



**WOLF BRANCH SCHOOL**  
**DISTRICT NO. 113**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED  
JUNE 30, 2023

233 East Center Drive, P.O. Box 416  
Alton, Illinois 62002  
(618) 465-7717 Fax (618) 465-7710

80 Edwardsville Professional Park  
Edwardsville, Illinois 62025  
(618) 656-2146 Fax (618) 656-2147



**WOLF BRANCH SCHOOL DISTRICT NO. 115**

**TABLE OF CONTENTS  
JUNE 30, 2023**

	<u>Page</u>
Independent Auditor's Report	1 – 3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4 – 5
<b><u>Financial Statements:</u></b>	
Statement of Assets and Liabilities Arising from Cash Transactions	6
Statement of Cash Receipts, Disbursements, Other Financing Sources and Changes in Fund Balance	7
Statement of Cash Receipts	8 – 9
Statement of Cash Disbursements, Budget to Actual	10 – 14
Notes to Financial Statements	15 – 34

## INDEPENDENT AUDITOR'S REPORT

To the President and Board of Education of  
Wolf Branch School District No. 113  
St. Clair County, Illinois

### **Opinions**

We have audited the accompanying financial statements of the Wolf Branch School District No. 113 (District") as of and for the year ended June 30, 2023, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2023, and the respective change in its financial position for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education, on the modified cash basis, as described in Note 1.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of June 30, 2023, or changes in net position, or cash flows thereof for the year then ended.

### **Basis for Opinions**

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

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

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the

preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, 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**

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wolf Branch School District No. 113's basic financial statements. The schedules listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Wolf Branch School District No. 113. Such information is the responsibility of management and has been derived from and relate directly 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in

the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C. J. Schwan & Company

Certified Public Accountants  
Alton, Illinois  
October 13, 2023



C. J. SCHLOSSER  
& COMPANY, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

David M. Bartosiak  
Cindy A. Tefteller  
Kevin J. Tepen

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

To the President and Board of Education of  
Wolf Branch School District No. 113  
St. Clair County, 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 Wolf Branch School District No. 113 ("District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2023. Our opinion was adverse because the financial statements were not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the modified cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

*C. J. Schlosser & Company LLC*

Certified Public Accountants

Alton, IL

October 13, 2023

**WOLF BRANCH SCHOOL DISTRICT NO. 113**

STATEMENT OF ASSETS AND  
LIABILITIES ARISING FROM CASH TRANSACTIONS  
STATEMENT OF POSITION AS OF JUNE 30, 2023

ASSETS	Educational	Operations & Maintenance	Debt Service	Transportation	IMRF/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	Account Groups	
										General Fixed Assets	General Long-Term Debt
Cash	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	95,130	5,906,591	353,188	733,428	55,199	-	2,448,769	298,582	1,448,387	-	-
General Fixed Assets	-	-	-	-	-	-	-	-	-	47,579,155	-
Amount Available in Debt Service Funds	-	-	-	-	-	-	-	-	-	-	353,188
Amount to be Provided for Payment of Bonds	-	-	-	-	-	-	-	-	-	-	9,100,224
<b>Total Assets</b>	<b>\$ 99,130</b>	<b>\$ 5,906,591</b>	<b>\$353,188</b>	<b>\$ 733,428</b>	<b>\$ 55,199</b>	<b>\$ -</b>	<b>\$ 2,448,769</b>	<b>\$298,582</b>	<b>\$1,448,387</b>	<b>\$ 47,579,155</b>	<b>\$ 9,453,412</b>
<b>LIABILITIES AND FUND BALANCE</b>											
Current Liabilities:											
Payroll Deductions Payable	\$ (6,438)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities:	(6,438)	-	-	-	-	-	-	-	-	-	-
Long-Term Liabilities	-	-	-	-	-	-	-	-	-	-	9,453,412
Total Liabilities	(6,438)	-	-	-	-	-	-	-	-	-	9,453,412
Fund Balance:											
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	47,579,155	-
Fund Balance:											
Reserved	369,649	-	-	-	-	-	-	-	-	-	-
Unreserved	(264,081)	5,906,591	353,188	733,428	55,199	-	2,448,769	298,582	1,448,387	-	-
Total Fund Balance	105,568	5,906,591	353,188	733,428	55,199	-	2,448,769	298,582	1,448,387	47,579,155	-
Total Liabilities and Fund Balance	\$ 99,130	\$ 5,906,591	\$353,188	\$ 733,428	\$ 55,199	\$ -	\$ 2,448,769	\$298,582	\$1,448,387	\$ 47,579,155	\$ 9,453,412

See Notes to Financial Statements



**WOLF BRANCH SCHOOL DISTRICT NO. 113**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Educational	Operations & Maintenance	Debt Service	Transportation	IMRF/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>Receipts:</b>									
Local Sources	\$ 4,493,046	\$ 1,161,651	\$ 1,749,385	\$ 208,752	\$ 241,605	\$ 27,756	\$ 112,848	\$ 463,275	\$ 153,279
State Sources	1,307,262	-	-	123,116	-	590,531	-	-	218,175
Federal Sources	584,129	-	-	-	-	-	-	-	-
Total Direct Receipts	6,384,437	1,161,651	1,749,385	331,868	241,605	618,287	112,848	463,275	371,454
Receipts for On-Behalf Payments	2,217,184	-	-	-	-	-	-	-	-
Total Receipts	8,601,621	1,161,651	1,749,385	331,868	241,605	618,287	112,848	463,275	371,454
<b>Disbursements:</b>									
Instruction	4,511,686	-	-	-	98,918	-	-	30,633	-
Support Services	1,565,538	1,228,442	-	279,214	133,227	15,039	-	351,776	2,942
Community Services	163,284	-	-	-	15,681	-	-	-	-
Payments to Other Districts & Governmental Units	631,909	-	-	-	1,488	-	-	-	-
Debt Services	-	-	1,745,418	-	-	-	-	-	-
Total Direct Disbursements	6,872,417	1,228,442	1,745,418	279,214	249,314	15,039	-	382,409	2,942
Disbursements for On-Behalf Payments	2,217,184	-	-	-	-	-	-	-	-
Total Disbursements	9,089,601	1,228,442	1,745,418	279,214	249,314	15,039	-	382,409	2,942
Excess of Receipts Over (Under) Disbursements	(487,980)	(66,791)	3,967	52,654	(7,709)	603,248	112,848	80,866	368,512
<b>Other Financing Sources (Uses):</b>									
Proceeds from Debt	-	220,000	-	-	-	-	4,098,412	-	650,000
Premium on Bonds Sold	-	2,116	315,602	-	-	-	81,699	2,000	20,989
Debt Issuance Costs	-	(7,116)	(63,801)	-	-	-	(45,111)	-	-
Working Cash Fund Abatement	500,000	3,000,000	-	-	-	-	(3,500,000)	-	-
Total Other Financing Sources	500,000	3,215,000	251,801	-	-	-	635,000	2,000	670,989
Excess of Receipts and Other Financing Uses Over (Under) Disbursements	12,020	3,148,209	255,768	52,654	(7,709)	603,248	747,848	82,866	1,039,501
Fund Balance, Beginning of Year	93,548	2,758,382	97,420	680,774	62,908	(603,248)	1,700,921	215,716	408,886
Fund Balance, End of Year	\$ 105,568	\$ 5,906,591	\$ 353,188	\$ 733,428	\$ 55,199	\$ -	\$ 2,448,769	\$ 298,582	\$ 1,448,387

See Notes to Financial Statements

**WOLF BRANCH SCHOOL DISTRICT NO. 113**

**STATEMENT OF CASH RECEIPTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Educational	Operations & Maintenance	Debt Service	Transportation	IMRF/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>Receipts:</b>									
<b>Local Sources:</b>									
Property Taxes:									
General Levy	\$ 3,444,534	\$ 1,068,236	\$ 1,740,843	\$ 201,632	\$ 99,865	\$ -	\$ 98,609	\$ 459,003	\$ 98,815
Leasing Levy	35,819	-	-	-	-	-	-	-	-
Special Education Levy	39,363	-	-	-	129,692	-	-	-	-
Social Security/Medicare Only Levy	-	-	-	-	229,557	-	-	-	-
Total Property Taxes	3,519,716	1,068,236	1,740,843	201,632	229,557	-	98,609	459,003	98,815
Payments in Lieu of Taxes:									
Mobile Home Privilege Tax	623	-	-	-	-	-	-	-	-
Corporate Personal Property Replacement Taxes	80,633	-	-	-	9,200	-	-	-	-
Total Payments in Lieu of Taxes	81,256	-	-	-	9,200	-	-	-	-
Earnings on Investments	19,934	31,325	8,542	7,120	2,848	2,585	14,239	4,272	51,522
Food Services	149,359	-	-	-	-	-	-	-	-
District Activity Income	330,547	-	-	-	-	-	-	-	-
Textbooks	108,050	-	-	-	-	-	-	-	-
Other:									
Rentals	6,000	1,200	-	-	-	-	-	-	-
Contributions and Donations from Private Sources	93,225	-	-	-	-	25,171	-	-	-
Refund of Prior Years' Expenditures	-	-	-	-	-	-	-	-	-
Payments from TIF	14,983	-	-	-	-	-	-	-	-
Other Local Fees	168,529	-	-	-	-	-	-	-	-
Other	1,447	60,890	-	-	-	-	-	-	2,942
Total Other	284,184	62,090	-	-	-	25,171	-	-	2,942
Total Receipts from Local Sources	4,493,046	1,161,651	1,749,385	208,752	241,605	27,756	112,848	463,275	153,279
<b>State Sources:</b>									
Unrestricted Grants-in-Aid:									
Evidence Based Funding Formula	1,273,243	-	-	-	-	-	-	-	-
Restricted Grants-in-Aid:									
Special Education - Private Facility Tuition	4,606	-	-	-	-	-	-	-	-
Special Education - Orphanage	28,982	-	-	-	-	-	-	-	-
State Free Lunch and Breakfast	431	-	-	17,046	-	-	-	-	-
Transportation - Regular/Vocational	-	-	-	106,070	-	-	-	-	-
Transportation - Special Education	-	-	-	-	-	-	-	-	-
Infrastructure Improvements	-	-	-	-	-	590,531	-	-	218,175
Total Restricted Grants-in-Aid	34,019	-	-	123,116	-	590,531	-	-	218,175
Total Receipts from State Sources	1,307,262	-	-	123,116	-	590,531	-	-	218,175

**WOLF BRANCH SCHOOL DISTRICT NO. 113**

**STATEMENT OF CASH RECEIPTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Educational	Operations & Maintenance	Debt Service	Transportation	IMRF/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>Federal Sources:</b>									
Unrestricted Grants-in-Aid Received Directly From the Federal Government:									
Impact Aid	25,574	-	-	-	-	-	-	-	-
Restricted Grants-in-Aid Received From Federal Government Through the State:									
Food Services	181,223	-	-	-	-	-	-	-	-
Title I	56,389	-	-	-	-	-	-	-	-
Federal Special Education	122,732	-	-	-	-	-	-	-	-
Title II - Teacher Quality	14,474	-	-	-	-	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	5,584	-	-	-	-	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	6,862	-	-	-	-	-	-	-	-
Other Federal Funds - CARES	171,291	-	-	-	-	-	-	-	-
Total Restricted Grants-in-Aid Received from Federal Government through the State	584,129	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$ 6,384,437</b>	<b>\$ 1,161,651</b>	<b>\$ 1,749,385</b>	<b>\$ 331,868</b>	<b>\$ 241,605</b>	<b>\$ 618,287</b>	<b>\$ 112,848</b>	<b>\$ 463,275</b>	<b>\$ 371,454</b>

**WOLF BRANCH SCHOOL DISTRICT NO. 113**

**STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
<b>Educational Fund:</b>									
<b>Instruction:</b>									
Regular Programs	\$ 2,750,702	\$ 648,544	\$ 2,462	\$ 199,384	\$ -	\$ -	\$ 59,109	\$ 3,660,201	\$ 3,618,632
Pre-K Programs	124,899	10,722	-	3,819	-	-	-	139,440	166,084
Special Education Programs	322,443	64,712	-	1,577	-	-	-	388,732	470,422
Remedial and Supplemental Programs	59,453	1,473	6,640	1,425	-	-	14,098	83,089	59,324
Interscholastic Programs	79,280	6,990	5,300	9,730	-	-	-	101,300	106,132
Gifted Programs	1,460	224	-	-	-	-	-	1,684	10,100
Student Activity Fund Expenditures	-	-	-	-	-	137,240	-	137,240	25,000
<b>Total Instruction</b>	<b>3,338,237</b>	<b>732,665</b>	<b>14,402</b>	<b>215,935</b>	<b>-</b>	<b>137,240</b>	<b>73,207</b>	<b>4,511,686</b>	<b>4,455,694</b>
<b>Support Services:</b>									
<b>Pupils:</b>									
Attendance & Social Work Services	128,580	45,793	15,759	10,438	-	-	-	200,570	217,291
Health Services	45,015	10,006	44,301	2,748	-	-	284	102,354	114,255
Speech Pathology & Audiology	89,461	21,121	-	100	-	-	-	110,682	111,566
<b>Total Support Services - Pupils</b>	<b>263,056</b>	<b>76,920</b>	<b>60,060</b>	<b>13,286</b>	<b>-</b>	<b>-</b>	<b>284</b>	<b>413,606</b>	<b>443,112</b>
<b>Instructional Staff:</b>									
Improvement of Instruction Services	6,198	3,000	9,999	-	-	-	-	19,197	16,600
Educational Media Services	35,721	-	-	1,139	-	-	-	36,860	44,785
Assessment & Testing	-	-	-	5,769	-	-	-	5,769	5,000
<b>Total Support Services - Instructional Staff</b>	<b>41,919</b>	<b>3,000</b>	<b>9,999</b>	<b>6,908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,826</b>	<b>66,385</b>
<b>General Administration:</b>									
Board of Education Services	1,500	-	24,214	1,491	-	20,874	-	48,079	41,500
Executive Administration Services	232,525	48,865	1,711	1,792	-	1,180	749	286,822	259,973
<b>Total Support Services - General Administration</b>	<b>234,025</b>	<b>48,865</b>	<b>25,925</b>	<b>3,283</b>	<b>-</b>	<b>22,054</b>	<b>749</b>	<b>334,901</b>	<b>301,473</b>
<b>School Administration:</b>									
Office of the Principal Services	383,015	86,725	747	2,508	-	1,910	136	475,041	506,135
<b>Total Support Services - School Administration</b>	<b>383,015</b>	<b>86,725</b>	<b>747</b>	<b>2,508</b>	<b>-</b>	<b>1,910</b>	<b>136</b>	<b>475,041</b>	<b>506,135</b>

See Notes to Financial Statements

**WOLF BRANCH SCHOOL DISTRICT NO. 113**

**STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
<b>Educational Fund: (Continued)</b>									
Business:									
Fiscal Services	38,705	5,541	1,051	2,155	-	-	-	47,432	48,896
Food Services	-	-	232,732	-	-	-	-	232,732	221,000
Total Support Services - Business	38,705	5,541	233,783	2,155	-	-	-	280,164	269,896
Total Support Services	960,720	221,051	330,514	28,120	-	23,964	1,169	1,565,538	1,587,001
Community Services	144,487	3,621	1,937	13,239	-	-	-	163,284	134,762
Payments to Other Districts and Government Units:									
Payments to Other Government Units (In-State):	-	-	33,841	-	-	-	-	33,841	16,200
Payments for Regular Programs	-	-	38,687	-	-	22,539	-	61,226	49,000
Payments for Special Ed Programs	-	-	-	-	-	-	-	-	-
Payments for Special Education Tuition Programs	-	-	-	-	-	536,842	-	536,842	300,000
Total Payments to Other Government Units (In-State)	-	-	72,528	-	-	559,381	-	631,909	365,200
Total Disbursements	4,443,444	957,337	419,381	257,294	-	720,585	74,376	6,872,417	6,542,657
<b>Operations and Maintenance Fund:</b>									
Support Services:									
Business:									
Operation and Maintenance of Plant Services	400,028	69,760	341,520	316,859	75,600	6,679	17,996	1,228,442	1,287,063
Total Support Services	400,028	69,760	341,520	316,859	75,600	6,679	17,996	1,228,442	1,287,063
Total Disbursements	400,028	69,760	341,520	316,859	75,600	6,679	17,996	1,228,442	1,287,063
<b>Bond and Interest Fund:</b>									
Debt Services:									
Interest on Long Term Debt	-	-	-	-	-	210,100	-	210,100	210,100
Principal Payments on Long Term Debt	-	-	-	-	-	1,535,000	-	1,535,000	1,535,000
Other	-	-	318	-	-	-	-	318	318
Total Debt Services	-	-	318	-	-	1,745,100	-	1,745,418	1,745,418
Total Disbursements	-	-	318	-	-	1,745,100	-	1,745,418	1,745,418

**WOLF BRANCH SCHOOL DISTRICT NO. 113**

**STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
<b>Municipal Retirement/Social Security Fund:</b>									
Instruction:									
Regular Programs	\$ -	\$ 49,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,700	\$ 45,500
Pre-K Programs	-	18,412	-	-	-	-	-	18,412	21,800
Special Education Programs	-	19,892	-	-	-	-	-	19,892	25,984
Remedial and Supplemental Programs	-	8,391	-	-	-	-	-	8,391	8,500
Interscholastic Programs	-	2,434	-	-	-	-	-	2,434	3,150
Gifted Programs	-	89	-	-	-	-	-	89	200
Total Instruction	-	98,918	-	-	-	-	-	98,918	105,134
Support Services:									
Pupils:									
Attendance & Social Work Services	-	2,823	-	-	-	-	-	2,823	3,350
Health Services	-	13,325	-	-	-	-	-	13,325	14,700
Speech Pathology & Audiology Services	-	1,152	-	-	-	-	-	1,152	1,300
Other	-	2,364	-	-	-	-	-	2,364	2,300
Total Support Services - Pupils	-	19,664	-	-	-	-	-	19,664	21,650
Instructional Staff:									
Improvement of Instruction Services	-	-	-	-	-	-	-	-	320
Educational Media Services	-	5,550	-	-	-	-	-	5,550	7,400
Total Support Services - Instr Staff	-	5,550	-	-	-	-	-	5,550	7,720
General Administration:									
Board of Education Services	-	115	-	-	-	-	-	115	200
Executive Administration Services	-	16,764	-	-	-	-	-	16,764	13,600
Total Support Services - Gen Adm	-	16,879	-	-	-	-	-	16,879	13,800
School Administration:									
Office of the Principal Services	-	18,869	-	-	-	-	-	18,869	20,300
Total Support Services - School Admin	-	18,869	-	-	-	-	-	18,869	20,300
Business:									
Fiscal Services	-	6,348	-	-	-	-	-	6,348	6,800
Operation and Maintenance of Plant Services	-	65,917	-	-	-	-	-	65,917	64,000
Total Support Services - Business	-	72,265	-	-	-	-	-	72,265	70,800
Total Support Services	-	133,227	-	-	-	-	-	133,227	134,270
Community Services	-	15,681	-	-	-	-	-	15,681	11,200
Payments for Special Education Programs	-	1,488	-	-	-	-	-	1,488	500
Total Disbursements	\$ -	\$ 249,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249,314	\$ 251,104

See Notes to Financial Statements

**WOLF BRANCH SCHOOL DISTRICT NO. 113**

**STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
<b>Transportation Fund:</b>									
Support Services - Business:									
Pupil Transportation Services	-	\$ -	\$ 279,214	\$ -	\$ -	\$ -	\$ -	\$ 279,214	\$ 353,000
Total Support Services	-	-	279,214	-	-	-	-	279,214	353,000
Total Disbursements	-	\$ -	\$ 279,214	\$ -	\$ -	\$ -	\$ -	\$ 279,214	\$ 353,000
<b>Total Fund:</b>									
Instruction:									
Regular Programs	\$ 27,252	\$ 3,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,633	\$ 33,167
Total Instruction	27,252	3,381	-	-	-	-	-	30,633	33,167
Support Services:									
Pupils:									
Attendance & Social Work Services	85,815	10,600	-	-	-	-	-	96,415	97,328
Health Services	40,854	-	-	-	-	-	-	40,854	41,054
Other	-	-	30,900	-	-	-	-	30,900	30,900
Total Support Services - Pupils	126,669	10,600	30,900	-	-	-	-	168,169	169,282
General Administration:									
Board of Education Services	-	-	47,336	-	-	-	-	47,336	25,000
Executive Administration Services	22,957	2,175	-	-	-	-	-	25,132	19,218
Risk Management and Claims Services Payments	-	-	27,827	1,281	16,555	9,749	4,059	59,471	135,000
Total Support Services - Gen Adm	22,957	2,175	75,163	1,281	16,555	9,749	4,059	131,939	179,218
School Administration:									
Office of the Principal Services	33,616	4,119	-	-	-	-	-	37,735	38,016
Total Support Services - School Admin	33,616	4,119	-	-	-	-	-	37,735	38,016
Business:									
Fiscal Services	-	-	-	-	-	-	-	-	5,000
Operation and Maintenance of Plant Services	11,389	-	2,544	-	-	-	-	13,933	17,621
Total Support Services - Business	11,389	-	2,544	-	-	-	-	13,933	22,621
Total Support Services	194,631	16,894	108,607	1,281	16,555	9,749	4,059	351,776	409,137
Total Disbursements	\$ 221,883	\$ 20,275	\$ 108,607	\$ 1,281	\$ 16,555	\$ 9,749	\$ 4,059	\$ 382,409	\$ 442,304

**WOLF BRANCH SCHOOL DISTRICT NO. 113**

**STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
<b>Fire Prevention and Safety Fund:</b>									
Support Services:									
Business:									
Facilities Acquisition & Construction	\$ -	\$ -	\$ -	\$ -	\$ 2,942	\$ -	\$ -	\$ 2,942	\$ 1,760,000
Total Support Services	-	-	-	-	2,942	-	-	2,942	1,760,000
Total Disbursements	\$ -	\$ -	\$ -	\$ -	\$ 2,942	\$ -	\$ -	\$ 2,942	\$ 1,760,000
<b>Capital Projects Fund:</b>									
Support Services:									
Business:									
Facilities Acquisition & Construction	\$ -	\$ -	\$ 15,039	\$ -	\$ -	\$ -	\$ -	\$ 15,039	\$ 14,968
Total Support Services - Business	-	-	15,039	-	-	-	-	15,039	14,968
Total Support Services	-	-	15,039	-	-	-	-	15,039	14,968
Total Disbursements	\$ -	\$ -	\$ 15,039	\$ -	\$ -	\$ -	\$ -	\$ 15,039	\$ 14,968



## WOLF BRANCH DISTRICT NO. 113

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Wolf Branch School District No. 113 have been prepared using the regulatory basis of accounting as allowed by state statute. The more significant of the District's accounting policies are described below.

(a) Financial Reporting Entity

The District's financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District participates in a joint venture for special education services. This joint agreement is the Belleville Area Special Services Cooperative. The District's pupils benefit from programs administered under the joint agreement and the District benefits from jointly administered grants and programming. The District has no other financial interest in the joint agreement. The joint agreement is separately audited and is not included in these financial statements. The financial statements for the joint agreement can be obtained from the joint agreement.

(b) Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from modified cash basis transactions), fund balance, receipts and disbursements. The District maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. 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 purposes for which they are to be spent and the means

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

by which spending activities are controlled. The District uses the following fund types and account groups:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (arising from modified cash basis transactions) are accounted for through governmental funds.

The Educational Fund and the Operations and Maintenance Fund are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds, which includes the Transportation Fund, the Municipal Retirement/Social Security Fund, the Tort Immunity Fund, and the Fire Prevention and Safety Fund, are used to account for cash received from specific sources (other than those accounted for in the Debt Services Fund or Fiduciary Funds) that is legally restricted to cash disbursements for specified purposes.

The Debt Services Fund accounts for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

The Capital Projects Fund accounts for the revenues and expenditures related to construction or capital improvement type activities of the District.

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to the operating funds.

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The activity in these funds are being included in the Educational Fund.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**General Fixed Assets and General Long-Term Account Groups**

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

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

(c) **Basis of Accounting/Measurement Focus**

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the modified cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

The financial statements of all governmental funds focus on the measurement of spending or “financial flow” and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

(d) **Budgets and Budgetary Accounting**

The budget for all governmental fund types is prepared on the modified cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Act 5, Article 17-1 of the Illinois Compiled Statutes. The budget was passed on September 27, 2022.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

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

(e) Investments

Investments are stated at fair value, which equals cost. Gains or losses on the sale of investments are recognized upon realization. The District invests in interest-bearing checking accounts. The institutions in which investments are made must be approved by the Board of Education. The District is authorized to invest its funds in accordance with Illinois Compiled Statutes - (30 ILCS 235/) Public Funds Investment Act.

(f) General Fixed Assets

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures disbursed in the Governmental or Activity Funds and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). The District has set \$1,000 as the capitalization threshold for determining capital outlay additions.

(g) Fund Balance Reporting

In accordance with Government Accounting Standards, fund balances are classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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. Due to the cash basis nature of the District, all such items are expensed at the time of purchase, so there is nothing to report in this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions not controlled by the entity. Items 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. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories.

1) Special Education -

Cash receipts and the related cash disbursements of this restricted tax levy are accounting for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

2) Social Security -

Cash disbursed and the related cash receipts of these restricted tax levies are accounted for in the Municipal Retirement/Social Security Fund. Expenditures exceeded revenues for this purpose, resulting in no restricted fund balance.

3) Property Tax Restrictions -

Other special revenue funds and the debt service fund balances are comprised of property tax or state revenues that are required to be spent in accordance with the designated levy or other revenue source. As of June 30, 2023, proceeds from the Lease levy exceeded expenditures by \$341,167. This amount is shown as restricted in the financial statements.

4) Federal Grants -

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2023, expenditures disbursed on federal grants were equal to or exceeded the revenue received, resulting in no restricted balance in the Educational Fund.

5) Balances in activity funds that are being held in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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.

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 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 or 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.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned fund balance amounts are reported in the financial statements as unreserved fund balances in the Educational, Operations and Maintenance, and Working Cash Funds.

F. Regulatory – Fund Balance Definitions

Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved fund balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

G. Reconciliation of Fund Balance Reporting

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Financial Statements-Reserved	Financial Statements-Unreserved
Education	\$ -	\$ 369,649	\$ -	\$ -	\$ (254,881)	\$ 369,649	\$ (254,881)
Operations & Maintenance	-	-	-	-	3,506,591	-	3,506,591
Debt Service	-	353,188	-	-	-	-	353,188
Transportation	-	733,428	-	-	-	-	733,428
IMRF/ Social Security	-	45,999	-	-	-	-	45,999
Working Cash	-	-	-	-	2,448,769	-	2,448,769
Tort Liability	-	298,582	-	-	-	-	298,582
Fire Prevention and Safety	-	1,448,387	-	-	-	-	1,448,387
	<u>\$ -</u>	<u>\$ 3,249,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,700,479</u>	<u>\$ 369,649</u>	<u>\$ 8,580,063</u>

H. Expenditures of Fund Balance

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

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2023, the carrying amount of the District's deposits was \$11,343,274 and the bank balance was \$11,488,590. The deposits were comprised of checking accounts.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires collateralization of all deposits in excess of FDIC coverage. As of June 30, 2023, the District's deposits were either covered by FDIC insurance or collateralized with investments held in the District's name.

Interest Rate Risk. The District's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of June 30, 2023, the District did not have any investments with credit risk.

Concentration of Credit Risk. As of June 30, 2023, the District did not have a concentration of credit risk.

Foreign Currency Risk. As of June 30, 2023, the District did not have a foreign currency risk.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 3: GENERAL FIXED ASSETS**

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

	July 1, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2023</u>
Land	\$ 393,889	\$ -	\$ -	\$ 393,889
Land Improvements	1,760,328	-	-	1,760,328
Building and Improvements	44,069,116	7,550	-	44,076,666
Other Equipment	<u>1,620,798</u>	<u>87,547</u>	<u>360,073</u>	<u>1,348,272</u>
Total	<u>\$ 47,844,131</u>	<u>\$ 95,097</u>	<u>\$ 360,073</u>	<u>\$ 47,579,155</u>

The District capitalizes all capital outlay additions in excess of \$1,000 and has a life in excess of one year. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). For purposes of the per capita tuition charge, depreciation expense is calculated using the straight-line method and is \$1,241,979 for the year ended June 30, 2023. Total accumulated depreciation as of June 30, 2023 is \$14,546,316.

**NOTE 4: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverages in the past three years.

**NOTE 5: INTERFUND TRANSFERS**

The Working Cash Fund provided interfund transfers through abatement to the following funds as of June 30, 2023 as follows:

Educational Fund	\$ 500,000
Operations & Maintenance Fund	3,000,000



**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 6: PROPERTY TAXES**

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

The following are the tax rate limits permitted by the Illinois School Code and by local referendum and the actual rates levied per \$100 of assessed valuations, extensions and collections:

	Rate Limit	Tax Levy Years		
		2022	2021	2020
<b>Tax Rates by Levy:</b>				
Educational	\$ 1.7500	\$ 1.7500	\$ 1.7500	\$ 1.7500
Operations and Maintenance	0.5500	0.5479	0.5425	0.5500
Bond and Interest	No Limit	0.8443	0.8845	0.9650
Transportation	0.1200	0.1109	0.1024	0.1200
Municipal Retirement	No Limit	0.0582	0.0507	0.0626
Social Security	No Limit	0.0606	0.0659	0.0391
Tort Immunity	No Limit	0.2371	0.2332	0.2027
Working Cash	0.0500	0.0500	0.0500	0.0500
Fire Prevention/Safety	0.0500	0.0500	0.0500	0.0500
Special Education	0.0200	0.0200	0.0200	0.0200
Lease	0.0500	-	0.0182	0.0207
Total		<u>\$ 3.7290</u>	<u>\$ 3.7674</u>	<u>\$ 3.8301</u>
Assessed Valuation		<u>\$ 206,407,126</u>	<u>\$ 197,314,583</u>	<u>\$ 191,966,856</u>
<b>Tax Extensions by Levy:</b>				
Educational		\$ 3,612,125	\$ 3,453,005	\$ 3,359,420
Operations and Maintenance		1,130,905	1,070,432	1,055,818
Bond and Interest		1,742,695	1,745,248	1,852,480
Transportation		228,906	202,050	230,360
Municipal Retirement		120,129	100,039	120,171
Social Security		125,083	130,030	75,059
Tort Immunity		489,391	460,138	389,117
Working Cash		103,204	98,657	95,984
Fire Prevention/Safety		103,204	98,657	95,984
Special Education		41,281	39,463	38,393
Lease		-	35,911	39,737
Total		<u>\$ 7,696,923</u>	<u>\$ 7,433,630</u>	<u>\$ 7,352,523</u>
<b>Tax Collections:</b>				
Year Ended June 30,				
2022		\$ -	\$ -	\$ 7,311,377
2023		-	7,414,351	-
Total		<u>\$ -</u>	<u>\$ 7,414,351</u>	<u>\$ 7,311,377</u>
Percent of Total Levy Collected		<u>0.00%</u>	<u>99.74%</u>	<u>99.44%</u>

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 7: RETIREMENT FUND COMMITMENTS**

(a) **Teachers Retirement System of the State of Illinois**

**Plan description**

The employer 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/cafrs/fy2022>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-3675, option 2.

**Benefits provided**

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

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

Essentially all Tier 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 3 hybrid retirement plan, but it has not gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and are funded by bonds issued by the state of Illinois.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Contributions**

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

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

*On behalf contributions to TRS.* The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2023, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$2,217,184 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 \$24,301.

*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 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 \$128,512 were paid from federal and special trust funds that required employer contributions of \$13,481.

*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.

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 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Pension Liabilities and Pension Expense**

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

Employer's proportionate share of the net pension liability	\$ 325,396
State's proportionate share of the net pension liability associated with the employer	<u>28,225,931</u>
Total	<u>\$ 28,551,327</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2022, the employer's proportion was .00038 percent which was an decrease of .00005 from its proportion measured as of June 30, 2021.

**Actuarial assumptions**

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

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

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

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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

<u>Asset Class</u>	<u>Allocation</u>	<u>Real Rate of Return</u>
U.S. large cap	16.3%	5.73%
U.S. small/mid cap	1.9%	6.78%
International equities developed	14.1%	6.56%
Emerging markets	4.7%	8.55%
U.S. bonds high yield	0.0%	0.00%
U.S. bond core	6.9%	1.15%
Cash equivalents	1.2%	-0.32%
TIPS	0.5%	0.33%
International debt	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	<u>2.0%</u>	5.86%
Total	<u>100.0%</u>	

**Discount rate**

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

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

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate**

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 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%)
Employer's proportionate share of the net pension liability	\$ 397,962	\$ 325,396	\$ 265,221

**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 *Comprehensive Annual Financial Report*.

**(b) Illinois Municipal Retirement Fund**

*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 Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2022 was 9.42 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Covered Employees.* The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	57
Inactive, non-Retired Members	126
Active Members	<u>30</u>
Total	<u>213</u>

*Discount Rate.* GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) 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 (2) 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 1.84%; and the resulting single discount rate is 7.25%.

Actuarial Valuation Date	12/31/22
Measurement Date of the Net Pension Liability	12/31/22
Fiscal Year End	06/30/23

Development of the Single Discount Rate as of December 31, 2022	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	4.05%
Last year ending December 31 in the 2023 to 2122 projection period for which projected benefit payments are fully funded	2122
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate calculated using December 31, 2021 Measurement Date	7.25%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2022.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*Net Pension Liability.* The following is a summary of the Net Pension Liability as disclosed in the financial statements.

<b>Total pension liability</b>	
Service Cost	\$ 90,493
Interest on the Total Pension Liability	393,670
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(21,181)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(258,135)</u>
Net change in total pension liability	\$ 204,847
Total pension liability - beginning	<u>5,513,757</u>
Total pension liability - ending	<u>\$ 5,718,604</u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ 102,188
Contributions - employee	52,140
Net investment income	(712,622)
Benefit payments, including refunds of employee contributions	(258,135)
Other (Net Transfer)	<u>(34,950)</u>
Net change in plan fiduciary net position	\$ (851,379)
Plan fiduciary net position - beginning	<u>5,992,631</u>
Plan fiduciary net position - ending	<u>\$ 5,141,252</u>
 <b>Net pension liability/(asset)</b>	 <u>\$ 577,352</u>
 Plan fiduciary net position as a percentage of the total pension liability	 89.90%
 Covered valuation payroll	 \$ 1,084,795
 Net pension liability as a percentage of covered valuation payroll	 53.22%



**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*Actuarial Assumptions.* The following are the actuarial assumptions used in the calculation of the net pension liability.

Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
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.

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 6,237,963	\$ 5,718,604	\$ 5,286,832
Plan Fiduciary Net Position	<u>5,141,252</u>	<u>5,141,252</u>	<u>5,141,252</u>
Net Pension Liability/(Asset)	<u>\$ 1,096,711</u>	<u>\$ 577,352</u>	<u>\$ 145,580</u>

(c) Social Security

Employees not qualifying for coverage under the State of Illinois Teacher's Retirement System are covered under Social Security. The District paid \$149,063, the total required contribution for the current fiscal year.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 8: LONG-TERM DEBT**

The following is a summary of changes in long-term debt of the District for the year ended June 30, 2023:

	<u>Bonds Payable</u>
Payable at Beginning of Year	\$ 6,020,000
Issued During the Year	4,968,412
Retired During the Year	<u>1,535,000</u>
Payable at End of Year	<u>\$ 9,453,412</u>

For the year ended June 30, 2023, the District has the following general obligation debt:

General Obligation School Bonds, Series 2019A, issue dated June 1, 2020 to provide for costs related to the construction and renovation of the middle school. The debt will be retired in annual principal payments of \$385,000 to \$1,595,000 through December 1, 2028, including interest at 4.00%. The balance as of June 30, 2023 is \$4,485,000.

Taxable General Obligation School Bonds, Series 2023A, issue dated June 13, 2023 to provide for working cash purposes. The debt will be retired in annual principal payments of \$485,000 to \$670,000 through December 1, 2026, including interest at 5.05% to 5.20%. The balance as of June 30, 2023 is \$1,483,412.

General Obligation School Bonds, Series 2023B, issue dated June 13, 2023 to provide for working cash and life safety purposes. The debt will be retired in annual principal payments of \$140,000 to \$1,275,000 through December 1, 2029, including interest at 6.00%. The balance as of June 30, 2023 is \$3,265,000.

Debt Certificates, Series 2023C, issue dated June 13, 2023 to provide for capital projects. The debt will be retired in one annual principal payment of \$220,000 on June 1, 2025, including interest at 5.00%. The balance as of June 30, 2023 is \$220,000.

The computation of legal debt margin at June 30, 2023 is as follows:

Assessed Valuation	<u>\$ 206,407,126</u>
Bonded Debt Limit*	\$ 14,242,092
Bonded Indebtedness	<u>9,453,412</u>
Legal Debt Margin	<u>\$ 4,788,680</u>

The bonded indebtedness of the District is limited by the School Code to 6.9% of the assessed valuation of taxable tangible property for elementary districts.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 9: POSTEMPLOYMENT HEALTHCARE PLAN**

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating school districts throughout the State of Illinois, excluding the Chicago Public School System. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options.

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

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

The District makes contributions to THIS Fund. The District THIS Fund contribution was 0.67 percent during the year ended June 30, 2023. For the year ended June 30, 2023, the District paid \$28,072 to the THIS Fund, which was 100 percent of the required contribution.

The Employee also makes contributions to THIS Fund. The employee contribution was 0.90 percent of creditable earnings during the year ended June 30, 2022. For the year ended June 30, 2023, the District employees paid \$37,708 to the THIS Fund, which was 100 percent of the required contribution.

In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continual annual basis, from the General Revenue Fund, to the State Comptroller for deposit in the Teacher's Health Insurance Security Fund, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The ending total proportionate OPEB liability of the District is \$992,290 as of June 30, 2022. This amount decreased from \$3,279,137 at the end of the prior year.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General under the Department of Central Management Services.

**WOLF BRANCH SCHOOL DISTRICT NO. 113**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 10: DISBURSEMENTS OVER BUDGET**

During the year ended June 30, 2023, the following funds had disbursements that exceeded the budgetary amount:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>
Educational Fund	\$ 6,735,177	\$ 6,517,657
Capital Projects Fund	15,039	14,968

**NOTE 11: SUBSEQUENT EVENTS**

The District has evaluated events occurring after the financial statement date through October 13, 2023 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.