

**PROSPECT HEIGHTS SCHOOL
DISTRICT 23**

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2023

AND

INDEPENDENT AUDITORS' REPORT

PROSPECT HEIGHTS SCHOOL DISTRICT 23

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Independent Auditors' Report

To the Board of Education of
Prospect Heights School District 23

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Prospect Heights School District 23 (the 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 as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District 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 (*Government Auditing Standards*). 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 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the District previously reported on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As of July 1, 2022, the District adopted the measurement focus and basis of accounting provisions of GASB Statement No. 34. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Oak Brook, Illinois
January 10, 2024

Prospect Heights School District 23

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2023

The discussion and analysis of Prospect Heights School District 23'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 basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. 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 decreased by \$13.5. This represents a 70% decrease from 2022, largely due to the District converting from the modified cash basis of accounting to the modified accrual basis of accounting in 2023. Compared to the restated net position of \$4.5 (as of July 1, 2022), ending net position increased by \$1.2, which represents a 27% increase.
- General revenues accounted for \$23.4 in revenue or 73% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$8.6 or 27% of total revenues of \$32.0.
- The District had \$30.8 in expenses related to government activities. However, only \$8.6 of these expenses were offset by program specific charges and grants.
- The District previously reported on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As of July 1, 2022, the District adopted the measurement focus and basis of accounting provisions of GASB Statement No. 34.

Overview of the Financial Statements

This discussion and analysis is 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.

Prospect Heights School District 23

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2023

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 are categorized as governmental funds (the District maintains no proprietary or fiduciary 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.

The District maintains six 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 General Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds.

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.

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.

Prospect Heights School District 23
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2023

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension and OPEB liabilities, budget to actual schedules for each major fund, combining schedules for the General Fund and General Fund Accounts budget to actual schedules.

Government-Wide Financial Analysis

The District's combined net position was lower on June 30, 2023 than it was the year before, decreasing 70% to \$5.7.

Table 1		
Condensed Statements of Net Position		
(in millions of dollars)		
	<u>2022*</u>	<u>2023</u>
Assets:		
Current and other assets	\$ 10.9	\$ 22.7
Capital assets	<u>18.5</u>	<u>20.4</u>
Total assets	<u>29.4</u>	<u>43.1</u>
Total deferred outflows of resources	<u>-</u>	<u>2.1</u>
Liabilities:		
Current liabilities	0.1	1.2
Long-term debt outstanding	<u>10.2</u>	<u>17.8</u>
Total liabilities	<u>10.3</u>	<u>19.0</u>
Total deferred inflows of resources	<u>-</u>	<u>20.4</u>
Net position:		
Net investment in capital assets	8.9	10.9
Restricted	4.7	4.2
Unrestricted (deficit)	<u>5.6</u>	<u>(9.4)</u>
Total net position	<u>\$ 19.2</u>	<u>\$ 5.7</u>

*Prior year information has not been updated for the District's restatement in accordance with GASB Statement No. 34 in fiscal year 2022 to report on the full accrual basis of accounting in fiscal year 2023.

Revenues in the governmental activities of the District of \$32.0 exceeded expenses by \$1.2. This was attributable primarily to a decrease in instruction and administration & business expenses in 2023.

Prospect Heights School District 23
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2023

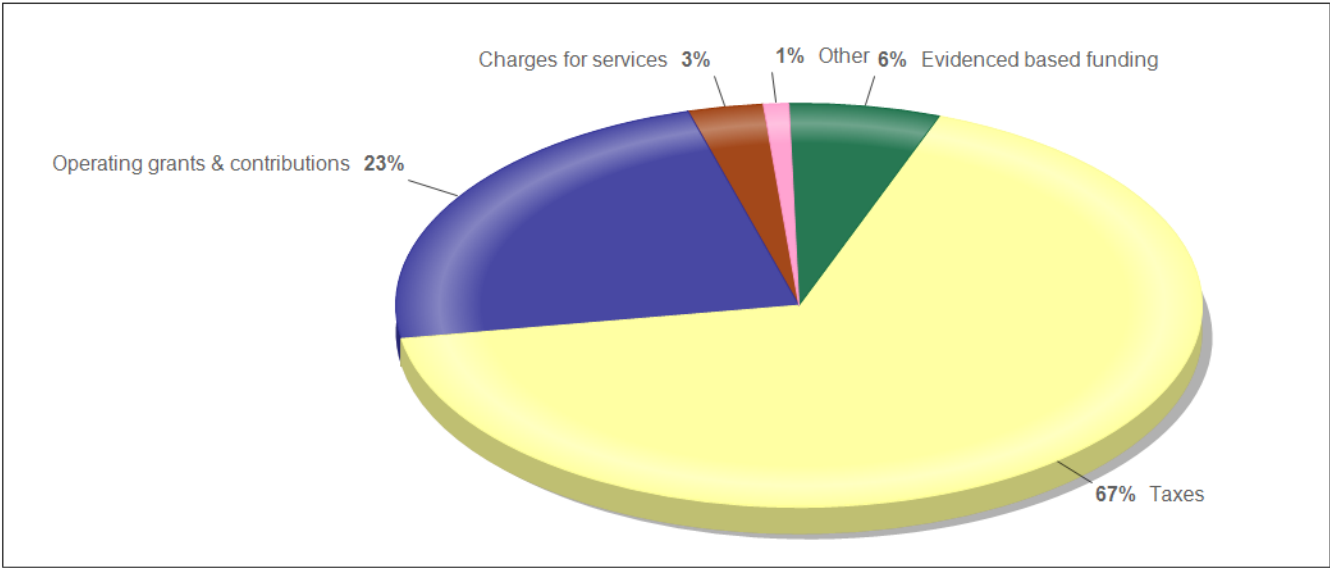
Table 2			
Changes in Net Position			
(in millions of dollars)			
	<u>2022*</u>		<u>2023</u>
Revenues:			
<i>Program revenues:</i>			
Charges for services	\$ 1.6	\$	1.0
Operating grants & contributions	8.2		7.5
Capital grants & contributions	0.1		0.1
<i>General revenues:</i>			
Taxes	20.8		21.2
Evidenced based funding	1.8		1.9
Other	-		0.3
Total revenues	<u>32.5</u>		<u>32.0</u>
Expenses:			
Instruction	19.2		18.6
Pupil & instructional staff services	4.5		4.3
Administration & business	3.4		2.2
Transportation	1.5		1.7
Operations & maintenance	2.0		1.9
Interest & fees	0.4		0.4
Other	1.6		1.7
Total expenses	<u>32.6</u>		<u>30.8</u>
Increase (decrease) in net position	(0.1)		1.2
Net position, beginning of year (as restated)	<u>19.2</u>		<u>4.5</u>
Net position, end of year	<u>\$ 19.1</u>	\$	<u>5.7</u>

*Prior year information has not been updated for the District's restatement in accordance with GASB Statement No. 34 in fiscal year 2022 to report on the full accrual basis of accounting in fiscal year 2023.

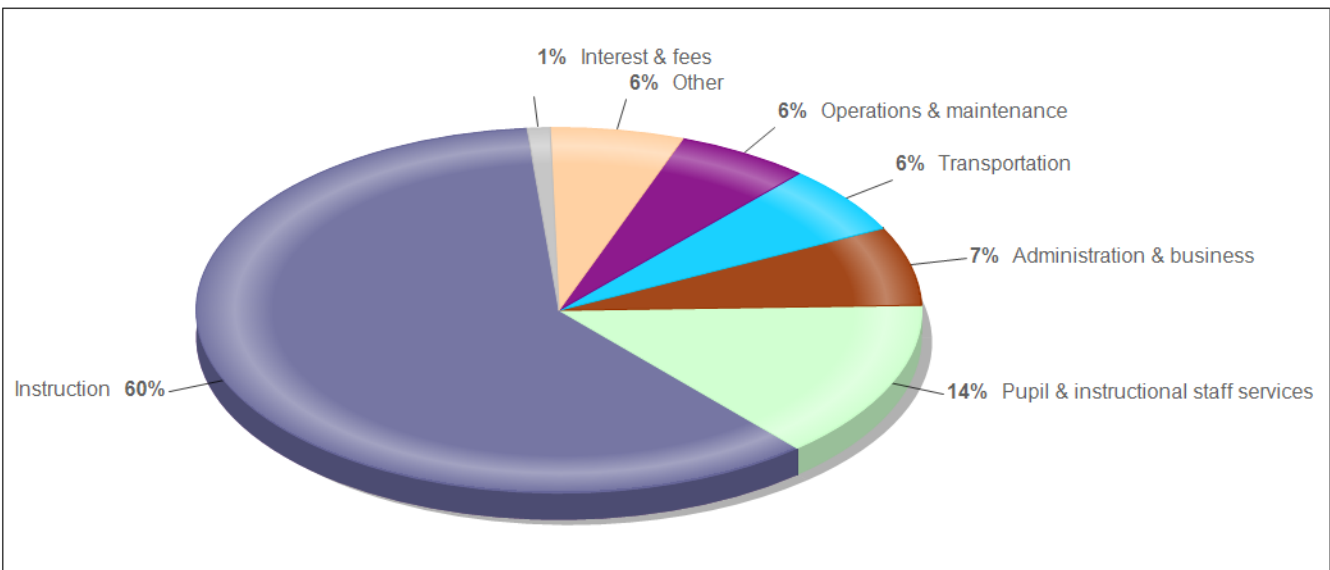
Property taxes accounted for the largest portion of the District's revenues, contributing 67%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$30.8, mainly related to instructing and caring for the students and student transportation at 80%.

Prospect Heights School District 23
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2023

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

In terms of expenditures, the District continues to use budgetary controls put in place over the last few years by the Board of Education and Administration. The District uses staffing allocation formulas and enrollment projections as a means to control budget expenses. Per Board Policy, the District will expand budgetary controls over expenditures so as to maintain a positive fund balance.

Prospect Heights School District 23
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2023

General Fund Budgetary Highlights

The District budgeted for an \$0.8 increase in fund balance and actual results resulted in a \$1.8 increase in fund balance. The increase in fund balance was primarily driven by \$2.4 of working cash bond proceeds that were received during the year due to the issuance of debt. These proceeds will be transferred to the Capital Projects Fund in fiscal year 2024 and will be used for various facility improvements at the District.

Capital Assets and Debt Administration

Capital assets

By the end of 2023, the District had compiled a total investment of \$31.4 (\$20.4 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$1.1. More detailed information about capital assets can be found in Note 6 of the basic financial statements.

Table 3				
Capital Assets (net of depreciation)				
(in millions of dollars)				
	<u>2022</u>		<u>2023</u>	
Land	\$	0.4	\$	0.4
Construction in progress		0.6		1.1
Buildings		16.1		16.9
Equipment		0.7		0.6
Transportation equipment		-		0.1
Land improvements		0.6		1.2
Equipment - right-to-use lease asset		0.1		0.1
Total	\$	<u>18.5</u>	\$	<u>20.4</u>

Long-term debt

The District issued \$2.5 and retired \$1.0 in bonds in 2023. Unamortized premium was reduced by \$(1.0). At the end of fiscal 2023, the District had a debt margin of \$34.3. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

Table 4				
Outstanding Long-Term Debt				
(in millions of dollars)				
	<u>2022*</u>		<u>2023</u>	
General obligation bonds	\$	9.6	\$	11.1
Net pension liability		-		3.1
Net OPEB liability		-		2.9
Lease liability		0.1		0.2
Unamortized premium		0.5		0.4
Compensated absences		-		0.1
Total	\$	<u>10.2</u>	\$	<u>17.8</u>

*Prior year information has not been updated for the District's restatement in accordance with GASB Statement No. 34 in fiscal year 2022 to report on the full accrual basis of accounting in fiscal year 2023.

Prospect Heights School District 23

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2023

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 will significantly affect financial operations in the future:

The Board of Education and the Prospect Heights Education Association are in the first year of a four year agreement that commenced on July 1, 2023, and expires on June 30, 2027. Following two years of set increases (5.5%, 4.5%), the contract ties starting salaries, pay raises and stipend increases to the annual consumer price index with a floor of 2.75% and a ceiling of 4.75%. The Board of Education and the Prospect Heights Education Association are committed to working together in the best interest of the student population that they serve. The Administration and the Association representatives meet regularly to discuss issues for which the parties have concern. These discussions focus on how the Administration and Association can collaborate on methods by which the educational program can be improved, determine financial solutions to staffing and supply questions which impact the District's overall finances. In addition, the Board of Education, the Administration and Association continue their meetings within the Labor Management Committee to address open issues and concerns regarding contract language. They also meet through the joint Insurance Committee for the purpose of educating the District's employees on issues concerning health care coverage and costs. The end goal of the Insurance Committee is to reach consensus on program changes that lead to financial savings for the District and program options that benefit employees with minimal financial impact on those employees as well as providing options to employees searching for alternative health care plans.

Following successful negotiations with the Prospect Heights Education Association, bargaining began between the Board of Education and the Service Employees International Union (SEIU) Local No. 73, representatives of the District's custodians. After several meetings, all parties also agreed to a four year agreement which commenced July 1, 2023, and expires on June 30, 2027. This agreement has also tied the salary increases for the custodial unit to the annual consumer price index and the aforementioned agreement with the PHEA in order to benchmark the monies spent on salaries to the expected increases in revenue to be received from property tax revenue. Administration is appreciative of the ongoing collaboration between the Board and both bargaining groups (PHEA and custodial staff, through SEIU).

As initially raised in last year's Discussion, of particular concern to the District during the 2022-23 school year was the unanticipated delay in the 2021 tax year's property tax receipts from Cook County. Property tax funds that were expected and budgeted for in August, 2022 were not received until December, causing the District to prioritize and utilize much of its available fund balances. In order to mitigate the short term revenue challenges, the Board of Education approved two interfund transfer resolutions to authorize loans to the Education Fund from both Transportation and Working Cash. Additionally, the District evaluated several short-term funding options, including a potential loan from the Treasury and the issuance of Tax Anticipation Warrants. As Administration had already planned to issue tax-exempt working cash bonds later in the Spring of 2023 to fund much needed capital projects, the issuance of the bonds was expedited to November, 2022 and provided a short burst of funding into the Working Cash Fund to serve as a short-term fund balance buffer. Revenues anticipated in the Spring of 2023 were also delayed and as such, were not fully received prior to the end of the fiscal year.

Prospect Heights School District 23

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2023

Following guidance from Moody's and advisors at Raymond James, the District began the transition to a modified accrual basis of accounting, with the goal of having a full understanding of both its short and long term obligations. The successful transition is the result of a significant amount of collaboration between the Business Office team and Baker Tilly. Viewed as a restatement and reset, the transition to a modified accrual will provide an opportunity for increased transparency, and cleaner reconciliations of Federal and State funding that may cross fiscal years, as many grants do.

Faced with the potential of a State mandate regarding the provision of full-day kindergarten in all public school districts by the 2027-28 school year, the District sought input from staff and community members on how to best meet this need. Following that direction from stakeholders and approval from the Board of Education, a referendum question was placed on the March, 2023 ballot seeking approval for a tax rate increase to fund approximately \$20M in debt certificates for construction projects the would include an addition at Eisenhower School, safety and security improvements at each building, as well as an operational increase of approximately \$1.2M annually. While the measure was narrowly defeated by 120 votes, Administration and the Board remain committed to the articulated plan and proposed solution. To that end, the Board approved placing a measure on the March, 2024 ballot, to secure the funding necessary to best meet the needs of all District 23 students.

The District has partnered with First Student for several years and has enjoyed a mutually beneficial relationship through clear communication and ongoing collaboration to best meet student needs. The District had negotiated a one year extension for the 2022-23 school year at a proposed increase of 5% over current Daily Route Costs. Following the pandemic, service providers have found it increasingly difficult to find and retain staff. In doing so, First Student needs to increase its driver pay, passing much of those increases down to its districts. The increase for the 2023-24 school year was settled on at 9.9%, which was relatively low in comparison to the double digit increases that many of our neighboring districts saw. Final Transportation Fund balances in 2023 again reflect a deficit, however this was the result of a thoughtful plan to spend down the balances in the Transportation Fund in an effort to shift property tax funding towards the General Fund (Educational Accounts) in upcoming years. Ongoing reviews of ridership and routes continue to provide opportunities for potential cost savings and reimbursements through the ISBE's annual Transportation Claim process.

Lastly, following a successful legal settlement in early 2022 the District completed its Districtwide HVAC Systems retrofit work, addressing building automation and humidity issues in all District 23 buildings. Funds have been allocated and spent through the Capital Projects Fund, and included the full amount of the aforementioned settlement.

The Administration and the Board of Education continue to monitor sources of revenue and expenditures closely so as to balance delivering an excellent education with fiscal responsibility. As per Board Policy 4:20, if the Fund Balance should decrease below a set level, the Board has at its discretion the ability to instruct the Administration to develop plans for expenditure reductions within the District.

Prospect Heights School District 23
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2023

Requests for Information

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

Amy McPartlin
Prospect Heights School District 23
700 N. Schoenbeck Road
Prospect Heights, Illinois 60070

PROSPECT HEIGHTS SCHOOL DISTRICT 23

STATEMENT OF NET POSITION

AS OF JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES
Assets	
Cash and investments	\$ 11,491,891
Student activity cash	31,875
Receivables (net of allowance for uncollectibles):	
Property taxes	10,966,582
Replacement taxes	40,671
Intergovernmental	153,653
Capital assets:	
Land	405,938
Construction in progress	1,109,876
Capital assets being depreciated, net of accumulated depreciation	<u>18,870,519</u>
Total assets	<u>43,071,005</u>
Deferred outflows of resources	
Deferred outflows related to pensions	1,814,323
Deferred outflows related to OPEB	<u>278,642</u>
Total deferred outflows of resources	<u>2,092,965</u>
Liabilities	
Accounts payable	1,182,943
Payroll deductions payable	42,660
Long-term liabilities:	
Other long-term liabilities - due within one year	1,045,445
Other long-term liabilities - due after one year	<u>16,778,219</u>
Total liabilities	<u>19,049,267</u>
Deferred inflows of resources	
Property taxes levied for a future period	10,613,784
Deferred inflows related to pensions	288,124
Deferred inflows related to OPEB	<u>9,533,609</u>
Total deferred inflows of resources	<u>20,435,517</u>
Net position	
Net investment in capital assets	10,863,666
Restricted for:	
Tort immunity	31,452
Operations and maintenance	1,231,793
Student transportation	1,776,497
Debt service	677,767
Food service	506,881
Unrestricted	<u>(9,408,870)</u>
Total net position	<u>\$ 5,679,186</u>

See Notes to Basic Financial Statements

PROSPECT HEIGHTS SCHOOL DISTRICT 23

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Governmental activities					
Instruction:					
Regular programs	\$ 6,994,198	\$ 609,416	\$ 770,283	\$ -	\$ (5,614,499)
Special programs	5,442,602	-	927,876	-	(4,514,726)
Other instructional programs	1,283,349	11,813	46,838	-	(1,224,698)
Student activities	100,186	124,233	-	-	24,047
State retirement contributions	4,794,508	-	4,794,508	-	-
Support Services:					
Pupils	2,641,671	-	12,105	-	(2,629,566)
Instructional staff	1,682,536	-	26,298	-	(1,656,238)
General administration	517,776	-	-	-	(517,776)
School administration	787,514	-	-	-	(787,514)
Business	851,891	162,238	367,441	50,000	(272,212)
Transportation	1,649,386	-	616,006	-	(1,033,380)
Operations and maintenance	1,922,442	77,817	-	-	(1,844,625)
Central	380,539	-	-	-	(380,539)
Other supporting services	15,311	-	-	-	(15,311)
Community services	235,441	-	-	-	(235,441)
Interest and fees	408,405	-	-	-	(408,405)
Unallocated depreciation	1,102,262	-	-	-	(1,102,262)
Total governmental activities	\$ 30,810,017	\$ 985,517	\$ 7,561,355	\$ 50,000	(22,213,145)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	15,814,352
Real estate taxes, levied for specific purposes	3,783,947
Real estate taxes, levied for debt service	1,339,370
Personal property replacement taxes	257,920
State aid-formula grants	1,880,202
Investment income	286,739
Miscellaneous	34,315
Total general revenues	23,396,845

Change in net position	1,183,700
Net position, beginning of year (as restated)	4,495,486
Net position, end of year	<u>\$ 5,679,186</u>

See Notes to Basic Financial Statements

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 5,301,064	\$ 1,254,253	\$ 1,829,074	\$ 447,771
Student activity cash	31,875	-	-	-
Receivables (net allowance for uncollectibles):				
Property taxes	8,747,544	696,652	513,322	329,994
Replacement taxes	40,671	-	-	-
Intergovernmental	<u>153,653</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 14,274,807</u>	<u>\$ 1,950,905</u>	<u>\$ 2,342,396</u>	<u>\$ 777,765</u>
Liabilities				
Accounts payable	\$ 206,614	\$ 40,320	\$ 69,055	\$ -
Payroll deductions payable	<u>38,073</u>	<u>4,551</u>	<u>36</u>	<u>-</u>
Total liabilities	<u>244,687</u>	<u>44,871</u>	<u>69,091</u>	<u>-</u>
Deferred inflows of resources				
Property taxes levied for a future period	<u>8,466,133</u>	<u>674,241</u>	<u>496,808</u>	<u>319,378</u>
Total deferred inflows of resources	<u>8,466,133</u>	<u>674,241</u>	<u>496,808</u>	<u>319,378</u>
Fund balance				
Restricted	538,333	1,231,793	1,776,497	458,387
Assigned	31,874	-	-	-
Unassigned	<u>4,993,780</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>5,563,987</u>	<u>1,231,793</u>	<u>1,776,497</u>	<u>458,387</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 14,274,807</u>	<u>\$ 1,950,905</u>	<u>\$ 2,342,396</u>	<u>\$ 777,765</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
\$ 655,921	\$ 2,003,808	\$ 11,491,891
-	-	31,875
679,070	-	10,966,582
-	-	40,671
-	-	153,653
<u>\$ 1,334,991</u>	<u>\$ 2,003,808</u>	<u>\$ 22,684,672</u>
\$ -	\$ 866,954	\$ 1,182,943
-	-	42,660
-	866,954	1,225,603
<u>657,224</u>	<u>-</u>	<u>10,613,784</u>
<u>657,224</u>	<u>-</u>	<u>10,613,784</u>
677,767	-	4,682,777
-	1,136,854	1,168,728
-	-	4,993,780
<u>677,767</u>	<u>1,136,854</u>	<u>10,845,285</u>
<u>\$ 1,334,991</u>	<u>\$ 2,003,808</u>	<u>\$ 22,684,672</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

Total fund balances - governmental funds		\$ 10,845,285
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		20,386,333
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		1,814,323
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		278,642
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(288,124)
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(9,533,609)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2023 are:		
Bonds payable	\$ (11,100,000)	
Unamortized bond premium	(453,121)	
Net OPEB liability	(2,910,707)	
Net pension liability	(3,067,256)	
Lease liability	(227,273)	
Compensated absences	<u>(65,307)</u>	
		<u>(17,823,664)</u>
Net position of governmental activities		<u>\$ 5,679,186</u>

See Notes to Basic Financial Statements

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 16,067,291	\$ 1,656,331	\$ 1,084,213	\$ 790,464
Corporate personal property replacement taxes	251,857	-	-	6,063
State aid	7,809,547	50,000	616,006	-
Federal aid	2,079,393	-	-	22,102
Investment income	141,117	32,784	25,550	10,700
Student activities	124,233	-	-	-
Other	817,782	77,817	-	-
Total revenues	<u>27,291,220</u>	<u>1,816,932</u>	<u>1,725,769</u>	<u>829,329</u>
Expenditures				
Current:				
Instruction:				
Regular programs	8,106,430	-	-	91,268
Special programs	3,518,006	-	-	157,400
Other instructional programs	1,241,239	-	-	31,820
Student activities	100,186	-	-	-
State retirement contributions	5,879,999	-	-	-
Support Services:				
Pupils	2,370,855	-	-	115,374
Instructional staff	1,701,847	-	-	53,124
General administration	815,871	-	-	10,576
School administration	1,235,045	-	-	50,303
Business	861,086	-	-	25,605
Transportation	-	-	1,648,259	903
Operations and maintenance	49,516	1,911,108	-	143,640
Central	355,502	-	-	18,285
Other supporting services	15,190	-	-	106
Community services	189,482	-	-	15,764
Payments to other districts and gov't units	972,559	-	278,779	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	715,475	29,576	-	-
Total expenditures	<u>28,128,288</u>	<u>1,940,684</u>	<u>1,927,038</u>	<u>714,168</u>
Excess (deficiency) of revenues over expenditures	<u>(837,068)</u>	<u>(123,752)</u>	<u>(201,269)</u>	<u>115,161</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(92,765)	-	-	-
Principal on bonds sold	2,404,843	-	-	-
Lease issuance	284,784	-	-	-
Total other financing sources (uses)	<u>2,596,862</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,759,794	(123,752)	(201,269)	115,161
Fund balance, beginning of year (as restated)	<u>3,804,193</u>	<u>1,355,545</u>	<u>1,977,766</u>	<u>343,226</u>
Fund balance, end of year	<u>\$ 5,563,987</u>	<u>\$ 1,231,793</u>	<u>\$ 1,776,497</u>	<u>\$ 458,387</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
\$ 1,339,370	\$ -	\$ 20,937,669
-	-	257,920
-	-	8,475,553
-	-	2,101,495
18,682	57,906	286,739
-	-	124,233
-	-	895,599
<u>1,358,052</u>	<u>57,906</u>	<u>33,079,208</u>
-	-	8,197,698
-	-	3,675,406
-	-	1,273,059
-	-	100,186
-	-	5,879,999
-	-	2,486,229
-	-	1,754,971
-	-	826,447
-	-	1,285,348
-	-	886,691
-	-	1,649,162
-	84,299	2,188,563
-	-	373,787
-	-	15,296
-	-	205,246
-	-	1,251,338
1,050,712	-	1,050,712
458,752	-	458,752
-	1,872,595	2,617,646
<u>1,509,464</u>	<u>1,956,894</u>	<u>36,176,536</u>
<u>(151,412)</u>	<u>(1,898,988)</u>	<u>(3,097,328)</u>
92,765	-	92,765
-	-	(92,765)
80,157	-	2,485,000
-	-	284,784
<u>172,922</u>	<u>-</u>	<u>2,769,784</u>
21,510	(1,898,988)	(327,544)
<u>656,257</u>	<u>3,035,842</u>	<u>11,172,829</u>
<u>\$ 677,767</u>	<u>\$ 1,136,854</u>	<u>\$ 10,845,285</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds	\$	(327,544)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year net capital outlay exceeds depreciation expense in the current period.		
		1,846,417
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount of current year long-term debt issuances that exceeded principal repayments.		
		(1,670,971)
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.		
		50,347
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Compensated absences	\$	16,831
State on-behalf contribution revenue		(1,085,491)
State on-behalf contribution expense		1,085,491
Net OPEB liability		6,426,874
Deferred outflows related to OPEB		(40,979)
Deferred inflows related to OPEB		(5,041,102)
Net pension asset		(1,406,396)
Net pension liability		(2,111,362)
Deferred outflows related to pensions		1,106,700
Deferred inflows related to pensions		<u>2,334,885</u>
		<u>1,285,451</u>
Change in net position of governmental activities	\$	<u><u>1,183,700</u></u>

See Notes to Basic Financial Statements

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prospect Heights School District 23 (the “District”) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-wide Financial Statements

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 the District. The effect of interfund activity has been removed from these statements. The District’s operating activities are all considered “governmental activities”, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered “business activities”.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported 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 as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel, and administrative involvement of the board of education.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund or Capital Projects Funds.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

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

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

Capital Project Fund - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Projects Fund - accounts for construction projects and renovations financed through bond issues or transfers from other funds.

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

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

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Liabilities and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income. Gains and losses on the sale of investments are recognized upon realization.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2022 levy resolution was approved during the December 14, 2022 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The Property Tax Extension Limitation Law (PTELL) is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELL limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is “new growth” in the District’s tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2022 and 2021 tax levies were 5.0% and 1.4%, respectively.

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

The 2022 property tax levy is recognized as a receivable in fiscal 2023, net of estimated uncollectible amounts approximating 2% and less amounts already received. The District considers that the first installment of the 2022 levy is to be used to finance operations in fiscal 2023. The District has determined that the second installment of the 2022 levy is to be used to finance operations in fiscal 2024 and has included the corresponding receivable as a deferred inflow of resources.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

Capital Assets

Capital assets, which include land, buildings, and other equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	10-20 Years
Buildings & Improvements	20-50 Years
Equipment	5-20 Years
Transportation Equipment	8 Years

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

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Compensated Absences

It is the District's policy for noncertified personnel to earn vacation pay on a prorated, monthly basis. A maximum of five vacation days can be carried over into next fiscal year for all noncertified employees. Any unused vacation days (beyond five) is lost. 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 year-end.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

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

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

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

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. No one has been designated by the Board of Education to assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Governmental fund balances reported on the fund financial statements at June 30, 2023 are as follows:

The restricted fund balance in the General Fund is comprised of \$31,452 for tort immunity and \$506,881 for the operation of the District's food service program. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

The assigned fund balance in the General Fund is for student activity purposes. The remaining assigned fund balances are for purpose of the respective funds as described above in the Major Governmental Funds section.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2023, expenditures exceeded budget in the Transportation Fund, Debt Service Fund and Capital Project Funds by \$178,482, \$119,656, and \$412,905, respectively. These excesses were funded by available financial resources.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In June 1999, the Governmental Accounting Standards Board issued statement No. 34 - Basic Financial Statements for State and Local Governments. This Statement established new financial reporting requirements for state and local governments throughout the United States. When implemented, it would create new information and restructure much of the information that governments have presented in the past. The measurement focus and basis of accounting provisions of this standard were implemented July 1, 2022.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash & Investments under the custody of the Township Treasurer

The voters of the respective school districts located within the boundaries of the offices of the Wheeling Township School Treasurer passed a referendum abolishing the offices of the Township School Treasurer effective July 1, 1996. The Boards of Education of the respective school districts and the Board of Education of Prospect Heights School District 23 (also located in Wheeling Township) entered into an intergovernmental agreement creating the Wheeling Township Treasury Intergovernmental Agreement ("Treasury") administered by Township High School District 214. The Treasury agreed to provide to the respective school districts many of the services that were provided by the Township School Treasurer. These services are provided on an optional basis and without costs to the districts.

The Wheeling Township School Treasury is the lawful custodian of all school funds. The Treasury is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasury invests excess funds at its discretion, subject to the legal restrictions discussed below. For these purposes, the Treasury is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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

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

The weighted average to maturity of all marketable pooled investments held by the Treasury was 2.55 years. The Treasury also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2023, the cost basis of all investments held by the Treasurer's office was \$478,141,221 and the value of the District's proportionate share of the pool was \$11,481,891.

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

Cash & Investments in the custody of the District

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

	<i>Carrying Value</i>	<i>Bank Balance</i>
Deposits with financial institutions	\$ 41,875	\$ 45,691
Total	<u>\$ 41,875</u>	<u>\$ 45,691</u>

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2023, the bank balance of the District's deposit with financial institutions totaled \$45,691; of this amount, all of which are collateralized and insured.

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

Occasionally certain funds participating in the common bank accounts will incur overdrafts (deficits) in the account. The overdrafts result from expenditures that have been approved by the Board of Education.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - INTERFUND TRANSFERS

During the year, the District transferred \$92,765 from the General Fund (Educational Accounts) to the Debt Service Fund for the funding of principal and interest payments made during the year on lease liabilities.

NOTE 6 - CAPITAL ASSETS

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

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated / amortized:</u>				
Land	\$ 405,938	\$ -	\$ -	\$ 405,938
Construction in progress	<u>578,279</u>	<u>1,109,876</u>	<u>578,279</u>	<u>1,109,876</u>
Total capital assets not being depreciated / amortized	<u>984,217</u>	<u>1,109,876</u>	<u>578,279</u>	<u>1,515,814</u>
<u>Capital assets being depreciated / amortized:</u>				
Land improvements	1,129,903	613,040	-	1,742,943
Buildings	23,235,799	1,479,069	-	24,714,868
Equipment	2,972,192	63,492	-	3,035,684
Equipment - right-to-use lease asset	116,071	284,784	116,071	284,784
Transportation equipment	<u>88,962</u>	<u>24,798</u>	<u>-</u>	<u>113,760</u>
Total capital assets being depreciated	<u>27,542,927</u>	<u>2,465,183</u>	<u>116,071</u>	<u>29,892,039</u>
<u>Less Accumulated Depreciation / Amortization for:</u>				
Land improvements	509,862	61,840	-	571,702
Buildings	7,085,122	721,306	-	7,806,428
Equipment	2,260,425	230,734	-	2,491,159
Equipment - right-to-use lease asset	44,769	80,712	67,970	57,511
Transportation equipment	<u>87,050</u>	<u>7,670</u>	<u>-</u>	<u>94,720</u>
Total accumulated depreciation / amortization	<u>9,987,228</u>	<u>1,102,262</u>	<u>67,970</u>	<u>11,021,520</u>
Net capital assets being depreciated / amortized	<u>17,555,699</u>	<u>1,362,921</u>	<u>48,101</u>	<u>18,870,519</u>
Net governmental activities capital assets	<u>\$ 18,539,916</u>	<u>\$ 2,472,797</u>	<u>\$ 626,380</u>	<u>\$ 20,386,333</u>

Depreciation expense was recognized in the operating activities of the District as follows:

	<i>Governmental Activities</i>	<i>Depreciation</i>
Unallocated		\$ <u>1,102,262</u>
Total depreciation expense - governmental activities		\$ <u>1,102,262</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2023:

	<i>Beginning Balance</i>	<i>Adjustments*</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 9,585,000	\$ -	\$ 2,485,000	\$ 970,000	\$ 11,100,000	\$ 930,000
Unamortized premium	<u>503,468</u>	<u>-</u>	<u>-</u>	<u>50,347</u>	<u>453,121</u>	<u>-</u>
Total bonds payable	<u>10,088,468</u>	<u>-</u>	<u>2,485,000</u>	<u>1,020,347</u>	<u>11,553,121</u>	<u>930,000</u>
Lease liabilities	71,302	-	284,784	128,813	227,273	50,138
Compensated absences	-	82,138	65,307	82,138	65,307	65,307
Net pension liability - IMRF	-	-	3,697,172	1,591,506	2,105,666	-
Net pension liability - TRS	-	955,894	253,787	248,091	961,590	-
Net OPEB liability - THIS	<u>-</u>	<u>9,337,581</u>	<u>-</u>	<u>6,426,874</u>	<u>2,910,707</u>	<u>-</u>
Total long-term liabilities - governmental activities	<u>\$ 10,159,770</u>	<u>\$ 12,860,613</u>	<u>\$ 6,786,050</u>	<u>\$ 9,497,769</u>	<u>\$ 17,823,664</u>	<u>\$ 1,045,445</u>

*The adjustment column represents the restatement of the District converting from the cash basis of accounting to the full accrual basis of accounting in 2023.

The obligations for the compensated absences and net pension liability will be repaid from the General Fund and Municipal Retirement/Social Security Fund, respectively.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

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

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series Series 2013 General Obligation Limited Tax Bonds dated February 7, 2013 are due in annual installments through December 15, 2023	4.00%	\$ 7,950,000	\$ 415,000
Series Series 2014 General Obligation Limited Tax Bonds dated January 28, 2014 are due in annual installments through December 15, 2024	4.00% - 4.25%	2,140,000	1,450,000
Series Series 2019A General Obligation Limited Tax Bonds dated February 13, 2019 are due in annual installments through December 15, 2028	4.00%	2,775,000	2,775,000
Series Series 2019B Taxable General Obligation Limited Tax Bonds dated February 13, 2019 are due in annual installments through December 15, 2026	3.46% - 3.56%	1,315,000	1,315,000
Series Series 2021 General Obligation Limited Tax School Bonds dated June 9, 2021 are due in annual installments through December 15, 2030	4.00%	2,660,000	2,660,000
Series Series 2022 General Obligation Limited Tax School Bonds dated November 2, 2022 are due in annual installments through December 15, 2030	3.48%	<u>2,485,000</u>	<u>2,485,000</u>
Total		<u>\$ 19,325,000</u>	<u>\$ 11,100,000</u>

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds.

Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2023, \$630,000 of bonds outstanding are considered defeased.

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	Principal	Interest	Total
2024	\$ 930,000	\$ 408,287	\$ 1,338,287
2025	990,000	368,765	1,358,765
2026	1,075,000	328,777	1,403,777
2027	1,140,000	288,331	1,428,331
2028	1,085,000	245,447	1,330,447
2029 - 2033	<u>5,880,000</u>	<u>529,995</u>	<u>6,409,995</u>
Total	<u>\$ 11,100,000</u>	<u>\$ 2,169,602</u>	<u>\$ 13,269,602</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2023, the statutory debt limit for the District was \$46,074,864, providing a debt margin of \$34,294,470.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

Leases. The District has entered into a lease agreement as a lessee for financing the temporary acquisition of copier machines. These agreements qualify as leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The obligations for this lease will be repaid from the Debt Service Fund and funded by a transfer of resources from the General Fund (Educational Accounts).

<i>Description</i>	<i>Date of Issue</i>	<i>Final Maturity</i>	<i>Interest Rates</i>	<i>Original Indebtedness</i>	<i>Balance</i>
Copier Lease	2/7/2022	2/6/2027	5.84%	\$ 284,784	\$ 227,273
Total				<u>\$ 284,784</u>	<u>\$ 227,273</u>

Annual debt service requirements to maturity for the lease liabilities are as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2024	\$ 50,138	\$ 17,699	\$ 67,837
2025	54,350	13,487	67,837
2026	58,917	8,920	67,837
2027	<u>63,868</u>	<u>3,969</u>	<u>67,837</u>
Total	<u>\$ 227,273</u>	<u>\$ 44,075</u>	<u>\$ 271,348</u>

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the Suburban School Cooperative Insurance Pool (SSCIP) for property damage and injury claims. The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool 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 pool. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District continues to carry commercial insurance for all other risks of loss, including general liability, workers' compensation claims and other coverages not included above. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - JOINT AGREEMENTS

The District is a member of Northwest Suburban Special Education Organization (NSSEO), a joint agreement that provides certain special education services to residents of many school districts. Additionally, the District is a member of the Early Childhood Development Enrichment Center (ECDEC), a joint agreement that serves pre-school children who are not progressing at the rate anticipated for their potential success in kindergarten. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreements' governing boards, these are not included as component units of the District.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

Plan Description. The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. 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. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

Benefits Provided. The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the 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 the THIS Fund.

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90% of pay during the year ended June 30, 2023. State of Illinois contributions of \$107,915 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$(1,757,583) in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

Contributions. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.67% during the year ended June 30, 2023. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2023, the District paid \$80,337 to the THIS Fund, respectively, which was 100 percent of the required contribution for the year.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

THIS Fiduciary Net Position. Detailed information about the THIS Fund's fiduciary net position as of June 30, 2022 is available in the separately issued THIS Annual Financial Report.

Net OPEB Liability. At June 30, 2023, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance 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 OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	\$ 2,910,707
State's proportionate share of the collective net OPEB liability associated with the District	<u>3,959,731</u>
Total	<u><u>\$ 6,870,438</u></u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2022, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2022 and 2021, the District's proportion was 0.042520% and 0.042337%, respectively.

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

Inflation	2.25%
Salary Increases	3.50% to 8.50%
Investment Rate of Return	2.75%
Healthcare Cost Trend Rates - Initial	Medicare and Non-Medicare - 8.00%
Healthcare Cost Trend Rates - Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2039

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

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, 2011 through June 30, 2014.

Discount Rate. At June 30, 2022, the discount rate used to measure the total OPEB liability was a blended rate of 3.69%, which was a change from the June 30, 2021 rate of 1.92%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$ 3,234,477	\$ 2,910,707	\$ 2,577,344

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 3.25%) for Medicare and non-Medicare coverage or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 5.25%) for Medicare and non-Medicare coverage than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$ 2,459,335	\$ 2,910,707	\$ 3,405,353

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2023, the District recognized OPEB expense of \$(1,264,449) and on-behalf revenue and expenditures of \$(1,757,583) for support provided by the state. At June 30, 2023, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 1,903,746
Changes in Assumptions	2,626	7,179,940
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	353	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	195,259	449,856
District Contributions Subsequent to the Measurement Date	80,337	-
Total	\$ 278,575	\$ 9,533,542

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2024. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$9,335,304) will be recognized in OPEB expense as follows in these reporting years:

<i>Year Ending June 30,</i>	<i>Amount</i>
2024	\$ (1,190,686)
2025	(1,190,686)
2026	(1,190,686)
2027	(1,190,685)
2028	(1,190,774)
Thereafter	<u>(3,381,787)</u>
Total	<u>\$ (9,335,304)</u>

NOTE 11 - RETIREMENT SYSTEMS

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

Teachers' Retirement System

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

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

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

Public Act 100-0023, enacted in 2017, creates an optional *Tier 3* hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. 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 *Tier 2* members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

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

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

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 with the pension expense associated with the District, and the District recognized revenue and expenses of \$6,552,091 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$5,772,084 in the General Fund based on the current financial resources measurement basis.

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 \$69,548 , and are deferred because they were paid after the June 30, 2022 measurement date.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total District 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 more higher.

For the year ended June 30, 2023, the District pension contribution was 10.49 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2023, were \$23,320, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2022 measurement date.

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.

Net Pension Liability. At June 30, 2023, 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 collective net pension liability	\$ 961,590
State's proportionate share of the collective net pension liability associated with the District	<u>83,411,593</u>
Total	<u>\$ 84,373,183</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, 2021, and rolled forward to 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 and 2021, the District's proportion was 0.00114693 percent and 0.00122533 percent, respectively.

Summary of Significant Accounting Policies. For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2022 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.5%.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Mortality. The assumed mortality rates are based on the Society of Actuaries PubT-2010 mortality tables, adjusted for TRS experience, with generational improvement based on Scale MP-2020. The actuarial assumptions used were based on the results of an experience study dated August 12, 2021.

Long-Term Expected Real Rate of Return. 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:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
U.S. equities large cap	16.30 %	5.73 %
U.S. equities small/mid cap	1.90 %	6.78 %
International equities developed	14.10 %	6.56 %
Emerging market equities	4.70 %	8.55 %
U.S. bonds core	6.90 %	1.15 %
Cash equivalents	1.20 %	(0.32)%
TIPS	0.50 %	0.33 %
International debt developed	1.20 %	6.56 %
Emerging international debt	3.70 %	3.76 %
Real estate	16.00 %	5.42 %
Private debt	12.50 %	5.29 %
Hedge funds	4.00 %	3.48 %
Private equity	15.00 %	10.04 %
Infrastructure	2.00 %	5.86 %

Discount Rate. At June 30, 2022, the discount rate used to measure the total pension liability was a blended rate of 7.00 percent, which was the same as the prior valuation. 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.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate Sensitivity. 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	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 1,176,034	\$ 961,590	\$ 783,767

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2023, the District recognized pension expense of \$(34,845) and on-behalf revenue of \$6,552,091 for support provided by the state. At June 30, 2023, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,933	\$ 5,302
Net difference between projected and actual earnings on pension plan investments	880	-
Assumption changes	4,434	1,836
Changes in proportion and differences between District contributions and proportionate share of contributions	72,424	280,986
District contributions subsequent to the measurement date	<u>92,868</u>	<u>-</u>
Total	<u>\$ 172,539</u>	<u>\$ 288,124</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2024. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$(208,453)) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	\$ (72,795)
2025	(45,577)
2026	(65,034)
2027	(19,929)
2028	<u>(5,118)</u>
Total	<u>\$ (208,453)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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 District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 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 *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 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 *Regular 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership. At December 31, 2022, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	87
Inactive, non-retired members	111
Active members	<u>80</u>
Total	<u><u>278</u></u>

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2022 was 9.25 percent of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2022 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, and (c) price inflation of 2.25%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were 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 were used. 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 were used. 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 were used.

Long-Term Expected Real Rate of Return. 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 arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	35.50 %	7.82 %	6.50 %
International equities	18.00 %	9.23 %	7.60 %
Fixed income	25.50 %	5.01 %	4.90 %
Real estate	10.50 %	7.10 %	6.20 %
Alternatives	9.50 %		
Private equity		13.43 %	9.90 %
Hedge funds		-	-
Commodities		7.42 %	6.25 %
Cash equivalents	1.00 %	4.00 %	4.00 %

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 19,304,868	\$ 17,573,522	\$ 16,141,741
Plan fiduciary net position	<u>15,467,856</u>	<u>15,467,856</u>	<u>15,467,856</u>
Net pension liability/(asset)	<u>\$ 3,837,012</u>	<u>\$ 2,105,666</u>	<u>\$ 673,885</u>

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2022 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at December 31, 2021	\$ 16,865,564	\$ 18,271,960	\$ (1,406,396)
Service cost	317,205	-	317,205
Interest on total pension liability	1,197,437	-	1,197,437
Differences between expected and actual experience of the total pension liability	208,910	-	208,910
Benefit payments, including refunds of employee contributions	(1,015,594)	(1,015,594)	-
Contributions - employer	-	311,326	(311,326)
Contributions - employee	-	151,456	(151,456)
Net investment income	-	(2,364,422)	2,364,422
Other (net transfer)	-	113,130	(113,130)
Balances at December 31, 2022	<u>\$ 17,573,522</u>	<u>\$ 15,467,856</u>	<u>\$ 2,105,666</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2023, the District recognized pension expense of \$492,232. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 211,350	\$ -
Net difference between projected and actual earnings on pension plan investments	1,287,728	-
Contributions subsequent to the measurement date	<u>142,706</u>	<u>-</u>
Total	<u>\$ 1,641,784</u>	<u>\$ -</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2024. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,499,078) will be recognized in pension expense as follows:

	<i>Year Ending June 30,</i>	<i>Amount</i>
2024		\$ 93,209
2025		252,708
2026		418,520
2027		<u>734,641</u>
Total		<u>\$ 1,499,078</u>

NOTE 12 - CONSTRUCTION COMMITMENTS

As of June 30, 2023, the District is committed to approximately \$2,061,201 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

NOTE 13 - STATE AND FEDERAL AID CONTINGENCIES

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 14 - RESTATEMENT

Net position and beginning fund balances have been restated due to the District converting from the modified cash basis to the modified accrual and full accrual basis of accounting as described in Note 1. The restatement is necessary to report beginning net position and fund balances in accordance with the requirements of the modified accrual and full accrual basis of accounting.

	Governmental Activities
Net position as previously reported, June 30, 2022	\$ 19,146,999
Adjustment to record the effects of converting to the full accrual basis of accounting	<u>(14,651,513)</u>
Net position as restated, June 30, 2022	<u>\$ 4,495,486</u>

	General Fund	General Fund (Educational Accounts)	Operations and Maintenance Fund	Transportation Fund	Capital Projects Fund
Fund balance as previously reported, June 30, 2022	\$ 3,340,806	\$ 2,339,143	\$ 1,362,223	\$ 1,928,849	\$ 3,135,492
Adjustment to record the effects of converting to the modified accrual basis of accounting	<u>463,387</u>	<u>463,387</u>	<u>(6,678)</u>	<u>48,917</u>	<u>(99,650)</u>
Fund balance as restated, June 30, 2022	<u>\$ 3,804,193</u>	<u>\$ 2,802,530</u>	<u>\$ 1,355,545</u>	<u>\$ 1,977,766</u>	<u>\$ 3,035,842</u>

NOTE 15 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

When they become effective, application of these standards may restate portions of these financial statements.

PROSPECT HEIGHTS SCHOOL DISTRICT 23
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY/(ASSET)
AND RELATED RATIOS
Nine Most Recent Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability			
Service cost	317,205	\$ 291,057	\$ 291,912
Interest	1,197,437	1,133,517	1,089,960
Differences between expected and actual experience	208,910	424,134	250,623
Changes of assumptions	-	-	(109,553)
Benefit payments, including refunds of member contributions	<u>(1,015,594)</u>	<u>(944,669)</u>	<u>(898,774)</u>
Net change in total pension liability	707,958	904,039	624,168
Total pension liability - beginning	<u>16,865,564</u>	<u>15,961,525</u>	<u>15,337,357</u>
Total pension liability - ending (a)	<u>\$ 17,573,522</u>	<u>\$ 16,865,564</u>	<u>\$ 15,961,525</u>
Plan fiduciary net position			
Employer contributions	\$ 311,326	\$ 352,284	\$ 333,289
Employee contributions	151,456	142,562	134,390
Net investment income	(2,364,422)	2,721,209	2,062,985
Benefit payments, including refunds of member contributions	(1,015,594)	(944,669)	(898,774)
Other (net transfer)	<u>113,130</u>	<u>86,261</u>	<u>129,799</u>
Net change in plan fiduciary net position	(2,804,104)	2,357,647	1,761,689
Plan fiduciary net position - beginning	<u>18,271,960</u>	<u>15,914,313</u>	<u>14,152,624</u>
Plan fiduciary net position - ending (b)	<u>\$ 15,467,856</u>	<u>\$ 18,271,960</u>	<u>\$ 15,914,313</u>
Employer's net pension liability/(asset) - ending (a) - (b)	<u>\$ 2,105,666</u>	<u>\$ (1,406,396)</u>	<u>\$ 47,212</u>
Plan fiduciary net position as a percentage of the total pension liability	88.02%	108.34%	99.70%
Covered payroll	\$ 3,365,683	\$ 3,168,022	\$ 2,986,463
Employer's net pension liability/(asset) as a percentage of covered payroll	62.56%	-44.39%	1.58%

Notes to Schedule:

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

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

See Auditors' Report and Notes to Required Supplementary Information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 306,987	\$ 281,601	\$ 297,039	\$ 289,202	\$ 270,163	\$ 275,175
1,047,019	1,018,520	976,666	926,374	873,982	793,052
-	(1,066)	460,552	111,719	172,898	53,084
155,134	369,609	(451,717)	(42,210)	26,865	552,003
<u>(919,869)</u>	<u>(720,086)</u>	<u>(713,449)</u>	<u>(622,661)</u>	<u>(618,975)</u>	<u>(533,397)</u>
589,271	948,578	569,091	662,424	724,933	1,139,917
<u>14,748,086</u>	<u>13,799,508</u>	<u>13,230,417</u>	<u>12,567,993</u>	<u>11,843,060</u>	<u>10,703,143</u>
<u>\$ 15,337,357</u>	<u>\$ 14,748,086</u>	<u>\$ 13,799,508</u>	<u>\$ 13,230,417</u>	<u>\$ 12,567,993</u>	<u>\$ 11,843,060</u>
\$ 282,379	\$ 308,750	\$ 301,215	\$ 287,072	\$ 263,556	\$ 255,822
130,328	129,923	120,700	116,815	107,525	104,087
2,291,161	(733,240)	2,017,832	752,442	54,490	636,088
(919,869)	(720,086)	(713,449)	(622,661)	(618,975)	(533,397)
<u>106,104</u>	<u>133,554</u>	<u>(114,527)</u>	<u>70,085</u>	<u>99,505</u>	<u>44,980</u>
1,890,103	(881,099)	1,611,771	603,753	(93,899)	507,580
<u>12,262,521</u>	<u>13,143,620</u>	<u>11,531,849</u>	<u>10,928,096</u>	<u>11,021,995</u>	<u>10,514,415</u>
<u>\$ 14,152,624</u>	<u>\$ 12,262,521</u>	<u>\$ 13,143,620</u>	<u>\$ 11,531,849</u>	<u>\$ 10,928,096</u>	<u>\$ 11,021,995</u>
<u>\$ 1,184,733</u>	<u>\$ 2,485,565</u>	<u>\$ 655,888</u>	<u>\$ 1,698,568</u>	<u>\$ 1,639,897</u>	<u>\$ 821,065</u>
92.28%	83.15%	95.25%	87.16%	86.95%	93.07%
\$ 2,896,199	\$ 2,850,579	\$ 2,682,232	\$ 2,533,735	\$ 2,386,446	\$ 2,313,039
40.91%	87.20%	24.45%	67.04%	68.72%	35.50%

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Nine Most Recent Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 311,326	\$ 352,284	\$ 333,289	\$ 282,379	\$ 308,750
Contributions in relation to the actuarially determined contribution	<u>(311,326)</u>	<u>(352,284)</u>	<u>(333,289)</u>	<u>(282,379)</u>	<u>(308,750)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,365,683	\$ 3,168,022	\$ 2,986,463	\$ 2,896,199	\$ 2,850,579
Contributions as a percentage of covered payroll	9.25%	11.12%	11.16%	9.75%	10.83%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Actuarially determined contribution	\$ 301,215	\$ 287,072	\$ 263,556	\$ 257,707	
Contributions in relation to the actuarially determined contribution	<u>(301,215)</u>	<u>(287,072)</u>	<u>(263,556)</u>	<u>(255,822)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,885</u>	
Covered payroll	\$ 2,682,232	\$ 2,533,735	\$ 2,386,446	\$ 2,313,039	
Contributions as a percentage of covered payroll	11.23%	11.33%	11.04%	11.06%	

Notes to Schedule:

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

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2020

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
COLLECTIVE NET PENSION LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS
Nine Most Recent Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability	0.0011469305%	0.0012253281%	0.0014592678%
District's proportionate share of the net pension liability	\$ 961,590	\$ 955,894	\$ 1,258,111
State's proportionate share of the net pension liability	<u>83,411,593</u>	<u>80,114,099</u>	<u>98,541,827</u>
Total net pension liability	<u>\$ 84,373,183</u>	<u>\$ 81,069,993</u>	<u>\$ 99,799,938</u>
Covered payroll	\$ 11,990,608	\$ 11,735,327	\$ 10,985,442
District's proportionate share of the net pension liability as a percentage of covered payroll	8.02%	8.15%	11.45%
Plan fiduciary net position as a percentage of the total pension liability	42.80%	45.10%	37.80%
Contractually required contribution	\$ 92,865	\$ 94,633	\$ 69,712
Contributions in relation to the contractually required contribution	<u>(92,868)</u>	<u>(94,634)</u>	<u>(69,535)</u>
Contribution deficiency (excess)	<u>\$ (3)</u>	<u>\$ (1)</u>	<u>\$ 177</u>
Contributions as a percentage of covered payroll	0.7745%	0.8064%	0.6330%

Notes to Schedule:

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 was not available.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.00%
Municipal bond index	3.54%	2.16%	2.21%
Single equivalent discount rate	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.25%	2.50%
Projected salary increases	3.75% to 8.75%	3.50% to 8.50%	4.00% to 9.50%
	varying by service	varying by service	varying by service

See Auditors' Report and Notes to Required Supplementary Information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0015818509%	0.0012170000%	0.0021850000%	0.0016930000%	0.0018100000%	0.0016690000%
\$ 1,283,010	\$ 948,773	\$ 1,669,293	\$ 1,336,513	\$ 1,185,733	\$ 1,015,995
<u>91,310,441</u>	<u>64,994,909</u>	<u>76,602,878</u>	<u>71,977,890</u>	<u>59,604,668</u>	<u>58,601,328</u>
<u>\$ 92,593,451</u>	<u>\$ 65,943,682</u>	<u>\$ 78,272,171</u>	<u>\$ 73,314,403</u>	<u>\$ 60,790,401</u>	<u>\$ 59,617,323</u>
\$ 10,645,787	\$ 10,446,581	\$ 10,394,510	\$ 9,919,360	\$ 9,669,897	\$ 9,758,902
12.05%	9.08%	16.06%	13.47%	12.26%	10.41%
39.60%	40.00%	39.30%	36.40%	41.50%	43.00%
\$ 71,916	\$ 63,768	\$ 63,768	\$ 76,086	\$ 60,695	\$ 59,565
<u>(72,312)</u>	<u>(60,530)</u>	<u>(82,359)</u>	<u>(68,424)</u>	<u>(64,248)</u>	<u>(59,565)</u>
<u>\$ (396)</u>	<u>\$ 3,238</u>	<u>\$ (18,591)</u>	<u>\$ 7,662</u>	<u>\$ (3,553)</u>	<u>\$ -</u>
0.6793%	0.5794%	0.7923%	0.6898%	0.6644%	0.6104%
7.00%	7.00%	7.00%	7.00%	7.50%	7.50%
3.50%	3.87%	3.58%	2.85%	3.73%	N/A
7.00%	7.00%	7.00%	6.83%	7.47%	7.50%
2.50%	2.50%	2.50%	2.50%	3.00%	3.00%
4.00% to 9.50%	4.00% to 9.50%	3.25% to 9.25%	3.25% to 9.25%	3.75% to 9.75%	5.75%
varying by service	varying by service	varying by service	varying by service	varying by service	

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
COLLECTIVE NET OPEB LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS
Three Most Recent Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net OPEB liability	0.0425200000%	0.0423370000%	0.0430190000%
District's proportionate share of the net OPEB liability	\$ 2,910,707	\$ 9,337,581	\$ 11,501,561
State's proportionate share of the net OPEB liability	<u>3,959,731</u>	<u>12,660,397</u>	<u>15,581,483</u>
Total net OPEB liability	<u>\$ 6,870,438</u>	<u>\$ 21,997,978</u>	<u>\$ 27,083,044</u>
Covered payroll	\$ 11,735,327	\$ 10,985,442	\$ 10,985,442
District's proportionate share of the net OPEB liability as a percentage of covered payroll	24.80%	85.00%	104.70%
Plan fiduciary net position as a percentage of the total pension lia	5.24%	1.40%	0.70%
Contractually required contribution	\$ 80,337	\$ 78,627	\$ 101,066
Contributions in relation to the contractually required contribution	<u>(80,337)</u>	<u>(78,627)</u>	<u>(101,066)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	0.6846%	0.7157%	0.9200%

Notes to Schedule:

The District implemented GASB 75 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Key Assumptions:

Long-term expected rate of return	2.75%	2.75%	0.00%
Municipal bond index	3.69%	1.92%	2.45%
Single equivalent discount rate	3.69%	1.92%	2.45%
Inflation rate	2.25%	2.50%	2.50%
Healthcare cost trend rates - initial	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.25%
Healthcare cost trend rates - ultimate	4.25%	4.25%	4.25%
Mortality	PubT-2010	RP-2014 Tables	RP-2014 Tables

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 17,130,000	\$ 15,991,928	\$ (1,138,072)
Tort immunity levy	-	75,363	75,363
Corporate personal property replacement taxes	275,000	251,857	(23,143)
Summer school tuition from pupils or parents (in state)	1,500	-	(1,500)
Investment income	81,500	141,117	59,617
Sales to pupils - lunch	300,000	162,238	(137,762)
Fees	56,700	54,180	(2,520)
Book store sales	19,000	14,026	(4,974)
Other pupil activity revenue	-	226,944	226,944
Student activities	-	124,233	124,233
Sales - other	15,000	11,813	(3,187)
Contributions and donations from private sources	30,000	30,000	-
Refund of prior years' expenditures	15,000	4,315	(10,685)
Other local fees	500,000	300,573	(199,427)
Other	20,000	13,693	(6,307)
Total local sources	<u>18,443,700</u>	<u>17,402,280</u>	<u>(1,041,420)</u>
State sources			
Evidence based funding	2,200,000	1,880,202	(319,798)
Special education - private facility tuition	45,000	45,924	924
CTE - Secondary program improvement	1,328	1,010	(318)
State free lunch & breakfast	31,000	874	(30,126)
Other restricted revenue from state sources	<u>8,500</u>	<u>1,538</u>	<u>(6,962)</u>
Total state sources	<u>2,285,828</u>	<u>1,929,548</u>	<u>(356,280)</u>
Federal sources			
National school lunch program	500,000	273,620	(226,380)
School breakfast program	100,000	35,214	(64,786)
Summer food service admin/program	10,000	-	(10,000)
Food service - other	32,000	57,733	25,733
Title I - Low income	148,849	140,935	(7,914)
Title IV - Safe & drug free schools - formula	10,000	12,105	2,105
Federal - special education - preschool flow-through	17,088	12,754	(4,334)
Federal - special education - IDEA - flow-through/low incident	400,070	411,605	11,535
Federal - special education - IDEA - room & board	-	159,871	159,871
Emergency immigrant assistance	15,000	-	(15,000)
Title III - English language acquisition	55,600	45,828	(9,772)
Title II - Teacher quality	26,793	26,298	(495)
Medicaid matching funds - administrative outreach	75,000	70,681	(4,319)
Medicaid matching funds - fee-for-service program	50,000	64,004	14,004
Other restricted revenue from federal sources	<u>1,212,902</u>	<u>768,745</u>	<u>(444,157)</u>
Total federal sources	<u>2,653,302</u>	<u>2,079,393</u>	<u>(573,909)</u>
Total revenues	<u>23,382,830</u>	<u>21,411,221</u>	<u>(1,971,609)</u>

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures			
Instruction			
Regular programs			
Salaries	\$ 6,483,471	\$ 6,475,401	\$ 8,070
Employee benefits	1,310,135	1,258,670	51,465
Purchased services	45,267	29,270	15,997
Supplies and materials	481,584	341,534	140,050
Capital outlay	47,500	261,229	(213,729)
Other objects	<u>3,450</u>	<u>1,386</u>	<u>2,064</u>
Total	<u>8,371,407</u>	<u>8,367,490</u>	<u>3,917</u>
Tuition payment to charter schools			
Purchased services	<u>3,800</u>	<u>169</u>	<u>3,631</u>
Total	<u>3,800</u>	<u>169</u>	<u>3,631</u>
Special education programs			
Salaries	2,195,845	2,112,805	83,040
Employee benefits	767,726	615,898	151,828
Purchased services	46,000	32,640	13,360
Supplies and materials	51,000	24,762	26,238
Capital outlay	15,000	14,863	137
Other objects	<u>1,250</u>	<u>1,014</u>	<u>236</u>
Total	<u>3,076,821</u>	<u>2,801,982</u>	<u>274,839</u>
Special education programs Pre-K			
Salaries	201,130	191,294	9,836
Employee benefits	49,553	38,189	11,364
Purchased services	1,000	25,513	(24,513)
Supplies and materials	7,500	7,374	126
Capital outlay	8,000	-	8,000
Other objects	<u>150</u>	<u>-</u>	<u>150</u>
Total	<u>267,333</u>	<u>262,370</u>	<u>4,963</u>
Remedial and supplemental programs K - 12			
Salaries	73,500	73,013	487
Purchased services	<u>5,000</u>	<u>14,201</u>	<u>(9,201)</u>
Total	<u>78,500</u>	<u>87,214</u>	<u>(8,714)</u>
CTE programs			
Salaries	127,905	127,905	-
Employee benefits	10,493	10,674	(181)
Supplies and materials	4,000	3,693	307
Other objects	<u>-</u>	<u>350</u>	<u>(350)</u>
Total	<u>142,398</u>	<u>142,622</u>	<u>(224)</u>

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Interscholastic programs			
Salaries	\$ 160,668	\$ 169,373	\$ (8,705)
Purchased services	6,000	6,025	(25)
Supplies and materials	1,000	1,301	(301)
Capital outlay	5,000	5,000	-
Other objects	<u>2,000</u>	<u>2,650</u>	<u>(650)</u>
Total	<u>174,668</u>	<u>184,349</u>	<u>(9,681)</u>
Summer school programs			
Salaries	163,902	66,900	97,002
Employee benefits	-	17	(17)
Purchased services	15,000	19,383	(4,383)
Supplies and materials	<u>2,500</u>	<u>2,161</u>	<u>339</u>
Total	<u>181,402</u>	<u>88,461</u>	<u>92,941</u>
Bilingual programs			
Salaries	675,722	684,979	(9,257)
Employee benefits	122,300	141,428	(19,128)
Purchased services	2,000	4,400	(2,400)
Supplies and materials	<u>5,750</u>	<u>-</u>	<u>5,750</u>
Total	<u>805,772</u>	<u>830,807</u>	<u>(25,035)</u>
Special education programs K -12 - private tuition			
Other objects	<u>360,000</u>	<u>381,303</u>	<u>(21,303)</u>
Total	<u>360,000</u>	<u>381,303</u>	<u>(21,303)</u>
Student activities			
Other objects	<u>-</u>	<u>100,186</u>	<u>(100,186)</u>
Total	<u>-</u>	<u>100,186</u>	<u>(100,186)</u>
Total instruction	<u>13,462,101</u>	<u>13,246,953</u>	<u>215,148</u>
Support services			
Pupils			
Attendance and social work services			
Salaries	353,170	353,170	-
Employee benefits	49,553	50,974	(1,421)
Purchased services	31,200	31,343	(143)
Supplies and materials	2,000	522	1,478
Other objects	<u>300</u>	<u>-</u>	<u>300</u>
Total	<u>436,223</u>	<u>436,009</u>	<u>214</u>

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Health services			
Salaries	\$ 632,729	\$ 630,394	\$ 2,335
Employee benefits	173,824	176,311	(2,487)
Purchased services	18,750	3,987	14,763
Supplies and materials	25,384	17,125	8,259
Capital outlay	10,000	28,323	(18,323)
Other objects	<u>900</u>	<u>-</u>	<u>900</u>
Total	<u>861,587</u>	<u>856,140</u>	<u>5,447</u>
Psychological services			
Salaries	434,849	434,849	-
Employee benefits	99,641	89,014	10,627
Purchased services	3,350	1,030	2,320
Supplies and materials	1,200	98	1,102
Other objects	<u>1,320</u>	<u>975</u>	<u>345</u>
Total	<u>540,360</u>	<u>525,966</u>	<u>14,394</u>
Speech pathology and audiology services			
Salaries	443,467	381,636	61,831
Employee benefits	57,471	59,151	(1,680)
Purchased services	4,300	104,243	(99,943)
Supplies and materials	8,250	1,599	6,651
Capital outlay	10,000	-	10,000
Other objects	<u>1,900</u>	<u>900</u>	<u>1,000</u>
Total	<u>525,388</u>	<u>547,529</u>	<u>(22,141)</u>
Other support services - pupils			
Purchased services	<u>35,000</u>	<u>33,534</u>	<u>1,466</u>
Total	<u>35,000</u>	<u>33,534</u>	<u>1,466</u>
Total pupils	<u>2,398,558</u>	<u>2,399,178</u>	<u>(620)</u>
Instructional staff			
Improvement of instructional services			
Salaries	339,464	329,060	10,404
Employee benefits	68,752	63,485	5,267
Purchased services	24,500	20,184	4,316
Supplies and materials	10,000	15,957	(5,957)
Other objects	<u>6,000</u>	<u>2,831</u>	<u>3,169</u>
Total	<u>448,716</u>	<u>431,517</u>	<u>17,199</u>

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Educational media services			
Salaries	\$ 766,999	\$ 752,191	\$ 14,808
Employee benefits	200,404	171,339	29,065
Purchased services	196,950	176,597	20,353
Supplies and materials	522,452	155,027	367,425
Capital outlay	70,000	121,276	(51,276)
Other objects	<u>1,500</u>	<u>838</u>	<u>662</u>
Total	<u>1,758,305</u>	<u>1,377,268</u>	<u>381,037</u>
Assessment and testing			
Supplies and materials	<u>17,000</u>	<u>14,338</u>	<u>2,662</u>
Total	<u>17,000</u>	<u>14,338</u>	<u>2,662</u>
Total instructional staff	<u>2,224,021</u>	<u>1,823,123</u>	<u>400,898</u>
General administration			
Board of education services			
Purchased services	170,500	166,534	3,966
Supplies and materials	4,000	3,408	592
Other objects	<u>9,000</u>	<u>7,967</u>	<u>1,033</u>
Total	<u>183,500</u>	<u>177,909</u>	<u>5,591</u>
Executive administration services			
Salaries	271,337	268,837	2,500
Employee benefits	77,570	77,627	(57)
Purchased services	6,000	6,705	(705)
Supplies and materials	16,000	23,259	(7,259)
Other objects	<u>3,000</u>	<u>4,780</u>	<u>(1,780)</u>
Total	<u>373,907</u>	<u>381,208</u>	<u>(7,301)</u>
Tort immunity services			
Employee benefits	-	367	(367)
Purchased services	<u>57,750</u>	<u>256,387</u>	<u>(198,637)</u>
Total	<u>57,750</u>	<u>256,754</u>	<u>(199,004)</u>
Total general administration	<u>615,157</u>	<u>815,871</u>	<u>(200,714)</u>
School administration			
Office of the principal services			
Salaries	914,510	913,207	1,303
Employee benefits	274,924	270,487	4,437
Purchased services	3,800	1,444	2,356
Supplies and materials	71,360	47,333	24,027
Other objects	<u>3,858</u>	<u>2,574</u>	<u>1,284</u>
Total	<u>1,268,452</u>	<u>1,235,045</u>	<u>33,407</u>
Total school administration	<u>1,268,452</u>	<u>1,235,045</u>	<u>33,407</u>

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Business			
Direction of business support services			
Salaries	\$ 150,101	\$ 150,101	\$ -
Employee benefits	44,756	44,756	-
Purchased services	3,250	2,319	931
Other objects	<u>1,500</u>	<u>1,280</u>	<u>220</u>
Total	<u>199,607</u>	<u>198,456</u>	<u>1,151</u>
Fiscal services			
Salaries	123,669	123,669	-
Employee benefits	72,415	52,859	19,556
Purchased services	34,850	40,636	(5,786)
Supplies and materials	5,000	2,936	2,064
Capital outlay	2,500	284,784	(282,284)
Other objects	<u>750</u>	<u>200</u>	<u>550</u>
Total	<u>239,184</u>	<u>505,084</u>	<u>(265,900)</u>
Operation and maintenance of plant services			
Purchased services	<u>56,766</u>	<u>49,516</u>	<u>7,250</u>
Total	<u>56,766</u>	<u>49,516</u>	<u>7,250</u>
Food services			
Salaries	111,253	79,660	31,593
Purchased services	395,750	262,854	132,896
Supplies and materials	13,100	58,806	(45,706)
Capital outlay	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total	<u>535,103</u>	<u>401,320</u>	<u>133,783</u>
Internal services			
Purchased services	30,000	41,010	(11,010)
Supplies and materials	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total	<u>32,500</u>	<u>41,010</u>	<u>(8,510)</u>
Total business	<u>1,063,160</u>	<u>1,195,386</u>	<u>(132,226)</u>
Central			
Planning, research, development and evaluation services			
Purchased services	<u>25,000</u>	<u>26,063</u>	<u>(1,063)</u>
Total	<u>25,000</u>	<u>26,063</u>	<u>(1,063)</u>
Information services			
Purchased services	126,000	97,420	28,580
Supplies and materials	<u>1,000</u>	<u>1,482</u>	<u>(482)</u>
Total	<u>127,000</u>	<u>98,902</u>	<u>28,098</u>

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Staff services			
Salaries	\$ 117,901	\$ 114,151	\$ 3,750
Employee benefits	47,827	47,826	1
Purchased services	23,250	24,491	(1,241)
Supplies and materials	18,000	17,939	61
Other objects	<u>1,000</u>	<u>200</u>	<u>800</u>
Total	<u>207,978</u>	<u>204,607</u>	<u>3,371</u>
Data processing services			
Purchased services	<u>25,000</u>	<u>25,930</u>	<u>(930)</u>
Total	<u>25,000</u>	<u>25,930</u>	<u>(930)</u>
Total central	<u>384,978</u>	<u>355,502</u>	<u>29,476</u>
Other supporting services			
Salaries	5,000	798	4,202
Purchased services	12,000	14,392	(2,392)
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>17,500</u>	<u>15,190</u>	<u>2,310</u>
Total support services	<u>7,971,826</u>	<u>7,839,295</u>	<u>132,531</u>
Community services			
Salaries	153,276	136,907	16,369
Employee benefits	10,435	10,963	(528)
Purchased services	34,168	37,065	(2,897)
Supplies and materials	<u>27,568</u>	<u>4,547</u>	<u>23,021</u>
Total community services	<u>225,447</u>	<u>189,482</u>	<u>35,965</u>
Payments to other districts and governmental units			
Payments for special education programs			
Purchased services	<u>299,118</u>	<u>285,153</u>	<u>13,965</u>
Total	<u>299,118</u>	<u>285,153</u>	<u>13,965</u>
Payments for special education programs - tuition			
Other objects	<u>625,000</u>	<u>687,406</u>	<u>(62,406)</u>
Total	<u>625,000</u>	<u>687,406</u>	<u>(62,406)</u>
Total payments to other districts and governmental units	<u>924,118</u>	<u>972,559</u>	<u>(48,441)</u>
Total expenditures	<u>22,583,492</u>	<u>22,248,289</u>	<u>335,203</u>
Excess (deficiency) of revenues over expenditures	<u>799,338</u>	<u>(837,068)</u>	<u>(1,636,406)</u>

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Other financing sources (uses)			
Principal on bonds sold	\$ -	\$ 2,404,843	\$ 2,404,843
Lease issuance	-	284,784	284,784
Transfer for principal on leases	-	(80,712)	(80,712)
Transfer for interest on leases	-	(12,053)	(12,053)
	<u>-</u>	<u>2,596,862</u>	<u>2,596,862</u>
Total other financing sources (uses)	<u>-</u>	<u>2,596,862</u>	<u>2,596,862</u>
Net change in fund balance	<u>\$ 799,338</u>	1,759,794	<u>\$ 960,456</u>
Fund balance, beginning of year (as restated)		<u>3,804,193</u>	
Fund balance, end of year		<u>\$ 5,563,987</u>	

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 1,890,000	\$ 1,656,331	\$ (233,669)
Investment income	20,000	32,784	12,784
Rentals	135,000	77,817	(57,183)
Contributions and donations from private sources	3,000	-	(3,000)
Impact fees from municipal or county governments	2,500	-	(2,500)
Other	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total local sources	<u>2,051,500</u>	<u>1,766,932</u>	<u>(284,568)</u>
State sources			
School infrastructure - maintenance projects	-	50,000	50,000
Other restricted revenue from state sources	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total state sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total revenues	<u>2,101,500</u>	<u>1,816,932</u>	<u>(284,568)</u>
Expenditures			
Support services			
Business			
Operation and maintenance of plant services			
Salaries	897,478	912,538	(15,060)
Employee benefits	175,854	165,947	9,907
Purchased services	490,432	561,931	(71,499)
Supplies and materials	322,300	270,492	51,808
Capital outlay	37,500	29,576	7,924
Other objects	300	200	100
Non-capitalized equipment	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total	<u>1,928,864</u>	<u>1,940,684</u>	<u>(11,820)</u>
Food services			
Capital outlay	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total business	<u>1,943,864</u>	<u>1,940,684</u>	<u>3,180</u>
Total support services	<u>1,943,864</u>	<u>1,940,684</u>	<u>3,180</u>
Total expenditures	<u>1,943,864</u>	<u>1,940,684</u>	<u>3,180</u>
Net change in fund balance	<u>\$ 157,636</u>	(123,752)	<u>\$ (281,388)</u>
Fund balance, beginning of year (as restated)		<u>1,355,545</u>	
Fund balance, end of year		<u>\$ 1,231,793</u>	

See Auditors' Report and Notes to Required Supplementary Information

**PROSPECT HEIGHTS SCHOOL DISTRICT 23
TRANSPORTATION FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 990,000	\$ 1,084,213	\$ 94,213
Regular transportation fees from other LEAs (in state)	7,500	-	(7,500)
Investment income	<u>30,000</u>	<u>25,550</u>	<u>(4,450)</u>
Total local sources	<u>1,027,500</u>	<u>1,109,763</u>	<u>82,263</u>
State sources			
Transportation - regular/vocational	400,000	397,567	(2,433)
Transportation - special education	<u>245,000</u>	<u>218,439</u>	<u>(26,561)</u>
Total state sources	<u>645,000</u>	<u>616,006</u>	<u>(28,994)</u>
Total revenues	<u>1,672,500</u>	<u>1,725,769</u>	<u>53,269</u>
Expenditures			
Support Services			
Business			
Pupil transportation services			
Salaries	29,206	30,553	(1,347)
Purchased services	1,476,000	1,511,446	(35,446)
Supplies and materials	<u>120,000</u>	<u>106,260</u>	<u>13,740</u>
Total	<u>1,625,206</u>	<u>1,648,259</u>	<u>(23,053)</u>
Total business	<u>1,625,206</u>	<u>1,648,259</u>	<u>(23,053)</u>
Other supporting services			
Purchased services	<u>3,350</u>	<u>-</u>	<u>3,350</u>
Total	<u>3,350</u>	<u>-</u>	<u>3,350</u>
Total support services	<u>1,628,556</u>	<u>1,648,259</u>	<u>(19,703)</u>
Payments to other districts and government units			
Payments for special education programs			
Purchased services	<u>120,000</u>	<u>278,779</u>	<u>(158,779)</u>
Total	<u>120,000</u>	<u>278,779</u>	<u>(158,779)</u>
Total payments to other districts and government units	<u>120,000</u>	<u>278,779</u>	<u>(158,779)</u>
Total expenditures	<u>1,748,556</u>	<u>1,927,038</u>	<u>(178,482)</u>
Net change in fund balance	<u>\$ (76,056)</u>	(201,269)	<u>\$ (125,213)</u>
Fund balance, beginning of year (as restated)		<u>1,977,766</u>	
Fund balance, end of year		<u>\$ 1,776,497</u>	

See Auditors' Report and Notes to Required Supplementary Information

**PROSPECT HEIGHTS SCHOOL DISTRICT 23
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 425,000	\$ 395,232	\$ (29,768)
Social security/Medicare only levy	420,000	395,232	(24,768)
Corporate personal property replacement taxes	-	6,063	6,063
Investment income	<u>4,000</u>	<u>10,700</u>	<u>6,700</u>
Total local sources	<u>849,000</u>	<u>807,227</u>	<u>(41,773)</u>
Federal sources			
Federal - special education - IDEA - flow-through/	<u>-</u>	<u>22,102</u>	<u>22,102</u>
Total federal sources	<u>-</u>	<u>22,102</u>	<u>22,102</u>
Total revenues	<u>849,000</u>	<u>829,329</u>	<u>(19,671)</u>
Expenditures			
Instruction			
Regular programs	91,411	91,268	143
Special education programs	177,134	145,536	31,598
Special education programs Pre-K	7,147	6,278	869
Remedial and supplemental programs K - 12	-	5,586	(5,586)
CTE programs	1,855	1,845	10
Interscholastic programs	2,384	3,862	(1,478)
Summer school programs	-	3,891	(3,891)
Bilingual programs	<u>13,286</u>	<u>22,222</u>	<u>(8,936)</u>
Total instruction	<u>293,217</u>	<u>280,488</u>	<u>12,729</u>
Support services			
Pupils			
Attendance and social work services	5,791	5,596	195
Health services	106,268	98,197	8,071
Psychological services	6,305	6,184	121
Speech pathology and audiology services	<u>6,430</u>	<u>5,397</u>	<u>1,033</u>
Total pupils	<u>124,794</u>	<u>115,374</u>	<u>9,420</u>
Instructional staff			
Improvement of instructional staff	6,177	10,307	(4,130)
Educational media services	<u>46,443</u>	<u>42,817</u>	<u>3,626</u>
Total instructional staff	<u>52,620</u>	<u>53,124</u>	<u>(504)</u>
General administration			
Executive administration services	<u>10,980</u>	<u>10,576</u>	<u>404</u>
Total general administration	<u>10,980</u>	<u>10,576</u>	<u>404</u>

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
School administration			
Office of the principal services	\$ 57,558	\$ 50,303	\$ 7,255
Total school administration	<u>57,558</u>	<u>50,303</u>	<u>7,255</u>
Business			
Direction of business support services	2,176	2,157	19
Fiscal services	20,900	19,716	1,184
Operations and maintenance of plant services	142,294	143,640	(1,346)
Pupil transportation services	424	903	(479)
Food services	<u>1,613</u>	<u>3,732</u>	<u>(2,119)</u>
Total business	<u>167,407</u>	<u>170,148</u>	<u>(2,741)</u>
Central			
Staff services	<u>19,291</u>	<u>18,285</u>	<u>1,006</u>
Total central	<u>19,291</u>	<u>18,285</u>	<u>1,006</u>
Other supporting services			
Total support services	<u>-</u>	<u>106</u>	<u>(106)</u>
Community services			
Total expenditures	<u>8,079</u>	<u>15,764</u>	<u>(7,685)</u>
Total expenditures	<u>733,946</u>	<u>714,168</u>	<u>19,778</u>
Net change in fund balance	<u>\$ 115,054</u>	115,161	<u>\$ 107</u>
Fund balance, beginning of year		<u>343,226</u>	
Fund balance, end of year		<u>\$ 458,387</u>	

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

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

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

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes “on-behalf” payments received and made for the amounts contributed by the State of Illinois for the employer’s share of the Teachers Retirement System pension. The District does not budget for these amounts in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 21,411,221	\$ 22,248,289
To adjust for on-behalf payments received	5,879,999	-
To adjust for on-behalf payments made	-	5,879,999
General Fund GAAP Basis	\$ 27,291,220	\$ 28,128,288

Excess of Expenditures over Budget

For the year ended June 30, 2023, expenditures exceeded budget in the Transportation Fund by \$178,482. This excess was funded by available financial resources.

See Auditors' Report

PROSPECT HEIGHTS SCHOOL DISTRICT 23
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 1,295,000	\$ 1,339,370	\$ 44,370
Investment income	<u>5,000</u>	<u>18,682</u>	<u>13,682</u>
Total local sources	<u>1,300,000</u>	<u>1,358,052</u>	<u>58,052</u>
Total revenues	<u>1,300,000</u>	<u>1,358,052</u>	<u>58,052</u>
Expenditures			
Debt services			
Payments on long term debt			
Interest on long term debt	359,808	425,430	(65,622)
Principal payments on long term debt	<u>1,030,000</u>	<u>1,050,712</u>	<u>(20,712)</u>
Total	<u>1,389,808</u>	<u>1,476,142</u>	<u>(86,334)</u>
Other debt service			
Other objects	<u>-</u>	<u>33,322</u>	<u>(33,322)</u>
Total	<u>-</u>	<u>33,322</u>	<u>(33,322)</u>
Total debt services	<u>1,389,808</u>	<u>1,509,464</u>	<u>(119,656)</u>
Total expenditures	<u>1,389,808</u>	<u>1,509,464</u>	<u>(119,656)</u>
Excess (deficiency) of revenues over expenditures	<u>(89,808)</u>	<u>(151,412)</u>	<u>(61,604)</u>
Other financing sources (uses)			
Principal on bonds sold	-	80,157	80,157
Premium on bonds sold	100,000	-	(100,000)
Transfer for principal on leases	-	80,712	80,712
Transfer for interest on leases	<u>-</u>	<u>12,053</u>	<u>12,053</u>
Total other financing sources (uses)	<u>100,000</u>	<u>172,922</u>	<u>72,922</u>
Net change in fund balance	<u>\$ 10,192</u>	21,510	<u>\$ 11,318</u>
Fund balance, beginning of year		<u>656,257</u>	
Fund balance, end of year		<u>\$ 677,767</u>	

PROSPECT HEIGHTS SCHOOL DISTRICT 23
CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
Investment income	\$ 25,000	\$ 57,906	\$ 32,906
Total local sources	<u>25,000</u>	<u>57,906</u>	<u>32,906</u>
Total revenues	<u>25,000</u>	<u>57,906</u>	<u>32,906</u>
Expenditures			
Support services			
Business			
Facilities acquisition and construction service			
Purchased services	25,000	84,299	(59,299)
Capital outlay	<u>1,518,989</u>	<u>1,872,595</u>	<u>(353,606)</u>
Total	<u>1,543,989</u>	<u>1,956,894</u>	<u>(412,905)</u>
Total business	<u>1,543,989</u>	<u>1,956,894</u>	<u>(412,905)</u>
Total support services	<u>1,543,989</u>	<u>1,956,894</u>	<u>(412,905)</u>
Total expenditures	<u>1,543,989</u>	<u>1,956,894</u>	<u>(412,905)</u>
Net change in fund balance	<u>\$ (1,518,989)</u>	(1,898,988)	<u>\$ (379,999)</u>
Fund balance, beginning of year (as restated)		<u>3,035,842</u>	
Fund balance, end of year		<u>\$ 1,136,854</u>	

PROSPECT HEIGHTS SCHOOL DISTRICT 23

GENERAL FUND

COMBINING BALANCE SHEET

AS OF JUNE 30, 2023

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets				
Cash	\$ 1,765,260	\$ 30,272	\$ 3,505,532	\$ 5,301,064
Student activity cash	31,875	-	-	31,875
Receivables (net allowance for uncollectibles):				
Property taxes	8,635,713	36,666	75,165	8,747,544
Replacement taxes	40,671	-	-	40,671
Intergovernmental	<u>153,653</u>	<u>-</u>	<u>-</u>	<u>153,653</u>
Total assets	<u>\$ 10,627,172</u>	<u>\$ 66,938</u>	<u>\$ 3,580,697</u>	<u>\$ 14,274,807</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 206,614	\$ -	\$ -	\$ 206,614
Payroll deductions payable	<u>38,073</u>	<u>-</u>	<u>-</u>	<u>38,073</u>
Total liabilities	<u>244,687</u>	<u>-</u>	<u>-</u>	<u>244,687</u>
Deferred inflows of resources				
Property taxes levied for a future period	<u>8,357,900</u>	<u>35,486</u>	<u>72,747</u>	<u>8,466,133</u>
Total deferred inflows of resources	<u>8,357,900</u>	<u>35,486</u>	<u>72,747</u>	<u>8,466,133</u>
Fund balance				
Restricted	506,881	31,452	-	538,333
Assigned	31,874	-	-	31,874
Unassigned	<u>1,485,830</u>	<u>-</u>	<u>3,507,950</u>	<u>4,993,780</u>
Total fund balance	<u>2,024,585</u>	<u>31,452</u>	<u>3,507,950</u>	<u>5,563,987</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 10,627,172</u>	<u>\$ 66,938</u>	<u>\$ 3,580,697</u>	<u>\$ 14,274,807</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues				
Property taxes	\$ 15,814,352	\$ 75,363	\$ 177,576	\$ 16,067,291
Corporate personal property replacement taxes	251,857	-	-	251,857
State aid	7,809,547	-	-	7,809,547
Federal aid	2,079,393	-	-	2,079,393
Investment income	81,086	1,136	58,895	141,117
Student activities	124,233	-	-	124,233
Other	817,782	-	-	817,782
Total revenues	<u>26,978,250</u>	<u>76,499</u>	<u>236,471</u>	<u>27,291,220</u>
Expenditures				
Current:				
Instruction:				
Regular programs	8,106,430	-	-	8,106,430
Special programs	3,518,006	-	-	3,518,006
Other instructional programs	1,241,239	-	-	1,241,239
Student activities	100,186	-	-	100,186
State retirement contributions	5,879,999	-	-	5,879,999
Support Services:				
Pupils	2,370,855	-	-	2,370,855
Instructional staff	1,701,847	-	-	1,701,847
General administration	636,797	179,074	-	815,871
School administration	1,235,045	-	-	1,235,045
Business	861,086	-	-	861,086
Operations and maintenance	49,516	-	-	49,516
Central	355,502	-	-	355,502
Other supporting services	15,190	-	-	15,190
Community services	189,482	-	-	189,482
Payments to other districts and gov't units	972,559	-	-	972,559
Capital outlay	715,475	-	-	715,475
Total expenditures	<u>27,949,214</u>	<u>179,074</u>	<u>-</u>	<u>28,128,288</u>
Excess (deficiency) of revenues over expenditures	<u>(970,964)</u>	<u>(102,575)</u>	<u>236,471</u>	<u>(837,068)</u>
Other financing sources (uses)				
Transfers (out)	(92,765)	-	-	(92,765)
Principal on bonds sold	1,000	-	2,403,843	2,404,843
Lease issuance	284,784	-	-	284,784
Total other financing sources (uses)	<u>193,019</u>	<u>-</u>	<u>2,403,843</u>	<u>2,596,862</u>
Net change in fund balance	(777,945)	(102,575)	2,640,314	1,759,794
Fund balance, beginning of year (as restated)	<u>2,802,530</u>	<u>134,027</u>	<u>867,636</u>	<u>3,804,193</u>
Fund balance, end of year	<u>\$ 2,024,585</u>	<u>\$ 31,452</u>	<u>\$ 3,507,950</u>	<u>\$ 5,563,987</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 17,000,000	\$ 15,814,352	\$ (1,185,648)
Corporate personal property replacement taxes	275,000	251,857	(23,143)
Summer school tuition from pupils or parents (in state)	1,500	-	(1,500)
Investment income	75,000	81,086	6,086
Sales to pupils - lunch	300,000	162,238	(137,762)
Fees	56,700	54,180	(2,520)
Book store sales	19,000	14,026	(4,974)
Other pupil activity revenue	-	226,944	226,944
Student activities	-	124,233	124,233
Sales - other	15,000	11,813	(3,187)
Contributions and donations from private sources	30,000	30,000	-
Refund of prior years' expenditures	15,000	4,315	(10,685)
Other local fees	500,000	300,573	(199,427)
Other	20,000	13,693	(6,307)
Total local sources	<u>18,307,200</u>	<u>17,089,310</u>	<u>(1,217,890)</u>
State sources			
Evidence based funding	2,200,000	1,880,202	(319,798)
Special education - private facility tuition	45,000	45,924	924
CTE - Secondary program improvement	1,328	1,010	(318)
State free lunch & breakfast	31,000	874	(30,126)
Other restricted revenue from state sources	8,500	1,538	(6,962)
Total state sources	<u>2,285,828</u>	<u>1,929,548</u>	<u>(356,280)</u>
Federal sources			
National school lunch program	500,000	273,620	(226,380)
School breakfast program	100,000	35,214	(64,786)
Summer food service admin/program	10,000	-	(10,000)
Food service - other	32,000	57,733	25,733
Title I - Low income	148,849	140,935	(7,914)
Title IV - Safe & drug free schools - formula	10,000	12,105	2,105
Federal - special education - preschool flow-through	17,088	12,754	(4,334)
Federal - special education - IDEA - flow-through/low incident	400,070	411,605	11,535
Federal - special education - IDEA - room & board	-	159,871	159,871
Emergency immigrant assistance	15,000	-	(15,000)
Title III - English language acquisition	55,600	45,828	(9,772)
Title II - Teacher quality	26,793	26,298	(495)
Medicaid matching funds - administrative outreach	75,000	70,681	(4,319)
Medicaid matching funds - fee-for-service program	50,000	64,004	14,004
Other restricted revenue from federal sources	1,212,902	768,745	(444,157)
Total federal sources	<u>2,653,302</u>	<u>2,079,393</u>	<u>(573,909)</u>
Total revenues	<u>23,246,330</u>	<u>21,098,251</u>	<u>(2,148,079)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures			
Instruction			
Regular programs			
Salaries	\$ 6,483,471	\$ 6,475,401	\$ 8,070
Employee benefits	1,310,135	1,258,670	51,465
Purchased services	45,267	29,270	15,997
Supplies and materials	481,584	341,534	140,050
Capital outlay	47,500	261,229	(213,729)
Other objects	<u>3,450</u>	<u>1,386</u>	<u>2,064</u>
Total	<u>8,371,407</u>	<u>8,367,490</u>	<u>3,917</u>
Tuition payment to charter schools			
Purchased services	<u>3,800</u>	<u>169</u>	<u>3,631</u>
Total	<u>3,800</u>	<u>169</u>	<u>3,631</u>
Special education programs			
Salaries	2,195,845	2,112,805	83,040
Employee benefits	767,726	615,898	151,828
Purchased services	46,000	32,640	13,360
Supplies and materials	51,000	24,762	26,238
Capital outlay	15,000	14,863	137
Other objects	<u>1,250</u>	<u>1,014</u>	<u>236</u>
Total	<u>3,076,821</u>	<u>2,801,982</u>	<u>274,839</u>
Special education programs Pre-K			
Salaries	201,130	191,294	9,836
Employee benefits	49,553	38,189	11,364
Purchased services	1,000	25,513	(24,513)
Supplies and materials	7,500	7,374	126
Capital outlay	8,000	-	8,000
Other objects	<u>150</u>	<u>-</u>	<u>150</u>
Total	<u>267,333</u>	<u>262,370</u>	<u>4,963</u>
Remedial and supplemental programs K - 12			
Salaries	73,500	73,013	487
Purchased services	<u>5,000</u>	<u>14,201</u>	<u>(9,201)</u>
Total	<u>78,500</u>	<u>87,214</u>	<u>(8,714)</u>
CTE programs			
Salaries	127,905	127,905	-
Employee benefits	10,493	10,674	(181)
Supplies and materials	4,000	3,693	307
Other objects	<u>-</u>	<u>350</u>	<u>(350)</u>
Total	<u>142,398</u>	<u>142,622</u>	<u>(224)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Interscholastic programs			
Salaries	\$ 160,668	\$ 169,373	\$ (8,705)
Purchased services	6,000	6,025	(25)
Supplies and materials	1,000	1,301	(301)
Capital outlay	5,000	5,000	-
Other objects	<u>2,000</u>	<u>2,650</u>	<u>(650)</u>
Total	<u>174,668</u>	<u>184,349</u>	<u>(9,681)</u>
Summer school programs			
Salaries	163,902	66,900	97,002
Employee benefits	-	17	(17)
Purchased services	15,000	19,383	(4,383)
Supplies and materials	<u>2,500</u>	<u>2,161</u>	<u>339</u>
Total	<u>181,402</u>	<u>88,461</u>	<u>92,941</u>
Bilingual programs			
Salaries	675,722	684,979	(9,257)
Employee benefits	122,300	141,428	(19,128)
Purchased services	2,000	4,400	(2,400)
Supplies and materials	<u>5,750</u>	<u>-</u>	<u>5,750</u>
Total	<u>805,772</u>	<u>830,807</u>	<u>(25,035)</u>
Special education programs K -12 - private tuition			
Other objects	<u>360,000</u>	<u>381,303</u>	<u>(21,303)</u>
Total	<u>360,000</u>	<u>381,303</u>	<u>(21,303)</u>
Student activities			
Other objects	<u>-</u>	<u>100,186</u>	<u>(100,186)</u>
Total	<u>-</u>	<u>100,186</u>	<u>(100,186)</u>
Total instruction	<u>13,462,101</u>	<u>13,246,953</u>	<u>215,148</u>
Support services			
Pupils			
Attendance and social work services			
Salaries	353,170	353,170	-
Employee benefits	49,553	50,974	(1,421)
Purchased services	31,200	31,343	(143)
Supplies and materials	2,000	522	1,478
Other objects	<u>300</u>	<u>-</u>	<u>300</u>
Total	<u>436,223</u>	<u>436,009</u>	<u>214</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Health services			
Salaries	\$ 632,729	\$ 630,394	\$ 2,335
Employee benefits	173,824	176,311	(2,487)
Purchased services	18,750	3,987	14,763
Supplies and materials	25,384	17,125	8,259
Capital outlay	10,000	28,323	(18,323)
Other objects	900	-	900
Total	<u>861,587</u>	<u>856,140</u>	<u>5,447</u>
Psychological services			
Salaries	434,849	434,849	-
Employee benefits	99,641	89,014	10,627
Purchased services	3,350	1,030	2,320
Supplies and materials	1,200	98	1,102
Other objects	1,320	975	345
Total	<u>540,360</u>	<u>525,966</u>	<u>14,394</u>
Speech pathology and audiology services			
Salaries	443,467	381,636	61,831
Employee benefits	57,471	59,151	(1,680)
Purchased services	4,300	104,243	(99,943)
Supplies and materials	8,250	1,599	6,651
Capital outlay	10,000	-	10,000
Other objects	1,900	900	1,000
Total	<u>525,388</u>	<u>547,529</u>	<u>(22,141)</u>
Other support services - pupils			
Purchased services	35,000	33,534	1,466
Total	<u>35,000</u>	<u>33,534</u>	<u>1,466</u>
Total pupils	<u>2,398,558</u>	<u>2,399,178</u>	<u>(620)</u>
Instructional staff			
Improvement of instructional services			
Salaries	339,464	329,060	10,404
Employee benefits	68,752	63,485	5,267
Purchased services	24,500	20,184	4,316
Supplies and materials	10,000	15,957	(5,957)
Other objects	6,000	2,831	3,169
Total	<u>448,716</u>	<u>431,517</u>	<u>17,199</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Educational media services			
Salaries	\$ 766,999	\$ 752,191	\$ 14,808
Employee benefits	200,404	171,339	29,065
Purchased services	196,950	176,597	20,353
Supplies and materials	522,452	155,027	367,425
Capital outlay	70,000	121,276	(51,276)
Other objects	<u>1,500</u>	<u>838</u>	<u>662</u>
Total	<u>1,758,305</u>	<u>1,377,268</u>	<u>381,037</u>
Assessment and testing			
Supplies and materials	<u>17,000</u>	<u>14,338</u>	<u>2,662</u>
Total	<u>17,000</u>	<u>14,338</u>	<u>2,662</u>
Total instructional staff	<u>2,224,021</u>	<u>1,823,123</u>	<u>400,898</u>
General administration			
Board of education services			
Purchased services	170,500	166,534	3,966
Supplies and materials	4,000	3,408	592
Other objects	<u>9,000</u>	<u>7,967</u>	<u>1,033</u>
Total	<u>183,500</u>	<u>177,909</u>	<u>5,591</u>
Executive administration services			
Salaries	271,337	268,837	2,500
Employee benefits	77,570	77,627	(57)
Purchased services	6,000	6,705	(705)
Supplies and materials	16,000	23,259	(7,259)
Other objects	<u>3,000</u>	<u>4,780</u>	<u>(1,780)</u>
Total	<u>373,907</u>	<u>381,208</u>	<u>(7,301)</u>
Tort immunity services			
Purchased services	<u>57,750</u>	<u>77,680</u>	<u>(19,930)</u>
Total	<u>57,750</u>	<u>77,680</u>	<u>(19,930)</u>
Total general administration	<u>615,157</u>	<u>636,797</u>	<u>(21,640)</u>
School administration			
Office of the principal services			
Salaries	914,510	913,207	1,303
Employee benefits	274,924	270,487	4,437
Purchased services	3,800	1,444	2,356
Supplies and materials	71,360	47,333	24,027
Other objects	<u>3,858</u>	<u>2,574</u>	<u>1,284</u>
Total	<u>1,268,452</u>	<u>1,235,045</u>	<u>33,407</u>
Total school administration	<u>1,268,452</u>	<u>1,235,045</u>	<u>33,407</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Business			
Direction of business support services			
Salaries	\$ 150,101	\$ 150,101	\$ -
Employee benefits	44,756	44,756	-
Purchased services	3,250	2,319	931
Other objects	<u>1,500</u>	<u>1,280</u>	<u>220</u>
Total	<u>199,607</u>	<u>198,456</u>	<u>1,151</u>
Fiscal services			
Salaries	123,669	123,669	-
Employee benefits	72,415	52,859	19,556
Purchased services	34,850	40,636	(5,786)
Supplies and materials	5,000	2,936	2,064
Capital outlay	2,500	284,784	(282,284)
Other objects	<u>750</u>	<u>200</u>	<u>550</u>
Total	<u>239,184</u>	<u>505,084</u>	<u>(265,900)</u>
Operation and maintenance of plant services			
Purchased services	<u>56,766</u>	<u>49,516</u>	<u>7,250</u>
Total	<u>56,766</u>	<u>49,516</u>	<u>7,250</u>
Food services			
Salaries	111,253	79,660	31,593
Purchased services	395,750	262,854	132,896
Supplies and materials	13,100	58,806	(45,706)
Capital outlay	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total	<u>535,103</u>	<u>401,320</u>	<u>133,783</u>
Internal services			
Purchased services	30,000	41,010	(11,010)
Supplies and materials	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total	<u>32,500</u>	<u>41,010</u>	<u>(8,510)</u>
Total business	<u>1,063,160</u>	<u>1,195,386</u>	<u>(132,226)</u>
Central			
Planning, research, development and evaluation services			
Purchased services	<u>25,000</u>	<u>26,063</u>	<u>(1,063)</u>
Total	<u>25,000</u>	<u>26,063</u>	<u>(1,063)</u>
Information services			
Purchased services	126,000	97,420	28,580
Supplies and materials	<u>1,000</u>	<u>1,482</u>	<u>(482)</u>
Total	<u>127,000</u>	<u>98,902</u>	<u>28,098</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Staff services			
Salaries	\$ 117,901	\$ 114,151	\$ 3,750
Employee benefits	47,827	47,826	1
Purchased services	23,250	24,491	(1,241)
Supplies and materials	18,000	17,939	61
Other objects	<u>1,000</u>	<u>200</u>	<u>800</u>
Total	<u>207,978</u>	<u>204,607</u>	<u>3,371</u>
Data processing services			
Purchased services	<u>25,000</u>	<u>25,930</u>	<u>(930)</u>
Total	<u>25,000</u>	<u>25,930</u>	<u>(930)</u>
Total central	<u>384,978</u>	<u>355,502</u>	<u>29,476</u>
Other supporting services			
Salaries	5,000	798	4,202
Purchased services	12,000	14,392	(2,392)
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>17,500</u>	<u>15,190</u>	<u>2,310</u>
Total support services	<u>7,971,826</u>	<u>7,660,221</u>	<u>311,605</u>
Community services			
Salaries	153,276	136,907	16,369
Employee benefits	10,435	10,963	(528)
Purchased services	34,168	37,065	(2,897)
Supplies and materials	<u>27,568</u>	<u>4,547</u>	<u>23,021</u>
Total community services	<u>225,447</u>	<u>189,482</u>	<u>35,965</u>
Payments to other districts and governmental units			
Payments for special education programs			
Purchased services	<u>299,118</u>	<u>285,153</u>	<u>13,965</u>
Total	<u>299,118</u>	<u>285,153</u>	<u>13,965</u>
Payments for special education programs - tuition			
Other objects	<u>625,000</u>	<u>687,406</u>	<u>(62,406)</u>
Total	<u>625,000</u>	<u>687,406</u>	<u>(62,406)</u>
Total payments to other districts and governmental units	<u>924,118</u>	<u>972,559</u>	<u>(48,441)</u>
Total expenditures	<u>22,583,492</u>	<u>22,069,215</u>	<u>514,277</u>
Excess (deficiency) of revenues over expenditures	<u>662,838</u>	<u>(970,964)</u>	<u>(1,633,802)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Other financing sources (uses)			
Principal on bonds sold	\$ -	\$ 1,000	\$ 1,000
Lease issuance	-	284,784	284,784
Transfer for principal on leases	-	(80,712)	(80,712)
Transfer for interest on leases	-	(12,053)	(12,053)
Total other financing sources (uses)	<u>-</u>	<u>193,019</u>	<u>193,019</u>
Net change in fund balance	<u>\$ 662,838</u>	<u>(777,945)</u>	<u>\$ (1,440,783)</u>
Fund balance, beginning of year (as restated)		<u>2,802,530</u>	
Fund balance, end of year		<u>\$ 2,024,585</u>	

**PROSPECT HEIGHTS SCHOOL DISTRICT 23
TORT IMMUNITY AND JUDGMENT ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
Tort immunity levy	\$ -	\$ 75,363	\$ 75,363
Investment income	<u>3,000</u>	<u>1,136</u>	<u>(1,864)</u>
Total local sources	<u>3,000</u>	<u>76,499</u>	<u>73,499</u>
Total revenues	<u>3,000</u>	<u>76,499</u>	<u>73,499</u>
Expenditures			
Support Services			
General administration			
Risk management and claims services payments			
Employee benefits	-	367	(367)
Purchased services	<u>-</u>	<u>178,707</u>	<u>(178,707)</u>
Total	<u>-</u>	<u>179,074</u>	<u>(179,074)</u>
Total general administration	<u>-</u>	<u>179,074</u>	<u>(179,074)</u>
Total expenditures	<u>-</u>	<u>179,074</u>	<u>(179,074)</u>
Net change in fund balance	<u>\$ 3,000</u>	(102,575)	<u>\$ (105,575)</u>
Fund balance, beginning of year		<u>134,027</u>	
Fund balance, end of year		<u>\$ 31,452</u>	

PROSPECT HEIGHTS SCHOOL DISTRICT 23
WORKING CASH ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 130,000	\$ 177,576	\$ 47,576
Investment income	<u>3,500</u>	<u>58,895</u>	<u>55,395</u>
Total local sources	<u>133,500</u>	<u>236,471</u>	<u>102,971</u>
Total revenues	<u>133,500</u>	<u>236,471</u>	<u>102,971</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>133,500</u>	<u>236,471</u>	<u>102,971</u>
Other financing sources (uses)			
Principal on bonds sold	<u>-</u>	<u>2,403,843</u>	<u>2,403,843</u>
Total other financing sources (uses)	<u>-</u>	<u>2,403,843</u>	<u>2,403,843</u>
Net change in fund balance	<u>\$ 133,500</u>	2,640,314	<u>\$ 2,506,814</u>
Fund balance, beginning of year		<u>867,636</u>	
Fund balance, end of year		<u>\$ 3,507,950</u>	