Demographic and Economic Information - These schedules contain demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

	<u>Page</u>
Demographic and Economic Statistics	84-85
Principal Employers	86

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

	<u>Page</u>
Full-time Equivalent District Employees by Type	87
Teacher Base Salaries	88
School Building Information	89

FINANCIAL TRENDS

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Net Position by Component
Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities:										
Net investment in capital assets	\$ 21,551,502	17,092,630	13,564,675	10,325,537	6,587,614	3,328,631	4,282,041	3,122,849	4,294,662	2,067,144
Restricted net position	6,626,959	5,787,286	5,188,468	6,034,254	6,519,271	6,850,209	5,581,484	6,234,356	6,076,525	7,231,200
Unrestricted net position (deficit)	<u>(883,793)</u>	<u>(3,104,030)</u>	<u>(6,064,114)</u>	<u>(6,353,239)</u>	<u>(5,592,631)</u>	<u>(6,083,078)</u>	<u>10,314,260</u>	<u>7,968,835</u>	<u>4,412,853</u>	<u>3,735,768</u>
Total governmental activities net position	<u>\$ 27,294,668</u>	<u>19,775,886</u>	<u>12,689,029</u>	<u>10,006,552</u>	<u>7,514,254</u>	<u>4,095,762</u>	<u>20,177,785</u>	<u>17,326,040</u>	<u>14,784,040</u>	<u>13,034,112</u>

Source:

Annual financial statements 2014-2023.

Notes:

Amounts reported for 2014 have not been restated for the adoption of GASB 68.

Amounts reported for 2014-2017 have not been restated for the adoption of GASB 75.

Amounts reported for 2014-2019 have not been restated for the adoption of GASB 84.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Changes in Net Position
Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental activities:										
Instructional	\$ 38,422,387	36,922,670	41,180,083	32,255,006	45,799,843	37,125,135	34,877,064	30,023,049	28,765,398	29,144,210
Pupil Support	4,463,031	3,318,419	3,375,491	14,175,663	12,743,331	11,262,989	2,467,432	2,461,824	2,395,929	2,033,714
Community Services	14,902	13,038	-	13,986	13,250	11,186	-	-	-	-
Payments to Other Districts and Governmental Entities - Excluding Spec. Ed.	-	-	-	1,738,000	1,824,596	1,957,576	-	-	-	-
Other Support	6,155,054	5,359,111	9,779,215	-	-	-	7,973,119	7,262,609	7,385,208	6,581,171
Transportation	2,427,806	2,295,837	2,115,622	-	-	-	2,802,516	3,033,514	2,930,792	2,935,787
Administration	2,433,501	2,794,186	2,460,131	-	-	-	870,215	1,146,957	1,689,253	1,244,655
Interest Expense	714,975	786,991	1,219,934	1,310,613	1,575,755	1,608,754	3,294,406	3,120,932	3,344,939	3,199,820
Total expenses	54,631,656	51,490,252	60,130,476	49,493,268	61,956,775	51,965,640	52,284,752	47,048,885	46,511,519	45,139,357
Program revenues:										
Governmental activities:										
Charges for services:										
Instruction	581,055	532,181	237,335	867,008	914,281	795,422	740,232	764,481	778,808	952,817
Support Services	-	-	-	106,554	131,481	143,174	-	-	-	-
Operating grants and contrib.	15,648,897	14,615,561	20,623,050	9,863,029	24,530,064	16,223,347	18,242,765	13,030,924	12,225,795	8,792,240
Total program revenues	16,229,952	15,147,742	20,860,385	10,836,591	25,575,826	17,161,943	18,982,997	13,795,405	13,004,603	9,745,057
Net (expense) / revenue	<u>(38,401,704)</u>	<u>(36,342,510)</u>	<u>(39,270,091)</u>	<u>(38,656,677)</u>	<u>(36,380,949)</u>	<u>(34,803,697)</u>	<u>(33,301,755)</u>	<u>(33,253,480)</u>	<u>(33,506,916)</u>	<u>(35,394,300)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property Taxes	41,254,023	39,420,667	38,144,935	37,428,190	36,374,703	35,397,490	34,057,314	33,910,074	33,632,720	32,140,856
Evidence Based Funding	3,045,866	2,989,015	2,921,623	2,921,794	2,817,722	2,725,718	1,501,528	1,445,838	1,405,727	1,428,809
Intergovernmental	357,568	307,986	148,916	-	-	-	-	-	-	-
Investment Income	713,903	19,289	230,381	474,767	376,312	220,396	91,084	32,855	19,099	19,755
Other income	549,126	692,410	506,713	197,742	230,704	224,990	503,574	406,713	199,298	628,871
Total general revenues	45,920,486	43,429,367	41,952,568	41,022,493	39,799,441	38,568,594	36,153,500	35,795,480	35,256,844	34,218,291
Change in net position	<u>\$ 7,518,782</u>	<u>7,086,857</u>	<u>2,682,477</u>	<u>2,365,816</u>	<u>3,418,492</u>	<u>3,764,897</u>	<u>2,851,745</u>	<u>2,542,000</u>	<u>1,749,928</u>	<u>(1,176,009)</u>

Source:

Annual financial statements 2014-2023.

Notes:

Amounts reported for 2014 have not been restated for the adoption of GASB 68.

Amounts reported for 2014-2017 have not been restated for the adoption of GASB 75.

Amounts reported for 2014-2019 have not been restated for the adoption of GASB 84.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	\$ 42,525	71,946	-	183,014	70,115	140,229	210,344	-	235,390	94,331
Restricted	343,890	248,739	248,367	210,490	107,519	121,375	2,416,852	3,118,254	2,889,701	2,783,759
Assigned	169,411	83,592	1,014,640	-	-	-	172,808	80,282	38,659	35,721
Unassigned	21,046,446	19,920,044	17,725,709	17,578,729	18,172,721	16,709,292	15,031,089	13,895,481	12,367,020	12,407,549
Total General Fund	<u>\$ 21,602,272</u>	<u>20,324,321</u>	<u>18,988,716</u>	<u>17,972,233</u>	<u>18,350,355</u>	<u>16,970,896</u>	<u>17,831,093</u>	<u>17,094,017</u>	<u>15,530,770</u>	<u>15,321,360</u>
All other governmental funds:										
Nonspendable	\$ 52,366	84,483	-	-	-	-	-	-	1,021,794	1,183,231
Restricted	6,283,069	5,538,547	5,034,110	5,919,556	6,460,839	6,289,853	3,164,632	3,116,102	3,461,707	4,588,118
Assigned	1,502,069	2,171,835	2,151,224	2,257,871	1,896,468	1,540,209	2,428,859	2,309,154	1,006,227	1,135,436
Unassigned	-	-	-	-	-	-	(408,060)	(189,190)	(29,080)	(11,735)
Total all other governmental funds	<u>\$ 7,837,504</u>	<u>7,794,865</u>	<u>7,185,334</u>	<u>8,177,427</u>	<u>8,357,307</u>	<u>7,830,062</u>	<u>5,185,431</u>	<u>5,236,066</u>	<u>5,460,648</u>	<u>6,895,050</u>

Source:

Annual financial statements 2014-2023.

Note:

Amounts reported for 2014-2019 have not been restated for the adoption of GASB 84.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Changes in Fund Balances
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Local sources:										
Property taxes	\$ 41,254,023	39,420,667	38,144,935	37,321,310	36,275,858	35,308,665	33,949,410	33,812,376	33,509,160	32,039,545
Investment income	713,903	19,289	230,381	474,767	376,312	220,396	91,084	32,855	19,099	19,755
Other income	1,468,918	1,515,270	513,857	1,278,184	1,375,311	1,252,411	1,351,710	1,268,892	1,101,666	1,701,173
Total local sources	43,436,844	40,955,226	38,889,173	39,074,261	38,027,481	36,781,472	35,392,204	35,114,123	34,629,925	33,760,473
State sources:										
Evidence based funding	3,045,866	2,989,015	2,921,623	13,372,807	13,131,956	17,262,604	1,501,528	1,445,838	1,405,727	1,428,809
Grants-in-aid	1,093,359	1,130,396	1,496,091	-	-	-	2,774,496	2,609,065	2,514,518	2,238,044
Intergovernmental	357,568	307,986	148,916	-	-	-	-	-	-	-
Total state sources	4,496,793	4,427,397	4,566,630	13,372,807	13,131,956	17,262,604	4,276,024	4,054,903	3,920,245	3,666,853
Federal sources:										
Grants-in-aid	2,237,776	2,411,653	1,296,348	1,042,853	1,125,140	1,216,349	945,169	993,544	991,808	799,221
On behalf revenues	11,979,025	10,782,833	17,308,777	-	-	-	-	-	-	-
Total revenues	62,150,438	58,577,109	62,060,928	53,489,921	52,284,577	55,260,425	40,613,397	40,162,570	39,541,978	38,226,547
Expenditures:										
Current:										
Instruction	36,407,234	33,789,767	38,854,716	30,366,181	27,956,050	32,564,821	19,325,880	19,723,134	19,542,882	18,116,920
Support services	13,805,305	13,464,941	13,735,878	13,094,070	11,579,150	10,231,256	9,724,521	12,429,580	12,403,995	11,786,363
Community services	14,902	13,038	12,285	13,986	13,250	11,186	15,012	-	-	2,650
Payments to other districts and governmental units	3,588,172	3,111,005	3,351,653	3,459,745	3,547,448	3,778,816	3,903,808	1,031,135	1,116,643	3,887,666
Capital outlay	373,010	-	-	1,211,735	1,342,762	1,037,699	1,188,147	232,913	823,117	436,739
Debt service										
Principal	5,925,000	5,370,000	4,965,000	4,680,000	4,505,000	4,385,000	2,473,757	2,489,480	1,900,460	1,587,014
Interest	714,975	881,000	991,595	1,348,688	1,434,213	1,467,213	3,294,406	3,120,932	3,344,939	3,386,020
Bond issuance costs	1,250	2,222	125,189	-	-	-	1,425	1,544	272,630	620,956
Total expenditures	60,829,848	56,631,973	62,036,316	54,174,405	50,377,873	53,475,991	39,926,956	39,028,718	39,404,666	39,824,328
Excess (deficiency) of revenues over (under) expenditures	1,320,590	1,945,136	24,612	(684,484)	1,906,704	1,784,434	686,441	1,133,852	137,312	(1,597,781)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	11,735
Transfers out	-	-	-	-	-	-	-	-	-	(11,735)
Bonds issued	-	-	8,930,000	-	-	-	-	-	22,265,000	19,160,000
Premium on bonds issued	-	-	123,087	-	-	-	-	-	686,971	800,478
Payment to escrow agent	-	-	(9,053,309)	-	-	-	-	-	(22,675,000)	(19,567,522)
Total other financing sources (uses)	-	-	(222)	-	-	-	-	-	276,971	392,956
Net change in fund balances	\$ 1,320,590	1,945,136	24,390	(684,484)	1,906,704	1,784,434	686,441	1,133,852	414,283	(1,204,825)
Debt service as a percentage of non-capital expenditures	11.0%	11.0%	9.6%	11.4%	12.0%	11.2%	14.7%	14.4%	14.3%	14.2%
Debt service as a percentage of total expenditures	10.9%	11.0%	9.6%	11.1%	11.8%	10.9%	14.4%	14.4%	13.3%	12.5%

Source:
Annual financial statements 2014-2023.

Notes:
Amounts reported for 2014-2019 have not been restated for the adoption of GASB 84.

REVENUE CAPACITY

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

Levy Year	Assessed Value				Total Taxable Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate (1)
	Residential Property	Commercial Property	Industrial Property	Farm Property			
2022	\$ 770,975,507	157,511,786	92,128,705	1,333,388	1,021,949,386	3,065,848,158	4.1712
2021	713,047,560	156,682,163	91,940,710	1,404,058	963,074,491	2,889,223,473	4.1634
2020	690,047,534	156,644,535	82,773,410	1,497,576	930,963,055	2,792,889,165	4.1765
2019	671,482,449	157,539,166	81,148,843	1,430,502	911,600,960	2,734,802,880	4.1544
2018	655,637,915	154,961,049	80,288,890	1,372,894	892,260,748	2,676,782,244	4.1247
2017	636,665,639	156,114,258	77,829,002	1,318,569	871,927,468	2,615,782,404	4.1024
2016	610,190,380	157,355,457	78,973,349	1,253,529	847,772,715	2,543,318,145	4.1149
2015	585,087,354	160,640,121	79,637,041	1,104,416	826,468,932	2,479,406,796	4.1590
2014	576,819,179	164,588,530	81,190,137	1,097,250	823,695,096	2,471,085,288	4.1112
2013	589,221,797	164,218,541	81,772,951	1,072,785	836,286,074	2,508,858,222	3.9036
2012	626,131,394	160,644,502	83,948,893	1,106,572	871,831,361	2,615,494,083	3.6596

Data Source:

Office of the County Clerk

Note: Property tax in the District is reassessed each year. Property is assessed at 33.33% of actual value.

(1) Tax rates are per \$100 of assessed value.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Assessed Valuations, Rates, Extensions, and Collections
and Tax Collections**

	Tax Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Valuations	<u>\$ 823,468,932</u>	<u>826,468,932</u>	<u>847,772,715</u>	<u>871,927,468</u>	<u>892,260,748</u>	<u>911,600,960</u>	<u>930,963,055</u>	<u>963,074,491</u>	<u>1,021,949,386</u>
Tax Rates:									
Educational	2.7753	2.8153	2.8010	2.7561	2.7323	2.7344	2.8038	2.7863	2.7853
Operations & Maintenance	0.3572	0.3598	0.3474	0.3624	0.3998	0.4594	0.4651	0.4660	0.4653
Bond & Interest	0.6992	0.7004	0.6923	0.6828	0.6834	0.6848	0.6800	0.6986	0.7083
Transportation	0.1631	0.1617	0.1561	0.1540	0.1545	0.1081	0.0450	0.0452	0.0548
FICA/Medicare	0.0512	0.0390	0.0570	0.0860	0.0884	0.0974	0.1138	0.0912	0.0910
Working Cash	0.0492	0.0488	0.0357	0.0356	0.0359	0.0378	0.0344	0.0355	0.0258
Tort Immunity	<u>0.0160</u>	<u>0.0340</u>	<u>0.0254</u>	<u>0.0255</u>	<u>0.0304</u>	<u>0.0325</u>	<u>0.0344</u>	<u>0.0406</u>	<u>0.0407</u>
Totals	<u>4.1112</u>	<u>4.1590</u>	<u>4.1149</u>	<u>4.1024</u>	<u>4.1247</u>	<u>4.1544</u>	<u>4.1765</u>	<u>4.1634</u>	<u>4.1712</u>
Tax Extensions:									
Educational	\$ 22,860,010	23,267,580	23,746,114	24,031,193	24,379,241	24,926,817	26,102,342	26,834,145	28,464,356
Operations & Maintenance	2,942,239	2,973,635	2,945,162	3,159,865	3,567,258	4,187,895	4,329,909	4,487,927	4,755,130
Bond & Interest	5,759,276	5,788,588	5,869,131	5,953,521	6,097,710	6,242,643	6,330,549	6,728,038	7,238,468
Transportation	1,343,447	1,336,400	1,323,373	1,342,768	1,378,543	985,441	418,933	435,310	560,028
FICA/Medicare	421,732	322,323	483,231	749,857	788,758	887,899	1,059,436	878,324	929,974
Working Cash	405,258	403,317	302,655	310,406	320,322	344,585	320,251	341,891	263,663
Tort Immunity	<u>131,791</u>	<u>280,999</u>	<u>215,334</u>	<u>222,341</u>	<u>271,247</u>	<u>296,270</u>	<u>320,251</u>	<u>391,008</u>	<u>415,933</u>
Totals	<u>\$ 33,863,753</u>	<u>34,372,842</u>	<u>34,885,000</u>	<u>35,769,951</u>	<u>36,803,079</u>	<u>37,871,550</u>	<u>38,881,671</u>	<u>40,096,643</u>	<u>42,627,552</u>
Collections:									
Current	\$ 17,018,894	17,227,218	17,060,222	17,884,975	18,401,539	18,935,775	19,246,427	19,847,841	21,100,930
Subsequent	<u>16,609,573</u>	<u>16,687,607</u>	<u>17,423,686</u>	<u>17,433,869</u>	<u>18,385,535</u>	<u>18,702,568</u>	<u>19,572,826</u>	<u>20,153,384</u>	<u>-</u>
Totals	<u>\$ 33,628,467</u>	<u>33,914,825</u>	<u>34,483,908</u>	<u>35,318,844</u>	<u>36,787,074</u>	<u>37,638,343</u>	<u>38,819,253</u>	<u>40,001,225</u>	<u>21,100,930</u>
Percentage Collected:									
Current	50.26%	50.12%	48.90%	50.00%	50.00%	50.00%	49.51%	49.50%	49.50%
Subsequent	<u>49.05%</u>	<u>48.55%</u>	<u>49.95%</u>	<u>48.74%</u>	<u>49.96%</u>	<u>49.38%</u>	<u>50.34%</u>	<u>50.26%</u>	<u>0.00%</u>
Totals	<u>99.31%</u>	<u>98.67%</u>	<u>98.85%</u>	<u>98.74%</u>	<u>99.96%</u>	<u>99.38%</u>	<u>99.85%</u>	<u>99.76%</u>	<u>49.50%</u>

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years**

Levy Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Overlapping Governments (2):										
Will County	\$ 0.5620	0.5761	0.5788	0.5842	0.5927	0.5986	0.6147	0.6358	0.6433	0.6438
Will County Forest Preserve	0.1257	0.1339	0.1443	0.1462	0.1504	0.1895	0.1944	0.1937	0.1977	0.1970
Frankfort Township & Road	0.1830	0.1837	0.1988	0.2841	0.1987	0.2963	0.3040	0.3153	0.3220	0.2155
Frankfort Park District	0.2196	0.2254	0.2278	0.2284	0.2274	0.2263	0.2268	0.2302	0.2286	0.2215
Frankfort Square Park District	0.5236	0.5349	0.6383	0.6396	0.6274	0.6382	0.6433	0.6699	0.6557	0.6265
Mokena Park District	0.3048	0.3056	0.3139	0.3154	0.3160	0.3175	0.3208	0.3255	0.3240	0.3184
Tinley Park District	0.4686	0.5349	0.4199	0.4455	0.4259	0.5100	0.5605	0.5059	0.5273	0.4828
Frankfort Fire Protection District	0.8066	0.8174	0.8223	0.8155	0.8108	0.8084	0.8078	0.8224	0.8157	0.7840
Mokena Fire Protection District	1.0160	1.0149	1.0269	1.0235	1.0126	1.0095	1.0093	1.0245	1.0097	0.9684
Frankfort Public Library District	0.2028	0.2033	0.2041	0.2044	0.2035	0.2025	0.2033	0.2067	0.2051	0.1988
Mokena Public Library District	0.3164	0.3268	0.3371	0.3356	0.3335	0.3327	0.3338	0.3392	0.3169	0.3229
Village of Frankfort	0.6092	0.4168	0.4199	0.3384	0.3385	0.3386	0.3387	0.3388	0.3389	0.3390
Village of Mokena	0.3042	0.3133	0.3194	0.2427	0.2457	0.2496	0.2532	0.2597	0.2597	0.2498
Village of Orland Park and Library	1.0246	0.8073	0.9396	0.9205	0.8328	0.9444	1.0703	0.9725	1.0365	0.9489
Village of Tinley Park and Library	2.0991	1.4195	1.8864	1.8687	1.6870	1.7997	2.0041	1.8557	1.9537	1.8257
Lincoln-Way High School District 210	2.1877	2.1986	2.1911	2.1550	2.1292	2.1207	2.1189	2.1594	2.1394	2.0650
Community College District 525	0.2876	0.2848	0.2891	0.2938	0.2924	0.2994	0.3099	0.3065	0.3085	0.2955
Total Overlapping Governments	11.2415	10.2972	10.9577	10.8415	10.4245	10.8819	11.3138	11.1617	11.2827	10.7035
SUMMIT HILL SCHOOL DISTRICT NO. 161	4.1712	4.1634	4.1765	4.1544	4.1247	4.1024	4.1149	4.1590	4.1112	3.9036
Totals (1)	\$ 15.4127	14.4606	15.1342	14.9959	14.5492	14.9843	15.4287	15.3207	15.3939	14.6071

Data Source:

Will County Clerk

(1) Tax rates are expressed in dollars per \$100 of equalized assessed valuation.

(2) It should be noted that the boundaries of some of the overlapping governments listed only partially overlap the District and, therefore, the totals shown above overstate the tax rates for individual taxpayers within the District.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Principal Property Taxpayers
Current and Nine Years Ago**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
DT Brookside LLC	\$ 11,644,464	1	1.14%			
Tinley Park Portfolio Invst	8,075,224	2	0.79%			
Panterra Development LLC	7,188,271	3	0.70%	6,499,009	1	0.78%
VIP Tinley Park/VIP Mdg/VIP Mokena	4,734,810	4	0.46%			
West Core Alpha Mokena LLC	3,948,250	5	0.39%			
Lee S S	3,350,688	6	0.33%	2,893,776	3	0.35%
Target Corp T - 2035	3,346,148	7	0.30%	4,414,526	2	0.53%
Speedway LLC	3,301,539	8	0.32%			
Lenny's Gas N Wash LLC	2,982,134	9	0.30%			
Blackhawk Properties	2,917,369	10	0.29%			
Darvin Properties LLC				2,666,666	6	0.32%
Robert Jones				2,882,070	4	0.35%
DDR Brookside LLC				2,519,914	8	0.30%
FR/CAL Hickory Creek LLC				2,835,636	5	0.34%
Drente LLC				2,466,667	9	0.30%
Mokena Professional Center				2,630,037	7	0.32%
Formax				2,426,777	10	0.29%
Total	<u>\$51,488,897</u>		<u>5.02%</u>	<u>\$ 32,235,078</u>		<u>3.88%</u>

Data Source:

Will County Clerk's and Assessor's Office

(1) The figures above are totals of parcels with equalized assessed valuations of \$100,000, and over as recorded in the County Assessor's office. They were compiled from a meticulous page by page search of such records. It is possible, however, that certain parcels may have been overlooked.

(2) 2022 Equalized Assessed Valuation of the District is \$1,021,949,386

DEBT CAPACITY

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Deferred Issuance Premium	Installment Contract	Capital Appreciation Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2023	\$ 24,830,000	319,152	-	-	25,149,152	1.97%	1,207
2022	30,755,000	476,347	-	-	31,231,347	3.21%	1,319
2021	36,125,000	651,972	-	-	36,776,972	4.65%	1,812
2020	40,835,000	804,640	-	-	41,639,640	6.28%	2,329
2019	45,515,000	971,976	-	-	46,486,976	7.15%	2,329
2018	46,590,000	1,139,312	-	3,250,383	50,979,695	8.08%	2,595
2017	47,820,000	1,306,648	-	2,316,475	51,443,123	8.40%	2,655
2016	49,185,000	1,473,984	-	3,425,232	54,084,216	9.09%	2,831
2015	50,600,000	1,642,412	-	4,499,712	56,742,124	9.83%	3,010
2014	51,765,000	1,782,317	156,958	5,543,214	59,247,489	10.42%	3,181

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) Personal income and population data can be found in the Schedule of Demographic and Economic Statistics.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General and Capital Appreciation Bonds	Less: Amount Available in Debt Services Fund	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property(1)	Per Capita (2)
2023	\$ 25,149,152	4,817,055	20,332,097	0.66%	976
2022	31,231,347	4,410,582	26,820,765	0.93%	1,133
2021	36,776,972	4,141,322	32,635,650	1.17%	1,608
2020	41,639,640	3,945,443	37,694,197	1.38%	1,889
2019	46,486,976	3,740,715	42,746,261	1.60%	2,142
2018	50,979,695	3,616,272	47,363,423	1.81%	2,411
2017	51,443,123	3,532,383	47,910,740	1.88%	2,473
2016	54,084,216	3,572,101	50,512,115	2.04%	2,644
2015	56,742,124	3,455,668	53,286,456	2.16%	2,827
2014	59,090,531	3,009,823	56,080,708	2.24%	3,011

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Direct and Overlapping General Obligation Bonded Debt
For the Year Ended June 30, 2023**

Overlapping Agencies	Outstanding Obligations	Applicable to District	
		(1) Percent	(2) Amount
Will County	\$ -	3.993%	-
Will County Forest Preserve	68,580,000	3.993%	2,738,399
Village of Mokena	-	18.909%	-
Village of Orland Park	83,475,000	0.001%	835
Village of Tinley Park	15,720,000	25.612%	4,026,206
Frankfort Park District	1,620,000	3.367%	54,545
Frankfort Square Park District	1,336,000	81.312%	1,086,328
Mokena Community Park District	5,137,155	22.030%	1,131,715
Tinley Park District	1,059,900	8.9430%	94,787
Lincoln-Way HSD #210	198,823,284	21.493%	42,733,088
Joliet Community College #525	44,535,000	4.060%	1,808,121
Total Overlapping General Obligation Bonded Debt	420,286,339		53,674,026
SUMMIT HILL SCHOOL DISTRICT NO. 161	24,830,000	100.000%	24,830,000
Total Direct and Overlapping General Obligation Bonded Debt	\$ 445,116,339		\$ 78,504,026

Data Source:

Office of the Will County Clerk

(1) Excludes debt certificates.

(2) Includes outstanding general obligation bonds and original principal amounts of outstanding Capital Appreciation Bonds.

(3) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Legal Debt Margin Information Last Ten Fiscal Years

Legal Debt Margin Calculation										
Assessed value (2022)	\$	1,021,949,386								
Debt limit (6.9% of assessed value)	\$	70,514,508								
Debt applicable to limit		25,149,152								
Legal debt margin	\$	45,365,356								

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	\$ 70,514,508	66,452,140	64,236,451	62,900,466	61,565,992	60,162,995	58,496,317	57,026,356	56,834,962	57,703,739
Total net debt applicable to limit	25,149,152	31,231,347	36,776,972	40,835,000	45,515,000	49,660,767	51,443,123	52,610,232	55,099,712	57,465,172
Legal debt margin	\$ 45,365,356	35,220,793	27,459,479	22,065,466	16,050,992	10,502,228	7,053,194	4,416,124	1,735,250	238,567
Total net debt applicable to the limit as a percentage of debt limit	35.6652%	46.9983%	57.2525%	64.9200%	73.9288%	82.5437%	87.9425%	92.2560%	96.9469%	99.5866%

Source
Annual financial statements 2014-2023

DEMOGRAPHIC AND ECONOMIC DATA

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Average Daily Attendance	Operating Expenditures	Cost Per Pupil
2023	20,842	\$ 1,278,781,752	\$ 61,356	4.20%	2,390	\$ 41,836,588	17,505
2022	23,678	971,650,408	41,036	7.00%	2,573	39,595,918	15,389
2021	20,296	790,366,832	38,942	8.20%	2,579	38,645,755	14,985
2020	19,957	662,823,329	33,213	10.90%	2,695	46,720,598	17,336
2019	19,957	649,826,793	32,561	3.70%	2,704	43,095,898	15,935
2018	19,644	630,899,799	32,117	3.40%	2,815	46,586,079	16,549
2017	19,373	612,524,077	31,617	4.40%	2,921	47,492,321	16,259
2016	19,101	594,683,570	31,134	6.40%	3,018	42,612,164	14,119
2015	18,850	577,362,689	30,629	6.10%	3,128	41,782,989	13,358
2014	18,628	563,280,672	30,238	7.80%	3,166	39,601,344	12,508

Data Source:

U.S. Census Bureau and Department of Labor Statistics and American Community Survey

SUMMIT HILL SCHOOL DISTRICT NO. 161

Demographic and Economic Statistics
Last Ten Fiscal Years
(Continued)

Fiscal Year	Percent Change	Expenses	Cost Per Pupil	Percent Change	Teaching Staff	Pupil Teacher Ratio	Percentage of Students Receiving Free or Reduced Price Meals
2023	12.86%	\$ 60,829,848	\$ 25,452	13.52%	249	9.60	17.85%
2022	2.63%	56,631,973	22,010	-5.93%	247	10.42	18.18%
2021	-13.56%	60,130,476	23,315	27.55%	249	10.36	N/A
2020	8.77%	49,262,324	18,279	-20.22%	258	10.00	N/A
2019	-3.69%	61,956,775	22,913	24.12%	241	11.22	N/A
2018	1.79%	51,965,640	18,460	3.13%	239	11.78	4.82%
2017	15.15%	52,284,752	17,900	14.82%	239	12.22	4.82%
2016	5.70%	47,048,885	15,589	1.33%	230	13.12	1.75%
2015	6.79%	48,124,195	15,385	6.74%	248	12.61	3.27%
2014	14.39%	45,632,073	14,413	13.89%	241	13.14	3.41%

Data Source:

U.S. Census Bureau and Department of Labor Statistics and American Community Survey

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Principal Employers
Current and Nine Years Ago**

Employer	2023			2014		
	Number of Persons Employed	Rank	Percentage of Total Employment	Number of Persons Employed	Rank	Percentage of Total Employment
Retail trade	1,497	1	N/A	N/A	N/A	N/A
Administrative and waste management services	1,352	4	N/A	N/A	N/A	N/A
Accommodation and food services	1,163	2	N/A	N/A	N/A	N/A
Construction	1,065	3	N/A	N/A	N/A	N/A
Manufacturing	898	6	N/A	N/A	N/A	N/A
Healthcare and social assistance	816	5	N/A	N/A	N/A	N/A
Other services	616	7	N/A	N/A	N/A	N/A
Professional, scientific, and technical services	397	8	N/A	N/A	N/A	N/A
Finance and insurance	347	9	N/A	N/A	N/A	N/A
Wholesale trade	298	10	N/A	N/A	N/A	N/A
Total	8,449		N/A	0		0.00%

Data Source:

N/A - Information not available

OPERATING INFORMATION

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Supervisory										
Noninstructional administrators	4	4	4	4	4	4	4	4	4	4
Principals	6	6	6	6	6	6	6	6	6	6
Assistant principals	4	4	4	4	4	3	3	3	3	3
Total supervisory	14	14	14	14	14	13	13	13	13	13
Instruction										
Elementary classroom teachers	124	122	125	124	109	109	109	109	111	111
Secondary classroom teachers	47	43	43	33	31	31	31	31	46	32
ESE teachers	78	82	81	101	101	99	99	90	91	98
Aides	32	36	39	41	38	35	35	35	35	29
Total instruction	281	283	288	299	279	274	274	265	283	270
Student services										
Guidance counselors	2	2	2	2	2	2	2	2	2	2
Librarians	5	5	5	5	5	5	5	5	5	5
Technicians	7	11	10	8	5	5	3	3	3	3
Psychologists	3	4	4	-	-	-	-	-	-	-
Nurses	8	5	5	-	-	-	-	-	-	-
Other medically licensed staff (OT, PT, COTA, BCBA)	7	-	-	-	-	-	-	-	-	-
Total Student services	32	27	26	15	12	12	10	10	10	10
Support and administration										
Clerical/secretarial	22	23	24	21	22	20	20	20	20	20
Skilled crafts	3	2	2	1	1	1	1	1	1	1
Unskilled laborers	9	9	10	13	13	15	15	15	15	15
Total support and administration	34	34	36	35	36	36	36	36	36	36
Total	361	358	364	363	341	335	333	324	342	329

Data Source:

State Department of Education

SUMMIT HILL SCHOOL DISTRICT NO. 161

Teacher Base Salaries
Last Ten Fiscal Years

Fiscal Year	Minimum Salary	Maximum Salary	State Median Minimum Salary	State Median Maximum Salary
2023	\$ 56,402	109,846	42,190	83,565
2022	54,415	109,038	40,682	82,530
2021	53,002	107,201	40,025	79,935
2020	51,626	80,128	40,442	82,284
2019	50,774	79,057	39,817	80,851
2018	49,936	78,142	39,129	79,958
2017	49,110	77,247	38,814	79,662
2016	48,300	76,905	38,405	78,622
2015	48,110	77,846	36,927	74,388
2014	47,921	76,299	36,635	73,399

Data Source:

Minimum and maximum salaries for Summit Hill are from District records. Statewide salaries are from the Illinois State Board of Education records.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Full-time Equivalent District Employees by Type
Last Ten Fiscal Years**

School	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary:										
Arbury Hills School (1960)										
Square feet	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720
Capacity	456	456	456	456	456	456	456	456	456	456
Enrollment	164	168	169	187	189	193	223	217	233	246
Frankfort Square School (1973)										
Square feet	40,700	40,700	40,700	40,700	40,700	40,700	40,700	40,700	40,700	40,700
Capacity	426	426	426	426	426	426	426	426	426	426
Enrollment	175	184	185	183	181	196	209	215	226	244
Indian Trail School (1979)										
Square feet	57,496	57,496	57,496	57,496	57,496	57,496	57,496	57,496	57,496	57,946
Capacity	648	648	648	648	648	648	648	648	648	648
Enrollment	326	308	315	354	367	398	427	447	445	452
Dr. Julian Rogus School (2001)										
Square feet	131,308	131,308	131,308	131,308	131,308	131,308	131,308	131,308	131,308	131,308
Capacity	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112
Enrollment	644	648	584	620	634	618	676	705	801	779
Mary Drew School (2008)										
Square feet	62,777	62,777	62,777	62,777	62,777	62,777	62,777	62,777	62,777	62,777
Capacity	690	690	690	690	690	690	690	690	690	690
Enrollment	-	-	-	-	-	-	-	-	-	-
Middle:										
Hilda Walker School (1996)										
Buildings	10,462	100,462	100,462	100,462	100,462	100,462	100,462	100,462	100,462	100,462
Square feet	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Enrollment	550	602	623	672	699	719	717	768	748	716
Junior High:										
Summit Hill Junior High School (2007)										
Square feet	160,562	160,562	160,562	160,562	160,562	160,562	160,562	160,562	160,562	160,562
Capacity	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	640	663	703	712	749	769	767	747	772	811

Data Source:
District Records

OTHER REPORTS SECTION



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA

CATE MOULTON, CPA
KYLE SHEPPARD, CPA
MADISON SCHEEL, CPA
CHRIS CHRISTENSEN
JESSIKA MCGARVEY

CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed In Accordance with Government Auditing Standards**

To the Board of Education
Summit Hill School District No. 161
Frankfort, 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 Summit Hill School District No. 161, as of and for the year ended , and the related notes to the financial statements, which collectively comprise Summit Hill School District No. 161's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Summit Hill School District No. 161'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 Summit Hill School District No. 161's internal control. Accordingly, we do not express an opinion on the effectiveness of Summit Hill School District No. 161's internal control.

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

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

We noted certain matters that we reported to management of Summit Hill School District No. 161 in a separate letter dated December 13, 2023.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Summit Hill School District No. 161'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
December 13, 2023

SINGLE AUDIT SECTION



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA

CATE MOULTON, CPA
KYLE SHEPPARD, CPA
MADISON SCHEEL, CPA
CHRIS CHRISTENSEN
JESSIKA MCGARVEY

CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Compliance
for Each Major Program and On Internal
Control over Compliance Required by the Uniform Guidance**

To the Board of Education
Summit Hill School District No. 161
Frankfort, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Summit Hill School District No. 161's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Summit Hill School District No. 161's major federal programs for the year ended June 30, 2023. Summit Hill School District No. 161's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Summit Hill School District No. 161 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Summit Hill School District No. 161 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Summit Hill School District No. 161's compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grants applicable to Summit Hill School District No. 161's federal programs.

Auditors' Responsibility for Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Summit Hill School District No. 161's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report about Summit Hill School District No. 161's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance 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 Summit Hill School District No. 161's compliance with the requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of Summit Hill School District No. 161's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Summit Hill School District No. 161's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the accompanying financial statements of Summit Hill School District No. 161, as of and for the year ended June 30, 2023, and have issued our report thereon dated December 13, 2023, which contains an unmodified opinion in accordance with generally accepted accounting principles on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly presented in all material respects in relation to the basic financial statements as a whole.

Mack & Associates, P.C.
Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
December 13, 2023

SUMMIT HILL SCHOOL DISTRICT NO. 161

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
Child Nutrition Cluster		
<i>United States Department of Agriculture:</i>		
Passed-through Illinois State Board of Education:		
National School Lunch Program:		
National School Lunch Program 2023 - 4210-2023	10.555	\$ 145,254
National School Lunch Program 2022 - 4210-2022	10.555	24,942
National School Lunch Program 2023 - 4210-SC-2023	10.555	82,161
National School Lunch Program 2022 - 4210-SC-2022	10.555	51,357
National School Lunch Program 2022 - 4210-BT-2022	10.649	628
DoD Fruits & Vegetables	10.555	10,588
Total National School Lunch Program		<u>314,930</u>
Total Passed Through Illinois State Board of Education		<u>314,930</u>
Total United States Department of Agriculture		<u>314,930</u>
Total Child Nutrition Cluster		<u>314,930</u>
Special Education Cluster		
<i>United States Department of Education:</i>		
Passed-through Illinois State Board of Education:		
IDEA - Special Education Grants		
ARP IDEA - 2022 - 4998-ID-2022	84.027X*	129,271
IDEA Flow-Through - 2023 - 4620-2023	84.027A*	689,259
Total IDEA - Special Education Grants		<u>818,530</u>
Special Education Preschool Grants		
ARP Act Preschool - 2022 - 4998-2022	84.173X*	12,801
IDEA Preschool Flow-Through - 2023 - 4600-2023	84.173A*	38,061
Total Special Education Preschool Grants		<u>50,862</u>
Total Passed Through Illinois State Board of Education		<u>869,392</u>
Total United States Department of Education		<u>869,392</u>
Total Special Education Cluster		<u>869,392</u>
U.S. Department of Health and Human Services		
Passed-through Illinois Department of Healthcare & Family Services		
Medical Assistance Program - 2023 - 4991-2023	93.778	<u>111,129</u>
Total U.S. Department of Health and Human Services		<u>111,129</u>
Other Programs:		
<i>United States Department of Education:</i>		
Passed-through Illinois State Board of Education:		
Improving Teacher Quality State Grants		
Title II - 2023 - 4932-2023	84.367A	<u>67,231</u>
Title I Grants to Local Educational Agencies		
Title I - 2022 - 4300-2022	84.010A	8,218
Title I - 2023 - 4300-2023	84.010A	<u>121,958</u>
Total Title I Grants to Local Educational Agencies		<u>130,176</u>
Title III Grants to Local Educational Agencies		
Title III - 2022 - 4909-2022	84.365A	4,245
Title III - 2023 - 4909-2023	84.365A	<u>20,904</u>
Total Title III Grants to Local Educational Agencies		<u>25,149</u>
Title I Grants to Local Educational Agencies		
Title IVA - 2022 - 4400-2022	84.424A	915
Title IVA - 2023 - 4400-2023	84.424A	<u>20,787</u>
Total Title I Grants to Local Educational Agencies		<u>21,702</u>
Education Stabilization Funds		
Elementary and Secondary School Emergency Relief - 2022 - 4998-E3-2022	84.425U*	<u>598,941</u>
Total Passed Through Illinois State Board of Education		<u>843,199</u>
Total United States Department of Education		<u>843,199</u>
Total Other Programs		<u>843,199</u>
Total Expenditures of Federal Awards		<u>\$ 2,138,650</u>

* denotes major program

SUMMIT HILL SCHOOL DISTRICT NO. 161

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards presents total federal awards expended for each individual federal program in accordance with the requirements of the Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA).

Federal financial assistance received is reflected in the District's financial statements within the General Fund as grants-in-aid from federal sources.

NOTE 2: **BASIS OF ACCOUNTING**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Summit Hill School District No. 161 and is presented on the modified accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of the Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: **INDIRECT FACILITIES & ADMINISTRATION COSTS**

Summit Hill School District No. 161 did not elect to use the 10% de minimis cost rate.

NOTE 4: **SUB-RECIPIENTS**

Summit Hill School District No. 161 did not provide awards to sub-recipients.

NOTE 5: **NON-CASH AWARDS**

The amount of commodities reported on the schedule (\$10,588) is the value of commodities distributed by the USDA Department of Defense during the current year and priced as prescribed by the U.S. Department of Agriculture (CFDA 10.555).

NOTE 6: **OTHER DISCLOSURES**

Amount of federal insurance, loans, and loan guarantees in effect during the year – None.

Federal Grants requiring matching expenditures – Yes.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Summary of Findings and Questioned Costs For the Year Ended June 30, 2023

A. SUMMARY OF AUDITORS' RESULTS

1. The Auditors' Report expresses an unmodified opinion on the financial statements of Summit Hill School District No. 161.
2. No significant deficiencies and no material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Summit Hill School District No. 161 were disclosed during the audit.
4. No significant deficiencies and no material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and On Internal Control over Compliance Required by the Uniform Guidance.
5. The Independent Auditors' Report on Compliance for the major federal award programs for Summit Hill School District No. 161, expresses an unmodified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for the Summit Hill School District No. 161, are reported in Part C of this Schedule.
7. The programs tested as major programs were the Education Stabilization Funds (CFDA Number 84.425U) and the IDEA Cluster (CFDA Number 84.027 and 84.173). The total amount of federal programs tested as major was \$1,468,333, which is 68.57% of total federal expenditures for the year ended June 30, 2023.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Summit Hill School District No. 161 was determined to be a low-risk auditee.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Summary of Findings and Questioned Costs
For the Year Ended June 30, 2023**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

SUMMIT HILL SCHOOL DISTRICT NO. 161

**Summary of Findings and Questioned Costs
For the Year Ended June 30, 2023**

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

None.

SUMMIT HILL SCHOOL DISTRICT NO. 161

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2023

Compliance Findings:

Finding 2022-01: School Community Organization (SCO) Accounts

There were several School Community Organizations that have checking accounts that are using the District's federal identification number (FEIN). The FEIN should only be used by accounts that are under the full authority and control of the School Board, where all activity reported is part of the school's annual reporting. Entities operating outside of the District's governance should be separate and distinct from the District, including filing under their own FEIN. This is a repeat finding for 2023.