

Mount Prospect School District 57

Mount Prospect, Illinois

Annual Financial Report

Year Ended June 30, 2024

Mount Prospect School District 57

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 5
Management's Discussion and Analysis (Unaudited)	6 - 15
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position - Governmental Activities	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18 - 19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21 - 22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23 - 24
Notes to the Financial Statements	25 - 70
Required Supplementary Information (Unaudited)	
Multiyear Schedules of Changes in Net Pension Liability (Asset) and Related Ratios	
Illinois Municipal Retirement Fund	71 - 72
Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund	73
Multiyear Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Retirement System of the State of Illinois	74 - 75
Multiyear Schedule of District Contributions - Teachers' Retirement System of the State of Illinois	76 - 77
Multiyear Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability and Related Ratios - Retiree Health Plan	78 - 79
Multiyear Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability - Teachers' Health Insurance Security Fund	80 - 81
Multiyear Schedule of District Contributions - Teachers' Health Insurance Security Fund	82 - 83
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	84 - 93

(Continued)

Mount Prospect School District 57
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2024

TABLE OF CONTENTS

Page

Required Supplementary Information (Unaudited) (Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Operations and Maintenance Fund	94 - 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund	96
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Retirement/Social Security Fund	97 - 99
Notes to the Required Supplementary Information	100 - 104

Supplementary Financial Information

General Fund	
Combining Balance Sheet	105
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	106
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund	107 - 108
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Projects Fund	109
General Long-Term Debt	
Schedule of General Obligation Bonds	110

Other Supplemental Information (Unaudited)

Property Tax Rates - Levies and Collections - Last Five Tax Levy Years	111
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(Concluded)

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Mount Prospect School District 57
Mount Prospect, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Mount Prospect School District 57 (the District), as of and for the year ended June 30, 2024, 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, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

(Continued)



Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information which includes the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data, the other postemployment benefits data, and the budgetary comparison schedules and notes to 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 for the year ended June 30, 2024 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary financial information, as listed in the table of contents, for the year ended June 30, 2024, 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 for the year ended June 30, 2024 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 accompanying supplementary financial information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2024.

Supplementary Information (Continued)

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated December 4, 2023 which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and the Debt Service Fund with comparative actual amounts for the year ended June 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund and the Debt Service Fund were subjected to the auditing procedures applied in the audit of the 2023 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and the Debt Service Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other supplemental information (as listed in the table of contents) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 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.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
October 10, 2024

Mount Prospect School District 57
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

This section of the Mount Prospect School District 57 (the District) annual financial report presents management's discussion and analysis of the District's financial performance, during the fiscal year ended June 30, 2024. The Management's Discussion and Analysis (MD&A) is an element of the financial reporting model adopted by the Governmental Accounting Standards Board (GASB). The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements, to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

Overall, the District is in a positive financial condition. However, as with other districts in the state of Illinois, annual operations are negatively affected by the state's delay in payments and can be influenced by a declining EAV associated with property taxes. The use of "tax caps" limit the annual amount of a District's primary revenue source by essentially limiting annual property tax revenue increases to the lower of 5% or the Consumer Price Index (CPI) factor, plus a factor for new property added to the District's assessed value. In addition, property tax revenues are further reduced by assessment refunds from prior years. Historically, revenue increases are not matching the higher increases in primary expenses of a district such as salaries, health benefits, and commodity-based operating costs such as utilities.

Primary effects on fiscal 2024 operating results include the following:

- In total, net position increased by \$4,287,841 from \$25,482,948 on June 30, 2023 to \$29,770,789 on June 30, 2024.
- On a modified accrual basis, revenues for fiscal year 2024 were \$46,055,468 and expenditures were \$44,543,699.
- Operating fund balances of the District totaled \$17,793,799 as of June 30, 2024. For purposes of this analysis, the District considers operating funds to include the General (Educational and Working Cash Accounts), Operations and Maintenance, Transportation, and Municipal Retirement/Social Security. The aggregate fund balances (all funds) of the District totaled \$19,548,627.
- The estimated assessed value of property in the District for tax year 2023 is \$874,931,492 and was \$853,397,696 for tax year 2022.
- As a result of property taxes that were unpaid, reassessed, or adjusted, the percentage of the property tax extensions collected for the 2022 levy were 99.53 percent. Information was not available for the 2023 property tax extension collections, as the District receives the second installment of the 2023 levy after the fiscal year end.

Mount Prospect School District 57

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2024

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements with footnotes, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that represent a reporting concept that provides both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that are similar to the historical reporting concept and focus on individual funds of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain the District's accounting policies, with some of the information in the statements providing greater detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements, as well as supplementary financial information and other supplemental information.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's financial position and operations as a whole in a manner similar to a private-sector business.

The statement of net position presents information on the District's assets plus deferred outflows of resources less liabilities plus deferred inflows of resources with the difference between the two reported as net position, a concept similar to "equity" in business financial statements.

The statement of activities presents information showing how the District'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, on the accrual basis of accounting, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Use of the "Net Position" concept is one way to measure the District's financial health or position.

Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall financial health, consideration also needs to be given to other nonfinancial factors such as changes in the District's property tax base, the condition of its facilities, the delivery method of education, and other similar items.

In the government-wide financial statements, the District's activities are categorized as governmental activities. All of the District's basic services, such as regular and special education, transportation, and administration, are included. Property taxes and state and federal aid finance most of these activities. Some support is received from local fees.

Mount Prospect School District 57
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Overview of the Financial Statements (Continued)

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. This accounting presentation also provides information prepared on a consistent method with prior years to facilitate comparative analysis.

Governmental funds - These 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 (1) how cash and other financial assets that can readily be converted to cash flow in and out of District operations and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term asset and debt focus of the government-wide statements, a reconciliation is provided that explains the relationship or differences between them.

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 District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund (includes the Educational and Working Cash Accounts), Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Debt Service Fund, and Capital Project Fund. For reporting purposes, the District is classifying each of its governmental funds as a major fund.

The District adopts an annual budget for all governmental funds. Budgetary comparison statements have been provided for each governmental fund to demonstrate compliance with this budget.

Notes to the Basic Financial Statements

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

Mount Prospect School District 57
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Government-Wide Financial Analysis

The following is a condensed statement of net position as of June 30, 2024 and June 30, 2023:

Table 1

Condensed Statement of Net Position

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Assets:		
Current assets	\$37,981,104	\$34,719,879
Capital assets (net)	30,021,363	29,975,872
Total assets	68,002,467	64,695,751
Deferred outflows:		
Deferred loss on refunding of bonds	64,152	75,995
Related to pensions	1,336,751	1,882,151
Related to other postemployment benefits (OPEB)	2,200,622	2,055,387
Total Deferred outflows	3,601,525	4,013,533
Liabilities:		
Current liabilities	3,964,606	2,887,627
Long-term liabilities	11,562,748	12,390,311
Total liabilities	15,527,354	15,277,938
Deferred inflows:		
Property taxes levied for a future period	14,495,840	14,225,435
Related to pensions	185,503	286,433
Related to other postemployment benefits (OPEB)	11,624,506	13,436,530
Total deferred inflows	26,305,849	27,948,398
Net position:		
Net investment in capital assets	25,282,360	25,030,872
Restricted	11,310,035	9,832,729
Unrestricted	(6,821,606)	(9,380,653)
Total net position	\$29,770,789	\$25,482,948

The overall net position of the District as of June 30, 2024, was \$29,770,789.

Mount Prospect School District 57

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2024

Government-Wide Financial Analysis (Continued)

Long-term liabilities of the District consist primarily of long-term obligations in the amount of \$11,562,748 as of June 30, 2024. The District's outstanding long-term debt obligations decreased \$827,563 mainly due to the decrease in the IMRF net pension liability, as actuarially determined, as well as the repayment of certain general obligation bonds. See table 6 for more information.

In addition to assets, the statement of net position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period. At June 30, 2024, the District has deferred outflows of resources related to a deferred loss on the refunding of bonds, as well as deferred outflows of resources related to pensions and OPEB totaling \$3,601,525. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2024, the District's property taxes levied for a future period and deferred inflows related to pensions and OPEB, totaled \$26,305,849.

Changes in Net Position – The following table provides a condensed government-wide summary of the changes in the net position of the District for June 30, 2024 and June 30, 2023:

Table 2
Changes in Net Position

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Revenues:		
Program Revenues		
Charges for services	\$1,687,908	\$1,682,153
Operating grants and contributions	13,300,570	12,363,798
Capital grants and contributions	50,000	-
General Revenues		
Property taxes	30,268,675	27,362,701
Replacement taxes	957,886	1,589,641
Other	3,319,939	2,449,259
Total	49,584,978	45,447,552
Expenses:		
Instruction	31,458,880	27,198,719
Support Services	13,474,144	13,291,770
Community Services	217,538	251,940
Interest and Fees	146,575	140,420
Total	45,297,137	40,882,849
Increase in Net Position	4,287,841	4,564,703
Beginning Net Position	25,482,948	20,918,245
Ending Net Position	\$29,770,789	\$25,482,948

The most substantial portion of District revenues is derived from property taxes. The total property tax revenues for fiscal year 2024 were \$30,268,675 or approximately 10.6 percent more than the \$27,362,701 of property taxes in fiscal year 2023.

Mount Prospect School District 57

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2024

Government-Wide Financial Analysis (Continued)

The most substantial part of District expenses is related to salaries and benefits, with a focus on instruction. Total expenses for fiscal year 2024 were \$45,297,137 or approximately 10.8 percent more than the total expenses of \$40,882,849 for fiscal year 2023.

The State makes retirement contributions on behalf of the District. The above analysis reflects the receipt and disbursement of the on-behalf payments even though the District has no responsibility in the oversight of this process and the net effect to the District is \$0. For fiscal year 2024, the District recognized revenue and expenses of \$11,743,715 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$8,214,205 in the General Fund based on the current financial resources measurement for the Teachers' Retirement System (TRS) and the Teachers' Health Insurance Security Fund (THIS) State on behalf payments. The revenue is reflected in "Operating Grants and Contributions" while the expenditure is accounted for in "Instruction" on the Statement of Activities and in "State Aid Sources" and "Instruction" in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. Additional information on on-behalf contribution to TRS and THIS can be found in the notes to the financial statements (Note F and Note G).

General (Educational and Working Cash) Fund Budgetary Highlights

The General Fund, for the purpose of this analysis, combines the Educational and Working Cash Accounts. The General Fund is the principal operating fund of the District. Over the course of the year, the District did not revise the annual operating budget.

The District's fiscal 2024 budget anticipated a deficit of revenues over expenditures of \$106,880 in the General Fund. The actual results for fiscal 2024 was a surplus of \$114,797. After transfers to pay for principal and interest payments on leases and a lease issuance (reported as other financing sources and uses), the District had an increase in fund balance of \$436,535 as compared to a budgeted deficit of \$106,880 for fiscal year 2024.

Financial Analysis of the District's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The schedule below indicates the fund balance and the total change in fund balance by fund as of June 30, 2024 and June 30, 2023:

Table 3

Financial Analysis

Fund / Account:	Fund Balances		+/- Change
	<u>2024</u>	<u>2023</u>	
Educational	\$4,286,835	\$4,178,036	\$108,799
Operations and Maintenance	6,945,861	5,990,405	955,456
Debt Service	1,754,828	1,624,538	130,290
Transportation	1,362,531	1,236,588	125,943
Municipal Retirement/Social Security	1,274,784	995,817	278,967
Working Cash	3,923,788	3,596,052	327,736
Total	\$19,548,627	\$17,621,436	\$1,927,191

Mount Prospect School District 57
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Financial Analysis of the District's Funds (Continued)

Operating fund balances of the District totaled \$17,793,799 as of June 30, 2024 (General (Educational and Working Cash), Operations and Maintenance, Transportation, and Municipal Retirement/Social Security Funds).

The District's governmental funds reported an aggregate fund balance of \$19,548,627 at June 30, 2024.

The table that follows assist in illustrating the financial activities and balances of the General Fund.

Table 4
General (Educational and Working Cash) Fund Financial Analysis

	<u>2024</u>	<u>2023</u>	<u>+/- Change</u>
Revenues:			
Property taxes	\$24,122,134	\$21,296,573	\$2,825,561
State aid	2,213,399	2,181,007	32,392
State retirement contributions	8,214,205	8,151,693	62,512
Federal aid	1,398,165	1,367,544	30,621
Investment earnings	285,796	70,812	214,984
Other	1,796,387	1,505,377	291,010
Total	38,030,086	34,573,006	3,457,080
Expenditures:			
Instruction			
Regular programs	14,892,816	12,654,350	2,238,466
Special education	4,102,491	3,418,461	684,030
Other instructional	627,993	530,780	97,213
State retirement contributions	8,214,205	8,151,693	62,512
Support Services			
Pupil	2,005,699	2,020,005	(14,306)
Instructional staff	1,395,164	1,082,976	312,188
General administration	1,056,879	1,048,034	8,845
School administration	2,026,487	1,920,088	106,399
Business	722,718	769,647	(46,929)
Central	1,368,196	1,244,282	123,914
Community services	221,472	196,871	24,601
Nonprogrammed charges	863,039	773,927	89,112
Capital Outlay	418,130	-	418,130
Total	37,915,289	33,811,114	4,104,175
Excess of revenues over expenditures	\$114,797	\$761,892	(\$647,095)

Revenues exceeded expenditures during fiscal year 2024, increasing the fund balance in the General (Educational and Working Cash Accounts) Fund by \$114,797 (prior to other financing sources and uses). In fiscal year 2023 revenues exceeded expenditures by \$761,892.

Mount Prospect School District 57
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Capital Asset and Debt Administration

Capital assets – The cost, net of accumulated depreciation and amortization, of capital assets of the District as of June 30, 2024 and 2023, is as follows:

Table 5

Capital Assets (net of accumulated depreciation and amortization)

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Land	\$1,522,929	\$1,522,929
Construction in progress	401,524	28,449
Land improvements	1,269,809	1,481,122
Buildings and improvements	24,838,923	26,098,467
Equipment	1,534,338	695,559
Transportation equipment	45,714	48,236
Right to use assets, leased equipment	332,338	-
Right to use assets, subscription assets	75,788	101,110
Total	\$30,021,363	\$29,975,872

As of June 30, 2024, the District had compiled a gross investment of \$62,297,180 (\$30,021,363 net of accumulated depreciation and amortization) in a broad range of capital assets including land, buildings, construction in progress, land improvements, vehicles, other equipment and transportation equipment and right to use assets. Total accumulated depreciation and amortization, at fiscal end, was \$32,275,817. Additional information on the District's capital assets can be found in the notes to the financial statements (Note D).

Long-term debt – The following is a condensed summary of the District's long-term debt outstanding as of June 30, 2024 and 2023.

Table 6

Outstanding Long-Term Liabilities

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
General obligation bonds	\$ 4,400,000	\$ 4,945,000
Lease liability	339,003	-
IMRF net pension liability	732,108	1,636,279
TRS net pension liability	1,320,271	1,275,797
THIS net OPEB liability	4,151,301	3,870,304
RHP total OPEB liability	175,184	163,748
Other	444,881	499,183
Total	\$ 11,562,748	\$ 12,390,311

Mount Prospect School District 57
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Capital Asset and Debt Administration (Continued)

General obligation bonds totaling \$4,400,000 as of June 30, 2024, are accounted for in the Government-wide Statement of Net Position and the payments on the general obligation bonds are accounted for the Debt Service Fund. General obligation bond payments are financed with specifically approved property tax levies. There is also a lease liability of \$339,003. The TRS net pension liability is \$1,320,271, while the IMRF net pension liability is \$732,108. The District also records other postemployment benefit (OPEB) liabilities. The THIS OPEB liability is \$4,151,301, while the Retiree Health Plan (RHP) OPEB liability is \$175,184. Other long-term liabilities, as of June 30, 2024, consist of compensated absences and bond premiums totaling \$444,881. Repayment of other long-term liability obligations is secured by the general revenues and assets of the District. Additional information on the District's long-term liabilities can be found in the notes to the financial statements (Note E).

Factors bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following items that could significantly affect its future operations and related financial position:

- The District has agreed to a new five-year contract with its Educational Support Personnel (ESP) union. The new contract is set to expire on June 30, 2029.
- The District has agreed to a five-year contract with the Mount Prospect Education Association. The contract is set to expire on June 30, 2027.
- The Board of Education retains a key District financial policy seeking to maintain a year-end operating fund balance of no less than 30% and no greater than 50% with a target of 40% of the annual operating expenditures. The policy defines the operating fund consisting of the educational, operations and maintenance, transportation, municipal retirement/social security, and working cash funds.
- Through an intergovernmental agreement with the Village of Mount Prospect, the District received its final revenue payment to compensate for the taxes from the continued "freeze" in the equalized assessed valuation (EAV) of the properties within the tax incremental financing (TIF) district. A new TIF was established in fiscal year 2017, and as a result, the District will receive small annual revenue payments moving forward.
- The District has implemented a Master Facility Plan intended to be a comprehensive, interactive, planning process to be annually updated to assist the administration in future planning of facilities, budgeting, and educational services. The District currently budgets around \$2,000,000 per fiscal year to address facility issues.
- Cook County continues to charge districts with prior year(s) tax refunds, objections, and adjustments. These charges continue to be random and have a direct impact on the tax collection rate. There is legislation currently that would allow the District to recover certain prior refunds.
- In March of 2018, the voters in District 57 passed a successful limiting rate tax increase. The referendum yielded approximately \$5.7 million dollars each year over the 2016 levy. The intention of these referendum dollars is to balance the budget and embark on some long-needed facility improvements.

Mount Prospect School District 57
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

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 District's Assistant Superintendent for Finance and Operations/CSBO at (847) 394-7300.

BASIC FINANCIAL STATEMENTS

Mount Prospect School District 57
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2024

ASSETS

Cash and investments	\$ 22,092,790
Receivables (net of allowance for uncollectibles)	
Property taxes	14,653,197
Replacement taxes	162,234
Intergovernmental	865,175
Prepaid items	207,708
Capital assets:	
Land	1,522,929
Construction in progress	401,524
Capital assets being depreciated/amortized, net of accumulated depreciation/amortization	<u>28,096,910</u>
Total assets	<u>68,002,467</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on refunding of bonds	64,152
Deferred outflows related to pensions	1,336,751
Deferred outflows related to other postemployment benefits	<u>2,200,622</u>
Total deferred outflows	<u>3,601,525</u>

LIABILITIES

Accounts payable	490,579
Salaries and wages payable	2,269,459
Payroll deductions payable	701,157
Interest payable	27,969
Unearned revenue	475,442
Long-term liabilities:	
Due within one year	648,517
Due after one year	<u>10,914,231</u>
Total liabilities	<u>15,527,354</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes levied for a future period	14,495,840
Deferred inflows related to pensions	185,503
Deferred inflows related to other postemployment benefits	<u>11,624,506</u>
Total deferred inflows	<u>26,305,849</u>

NET POSITION

Net investment in capital assets	25,282,360
Restricted for:	
Operations and maintenance	6,945,861
Debt service	1,726,859
Retirement benefits	1,274,784
Student transportation	1,362,531
Unrestricted	<u>(6,821,606)</u>
Total net position	<u>\$ 29,770,789</u>

The accompanying notes are an integral part of this statement.

Mount Prospect School District 57

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

Functions / Programs	Expenses	PROGRAM REVENUES			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities					
Instruction:					
Regular programs	\$ 14,277,626	\$ 1,323,568	\$ 431,964	\$ -	\$ (12,522,094)
Special programs	4,853,409	-	965,596	-	(3,887,813)
Other instructional programs	584,130	3,925	23,475	-	(556,730)
State retirement contributions	11,743,715	-	11,743,715	-	-
Support services:					
Pupils	1,864,678	-	-	-	(1,864,678)
Instructional staff	1,327,508	-	58,809	-	(1,268,699)
General administration	1,035,729	-	-	-	(1,035,729)
School administration	1,943,705	-	-	-	(1,943,705)
Business	1,459,664	33,862	15,382	-	(1,410,420)
Transportation	991,368	326,553	61,629	-	(603,186)
Operations and maintenance	3,402,987	-	-	50,000	(3,352,987)
Central	1,448,505	-	-	-	(1,448,505)
Community services	217,538	-	-	-	(217,538)
Interest and fees	146,575	-	-	-	(146,575)
 Total governmental activities	 <u>\$ 45,297,137</u>	 <u>\$ 1,687,908</u>	 <u>\$ 13,300,570</u>	 <u>\$ 50,000</u>	 <u>(30,258,659)</u>
General revenues:					
Taxes:					
					24,122,134
					5,383,687
					762,854
					957,886
					2,116,338
					768,569
					435,032
					<u>34,546,500</u>
					4,287,841
					<u>25,482,948</u>
					\$ 29,770,789

The accompanying notes are an integral part of this statement.

Mount Prospect School District 57

Governmental Funds

BALANCE SHEET

June 30, 2024

	General	Operations and Maintenance	Transportation
ASSETS			
Cash and investments	\$ 10,357,631	\$ 6,815,345	\$ 1,606,433
Receivables (net of allowance for uncollectibles):			
Property taxes	11,880,293	1,670,538	334,108
Replacement taxes	-	162,234	-
Intergovernmental	865,175	-	-
Prepaid items	<u>207,708</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 23,310,807</u>	<u>\$ 8,648,117</u>	<u>\$ 1,940,541</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 177,617	\$ 49,655	\$ 8,089
Salaries and wages payable	2,269,459	-	-
Payroll deductions payable	664,355	-	-
Unearned revenue	<u>236,042</u>	<u>-</u>	<u>239,400</u>
Total liabilities	<u>3,347,473</u>	<u>49,655</u>	<u>247,489</u>
DEFERRED INFLOWS			
Property taxes levied for a future period	<u>11,752,711</u>	<u>1,652,601</u>	<u>330,521</u>
Total deferred inflows	<u>11,752,711</u>	<u>1,652,601</u>	<u>330,521</u>
FUND BALANCES			
Nonspendable	207,708	-	-
Restricted	-	6,945,861	1,362,531
Assigned	26,681	-	-
Unassigned	<u>7,976,234</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>8,210,623</u>	<u>6,945,861</u>	<u>1,362,531</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 23,310,807</u>	<u>\$ 8,648,117</u>	<u>\$ 1,940,541</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Total
\$ 1,307,227	\$ 1,750,936	\$ 255,218	\$ 22,092,790
405,451	362,807	-	14,653,197
-	-	-	162,234
-	-	-	865,175
-	-	-	207,708
<u>\$ 1,712,678</u>	<u>\$ 2,113,743</u>	<u>\$ 255,218</u>	<u>\$ 37,981,104</u>
\$ -	\$ -	\$ 255,218	\$ 490,579
-	-	-	2,269,459
36,802	-	-	701,157
-	-	-	475,442
<u>36,802</u>	<u>-</u>	<u>255,218</u>	<u>3,936,637</u>
<u>401,092</u>	<u>358,915</u>	<u>-</u>	<u>14,495,840</u>
<u>401,092</u>	<u>358,915</u>	<u>-</u>	<u>14,495,840</u>
-	-	-	207,708
1,274,784	1,754,828	-	11,338,004
-	-	-	26,681
-	-	-	7,976,234
<u>1,274,784</u>	<u>1,754,828</u>	<u>-</u>	<u>19,548,627</u>
<u>\$ 1,712,678</u>	<u>\$ 2,113,743</u>	<u>\$ 255,218</u>	<u>\$ 37,981,104</u>

Mount Prospect School District 57
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2024

Total fund balances - total governmental funds	\$	19,548,627
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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.		30,021,363
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Deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions		1,336,751
Deferred inflows of resources related to pensions		(185,503)
Deferred outflows of resources related to OPEB		2,200,622
Deferred inflows of resources related to OPEB		(11,624,506)

Deferred charges included in the statement of net position are not available to pay for current period expenditures and, accordingly, are not included in the governmental funds balance sheet.		64,152
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Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds:

General obligation bonds	\$	(4,400,000)	
Unamortized bond premiums		(406,808)	
Lease liability		(339,003)	
Compensated absences		(38,073)	
IMRF net pension liability		(732,108)	
TRS net pension liability		(1,320,271)	
RHP total other postemployment benefit liability		(175,184)	
THIS net other postemployment benefit liability		<u>(4,151,301)</u>	(11,562,748)

Interest on long-term liabilities (interest payable) accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.		<u>(27,969)</u>
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Net position of governmental activities	\$	<u><u>29,770,789</u></u>
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The accompanying notes are an integral part of this statement.

Mount Prospect School District 57

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2024

	General	Operations and Maintenance	Transportation
Revenues			
Property taxes	\$ 24,122,134	\$ 3,725,769	\$ 672,191
Replacement taxes	-	926,496	-
State aid	10,427,604	-	61,629
Federal aid	1,398,165	-	-
Interest income	285,796	301,057	56,938
Other	1,796,387	-	326,553
Total revenues	38,030,086	4,953,322	1,117,311
Expenditures			
Current:			
Instruction:			
Regular programs	14,892,816	-	-
Special programs	4,102,491	-	-
Other instructional programs	627,993	-	-
State retirement contributions	8,214,205	-	-
Support services:			
Pupils	2,005,699	-	-
Instructional staff	1,395,164	-	-
General administration	1,056,879	-	-
School administration	2,026,487	-	-
Business	722,718	-	-
Transportation	-	-	991,368
Operations and maintenance	-	2,507,560	-
Central	1,368,196	-	-
Community services	221,472	-	-
Nonprogrammed charges	863,039	20,112	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	418,130	-	-
Total expenditures	37,915,289	2,527,672	991,368
Excess (deficiency) of revenues over expenditures	114,797	2,425,650	125,943
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(93,684)	(1,470,194)	-
Lease issuance	415,422	-	-
Total other financing sources (uses)	321,738	(1,470,194)	-
Net change in fund balance	436,535	955,456	125,943
Fund balance, beginning of year	7,774,088	5,990,405	1,236,588
Fund balance, end of year	\$ 8,210,623	\$ 6,945,861	\$ 1,362,531

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Total
\$ 985,727	\$ 762,854	\$ -	\$ 30,268,675
31,390	-	-	957,886
-	-	50,000	10,539,233
-	-	-	1,398,165
47,017	77,761	-	768,569
-	-	-	2,122,940
<u>1,064,134</u>	<u>840,615</u>	<u>50,000</u>	<u>46,055,468</u>
212,758	-	-	15,105,574
153,536	-	-	4,256,027
8,078	-	-	636,071
-	-	-	8,214,205
40,252	-	-	2,045,951
33,483	-	-	1,428,647
32,384	-	-	1,089,263
64,357	-	-	2,090,844
37,247	-	-	759,965
-	-	-	991,368
106,589	-	-	2,614,149
72,520	-	-	1,440,716
23,963	-	-	245,435
-	-	-	883,151
-	621,419	-	621,419
-	182,590	-	182,590
-	-	1,520,194	1,938,324
<u>785,167</u>	<u>804,009</u>	<u>1,520,194</u>	<u>44,543,699</u>
<u>278,967</u>	<u>36,606</u>	<u>(1,470,194)</u>	<u>1,511,769</u>
-	93,684	1,470,194	1,563,878
-	-	-	(1,563,878)
-	-	-	415,422
<u>-</u>	<u>93,684</u>	<u>1,470,194</u>	<u>415,422</u>
278,967	130,290	-	1,927,191
995,817	1,624,538	-	17,621,436
<u>\$ 1,274,784</u>	<u>\$ 1,754,828</u>	<u>\$ -</u>	<u>\$ 19,548,627</u>

Mount Prospect School District 57

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds.	\$ 1,927,191
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay exceeds depreciation and amortization expense in the current period.

Capital outlay	\$ 1,829,852	
Depreciation and amortization expense	<u>(1,784,361)</u>	45,491

Changes in deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB) are reported only in the statement of activities:

Deferred outflows and inflows of resources related to IMRF pension	(540,260)
Deferred outflows and inflows of resources related to TRS pension	95,790
Deferred outflows and inflows of resources related to RHP OPEB	19,385
Deferred outflows and inflows of resources related to THIS OPEB	1,937,874

Governmental funds report the effects of the loss on refunding 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. (11,843)

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. (13,350)

Governmental funds report the effect of premiums and discounts 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. 61,208

(Continued)

The accompanying notes are an integral part of this statement.

Mount Prospect School District 57

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (Continued) For the Year Ended June 30, 2024

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Principal repayments - general obligation bonds	\$	545,000	
Principal repayments - lease liability		76,419	
Lease liability issued		(415,422)	
Compensated absences, net		(6,906)	
IMRF pension liability, net		904,171	
TRS pension liability, net		(44,474)	
RHP other postemployment benefit liability, net		(11,436)	
THIS other postemployment benefit liability, net		(280,997)	\$ 766,355
Change in net position of governmental activities			\$ <u>4,287,841</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Mount Prospect School District 57 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Cook County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

Also, the District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

2. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental funds are used to account for all of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all government funds to be major.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and local fees.

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 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 as general revenues.

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon the collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account, or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation.

The Student Activity balances are accounted for in the Educational Account. The balance accounts for activities such as student yearbooks, student clubs and councils.

b. Special Revenue Funds

The special revenue funds are used to account and report for the proceeds of specific revenue sources (other than those accounted for in the debt service, capital projects or fiduciary funds) that are legally restricted or committed to expenditures for specified purposes.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. **Government-Wide and Fund Financial Statements** (Continued)

b. **Special Revenue Funds** (Continued)

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

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

Transportation Fund - accounts for all revenues and expenditures made for student transportation. Revenues are 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 noncertified employees. Revenue to finance contributions is derived primarily from local property taxes and personal property replacement taxes.

c. **Debt Service Fund**

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

d. **Capital Projects Fund**

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds, transfers from other funds and state construction grants.

4. **Measurement Focus, Basis of Accounting, and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. **Measurement Focus, Basis of Accounting, and Basis of Presentation** (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., 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 be used to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, personal property replacement taxes, interest, and intergovernmental revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental funds also defer revenue recognition in connection with resources received, but not yet earned.

5. **Deferred Outflows / Deferred Inflows**

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period. At June 30, 2024, the District has deferred outflows of resources related to deferred loss on refunding of bonds, pensions and other postemployment benefits. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period. At June 30, 2024, the District reported deferred inflows of resources related to pensions, other postemployment benefits and property taxes levied for a future period.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teachers' Retirement System pension and Teachers' Health Insurance Security other postemployment benefits (see the budgetary reconciliation to the required supplementary information). Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

7. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

8. Capital Assets and Right to Use Assets

Capital assets, which include land, construction in progress, land improvements, buildings, equipment, transportation equipment, and right to use leased and subscription assets (right to use assets) 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 in excess of one year. Such assets are recorded at historical cost or estimated historical cost at the date purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

The District's right to use assets (leased equipment and subscription assets) are recorded at an amount equal to the related lease or subscription liability (Note E), as applicable. The right to use assets are amortized on a straight-line basis over the remaining term of the related agreement.

Construction in progress is stated at cost and includes engineering, design, material, and labor costs incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets and Right to Use Assets (Continued)

Depreciation of capital assets and amortization of right to use assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	50
Equipment and transportation equipment	3 - 15
Right to use leased assets	5
Right to use subscription assets	5 - 6

9. Accumulated Unpaid Vacation and Sick Pay

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. All certified employees receive a specified number of sick days per year depending on the years of service, in accordance with the agreement between the Board of Education and the Mount Prospect Education Association. Unused sick leave days accumulate to a maximum of 250 days. Upon retirement, a certified employee may apply up to 250 days of unused sick leave toward service credit for TRS, therefore, there is no accrual for unused sick days.

Educational support personnel receive a specified number of sick days per year, based on years of service, which accumulate to a maximum of 240 days. The District does not reimburse employees for unused sick days remaining upon termination of employment or retirement.

Twelve-month administrators may only carryover and/or be paid out for a maximum of 10 vacation days from year to year. Accrued but unpaid vacation time at June 30, 2024, was \$38,073 and has been recorded as a long-term liability on the statement of net position.

10. 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 and losses on refunding of bonds are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Long-Term Obligations (Continued)

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

11. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance at the discretion of the District.

12. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

13. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. The District's restricted net position was restricted as a result of enabling legislation.

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, as they are needed.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance

In the fund financial statements, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories. The District had \$207,708 in nonspendable fund balances at June 30, 2024.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, or laws and regulations of other governments, or are imposed by law through enabling legislation. Special revenue funds, as well as debt service and capital project funds, are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balances at June 30, 2024.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board of Education or the individual to which the Board of Education delegates the authority to assign amounts to be used for specific purposes. Under the District's Fund Balance Policy, the District Superintendent has the authority to assign fund balances. The District's student activity balances of \$26,681 have been assigned at June 30, 2024.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities, deferred outflows of resources, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

At June 30, 2024, the District's cash and investments consisted of the following:

	<u>Total</u>
Cash on hand	\$ 320
Deposits with financial institutions*	10,867,634
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	4,740,499
Illinois Funds	364,588
Other investments	<u>6,119,749</u>
	<u>\$ 22,092,790</u>

* Includes accounts held in demand and savings accounts and non-negotiable certificates of deposits which are valued at cost.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principals. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Valuation techniques used should maximize the use of unobservable inputs and minimize the use of unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and level 2 valuation inputs. For U.S. Treasury Securities and negotiable certificates of deposit, these investments are valued at the closing price of similar instruments with comparable durations reported on the active market on which the individual securities are traded.

1. **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification, and overall performance the District needs. Maturity information on other investments is shown in the table below.

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Negotiable CDs	\$ 1,727,792	\$ 500,214	\$ 1,227,578	\$ -	\$ -
U.S. Treasury Securities	4,391,957	4,391,957	-	-	-
	<u>\$ 6,119,749</u>	<u>\$ 4,892,171</u>	<u>\$ 1,227,578</u>	<u>\$ -</u>	<u>\$ -</u>

The following investment is measured at net asset value (NAV):

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$ 4,740,499	n/a	Daily	1 day
Illinois Funds	364,588	n/a	Daily	1 day

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investments in negotiable certificates of deposit are unrated.

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

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy 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. At June 30, 2024, the bank balances of the District's deposits with financial institutions totaled \$11,510,827, all of which was fully insured or collateralized.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be in high quality investment pools and/or secured by private insurance or collateral.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE C - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 19, 2023. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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.

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

The Cook County Assessor is responsible for the assessment of all taxable real property within Cook County except for certain railroad property, which is assessed directly by the state. One-third of the County is reassessed every year by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County for 2023 is 3.0163.

The County Clerk adds the equalized assessed valuation of all real property in the County to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2023 tax levy was \$874,931,492.

Property taxes are collected by the Cook County Collector/Treasurer, who remits them to the District. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment bill is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2023 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 2%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed sixty days. Net taxes receivable less the amount expected to be collected within 60 days is reflected as deferred inflows of resources - property taxes levied for a future period.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases / Transfers	Decreases / Transfers	Balance June 30, 2024
Capital assets, not being depreciated				
Land	\$ 1,522,929	\$ -	\$ -	\$ 1,522,929
Construction in progress	28,449	401,524	28,449	401,524
Total capital assets, not being depreciated	1,551,378	401,524	28,449	1,924,453
Capital assets, being depreciated and amortized				
Land improvements	3,875,627	-	-	3,875,627
Buildings	50,094,264	25,700	-	50,119,964
Equipment	4,740,034	1,015,655	-	5,755,689
Transportation equipment	91,622	-	-	91,622
Right to use leased equipment	234,444	415,422	234,444	415,422
Right to use subscription assets	114,403	-	-	114,403
Total capital assets, being depreciated and amortized	59,150,394	1,456,777	234,444	60,372,727
Less accumulated depreciation and amortization for				
Land improvements	2,394,505	211,313	-	2,605,818
Buildings	23,995,797	1,285,244	-	25,281,041
Equipment	4,044,475	176,876	-	4,221,351
Transportation equipment	43,386	2,522	-	45,908
Right to use leased equipment	234,444	83,084	234,444	83,084
Right to use subscription assets	13,293	25,322	-	38,615
Total accumulated depreciation and amortization	30,725,900	1,784,361	234,444	32,275,817
Total capital assets, being depreciated and amortized, net	28,424,494	(327,584)	-	28,096,910
Governmental activities capital assets, net	\$ 29,975,872	\$ 73,940	\$ 28,449	\$ 30,021,363

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE D - CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities		
General Government		
Instructional staff		
Regular programs	\$	127,860
Special programs		494
Bilingual programs		22
Support services		
Pupils		317
Instructional staff		1,637
General administration		407
School administration		474
Business administration		1,559,097
Central		<u>94,053</u>

Total depreciation and amortization expense - governmental activities \$ 1,784,361

NOTE E - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
General obligation bonds	\$ 4,945,000	\$ -	\$ 545,000	\$ 4,400,000
Lease liability	-	415,422	76,419	339,003
Unamortized premium - 2016 Bonds	42,537	-	4,478	38,059
Unamortized premium - 2019 Bonds	425,479	-	56,730	368,749
IMRF net pension liability	1,636,279	1,816,194	2,720,365	732,108
TRS net pension liability	1,275,797	161,842	117,368	1,320,271
RHP total other postemployment benefit liability	163,748	35,783	24,347	175,184
THIS net other postemployment benefit liability	3,870,304	1,931,976	1,650,979	4,151,301
Compensated absences	<u>31,167</u>	<u>6,906</u>	<u>-</u>	<u>38,073</u>
Total	\$ <u><u>12,390,311</u></u>	\$ <u><u>4,368,123</u></u>	\$ <u><u>5,195,686</u></u>	\$ <u><u>11,562,748</u></u>

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE E - LONG-TERM LIABILITIES (Continued)

	<u>Due within one year</u>
General obligation bonds	\$ 570,000
Lease liability	<u>78,517</u>
	<u>\$ 648,517</u>

1. **General Obligation Bonds Payable**

The summary of activity in bonds payable, for the year ended June 30, 2024, is as follows:

	<u>Bonds Payable</u> <u>July 1, 2023</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Bonds Payable</u> <u>June 30, 2024</u>
\$2,000,000 School Bonds, Series 2016, due December 1, 2032, interest at 2.00% to 2.75%.	\$ 1,790,000	\$ -	\$ -	\$ 1,790,000
\$4,605,000 GO Limited Tax Refunding School Bonds, Series 2019, due December 1, 2029, interest at 4.00% to 5.00%.	<u>3,155,000</u>	<u>-</u>	<u>545,000</u>	<u>2,610,000</u>
Total	<u>\$ 4,945,000</u>	<u>\$ -</u>	<u>\$ 545,000</u>	<u>\$ 4,400,000</u>

At June 30, 2024, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 570,000	\$ 142,225	\$ 712,225
2026	375,000	123,325	498,325
2027	395,000	107,925	502,925
2028	405,000	91,925	496,925
2029	425,000	75,325	500,325
2030 - 2033	<u>2,230,000</u>	<u>127,875</u>	<u>2,357,875</u>
Total	<u>\$ 4,400,000</u>	<u>\$ 668,600</u>	<u>\$ 5,068,600</u>

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE E - LONG-TERM LIABILITIES (Continued)

1. **General Obligation Bonds Payable** (Continued)

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$1,754,828 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.90% of the most recent available equalized assessed valuation of the District. As of June 30, 2024, the statutory debt limit for the District was \$60,370,273 of which \$55,631,270 is potentially available.

2. **Lease Liability**

The District has a lease agreement for copy machines with a value of \$415,422. The lease agreement qualifies as other than a short-term lease under GASB 87. The lease requires sixty monthly payments through June 2028, including principal and interest, of \$7,807. The lease liability was measured at an incremental borrowing rate of 5.00%.

As a result of the lease, the District recorded a right to use asset (Note D) with a net book value of \$332,338 as of June 30, 2024. The obligations for this lease are repaid from the Debt Service Fund with transfers from the General Fund (Educational Account).

At June 30, 2024, the District's future cash flow requirements for retirement of lease principal and interest are as follows:

	Year Ending				
	June 30,	Principal	Interest	Total	
2025	\$	78,517	\$ 15,167	\$	93,684
2026		82,534	11,150		93,684
2027		86,757	6,927		93,684
2028		91,195	2,489		93,684
Total	\$	339,003	\$ 35,733	\$	374,736

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active 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/fy2023>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

As a multi-employer cost sharing pension plan, TRS employs a methodology to allocate the pension liabilities to each individual district based off of the actual contributions a District makes to the plan in a fiscal year and is re-measured annually, and thus the timing of receipt of contribution payments from the District's or refunds made by TRS to the District can have a significant impact on the District's allocation of the net pension liability that may not be reflective of the District's portion of the total contractual contribution to the Plan. The net pension liability as a whole is a significant accounting estimate that takes into account several assumptions and allocations.

Benefits Provided

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

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

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2024, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2024, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$9,600,536 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$8,059,635 in the General Fund based on the current financial resources measurement basis.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

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, 2024 were \$99,612 and are deferred because they are paid after the June 30, 2023, measurement date.

Federal and Special Trust Fund Contributions

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

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

For the year ended June 30, 2024, the employer pension contribution was 10.60 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2024, there were \$165,991 of salaries paid from federal and special trust funds, and thus there were \$17,595 of required employer contributions.

Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2024, the District paid \$803 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 1,320,271
State's proportionate share of the net pension liability associated with the District	<u>113,940,036</u>
Total	<u><u>\$ 115,260,307</u></u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to June 30, 2023. 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, 2023, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2023, the District's proportion was 0.0015536146 percent, which was an increase of 0.0000319161 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized the following pension expense/expenditures and revenue for the support provided by the state pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue	\$ 9,600,536	\$ 8,059,635
and expense/expenditure		
District TRS pension expense	<u>48,229</u>	<u>99,612</u>
Total TRS expense/expenditure	<u><u>\$ 9,648,765</u></u>	<u><u>\$ 8,159,247</u></u>

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,488	\$ 5,322
Net difference between projected and actual earnings on pension plan investments	-	38
Changes in assumptions	4,503	1,161
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>82,671</u>	<u>169,261</u>
Total deferred amounts to be recognized in pension expense in the future periods	92,662	175,782
District contributions subsequent to the measurement date	<u>99,612</u>	<u>-</u>
Total deferred amount related to pensions	<u>\$ 192,274</u>	<u>\$ 175,782</u>

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

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

The District reported \$99,612 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Net Deferred Inflows (outflow) of Resources</u>
2025	\$ 35,611
2026	37,813
2027	3,310
2028	9,927
2029	<u>(3,541)</u>
Total	<u>\$ 83,120</u>

Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

In the June 30, 2023 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. In the June 30, 2022 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2020.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Global equity	37.00 %	5.35 %
Private equity	15.00	8.03
Income	26.00	4.32
Real assets	18.00	4.60
Diversifying strategies	4.00	3.40
Total	100.00 %	

* Based on the 2023 Horizon Survey of Capital Market Assumptions and TRS's target asset allocation provided by RVK.

Discount Rate

At June 30, 2023, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2022 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

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

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

Discount Rate (Continued)

Based on those assumptions, TRS's fiduciary net position at June 30, 2023 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 1,625,067	\$ 1,320,271	\$ 1,067,322

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2023 is available in the separately issued *TRS Annual Comprehensive Financial Report*.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund**

Plan Description

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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

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

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Employees Covered by Benefit Terms

As of December 31, 2023, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	162
Inactive plan members entitled to but not yet receiving benefits	304
Active plan members	<u>130</u>
Total	<u><u>596</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2023 was 6.02%. For the fiscal year ended June 30, 2024, the District contributed \$250,736 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85 % to 13.75%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study from years 2020 to 2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.
Long-term Expected 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 geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2023:

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return (Continued)	Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
	Domestic Equity	34.50%	5.00%
	International Equity	18.00%	6.35%
	Fixed Income	24.50%	4.75%
	Real Estate	10.50%	6.30%
	Alternative Investments	11.50%	6.05% - 8.65%
	Cash	1.00%	3.80%
	Total	100.00%	

Other Information:

Notes

There were no benefit changes during the year.

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2023. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index"), and the resulting single discount rate is 7.25%.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2023:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 19,647,955	\$ 18,011,676	\$ 1,636,279
Changes for the year:			
Service cost	372,382	-	372,382
Interest on the total pension liability	1,399,208	-	1,399,208
Difference between expected and actual experience of the total pension liability	44,604	-	44,604
Changes of assumptions	(20,616)	-	(20,616)
Contributions - employer	-	249,158	(249,158)
Contributions - employees	-	188,846	(188,846)
Net investment income	-	1,989,471	(1,989,471)
Benefit payments, including refunds of employee contributions	(1,069,464)	(1,069,464)	-
Other (net transfer)	-	272,274	(272,274)
Net changes	<u>726,114</u>	<u>1,630,285</u>	<u>(904,171)</u>
Balances at December 31, 2023	\$ <u>20,374,069</u>	\$ <u>19,641,961</u>	\$ <u>732,108</u>

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

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	\$ <u>2,849,822</u>	\$ <u>732,108</u>	\$ <u>(982,359)</u>

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

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

For the year ended June 30, 2024 the District recognized pension income of \$113,084. At June 30, 2024, the District reported, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 23,569	\$ -
Change of assumptions	-	9,721
Net difference between projected and actual earnings on pension plan investments	<u>997,877</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>1,021,446</u>	<u>9,721</u>
Pension contributions made subsequent to the measurement date	<u>123,031</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 1,144,477</u>	<u>\$ 9,721</u>

The District reported \$123,031 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2025.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2025	\$ 115,701
2026	340,972
2027	694,381
2028	(139,329)
2029	-
Thereafter	-
Total	<u>\$ 1,011,725</u>

3. **Summary of Pension Items**

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 99,612	\$ 123,031	\$ 222,643
Experience	5,488	23,569	29,057
Assumptions	4,503	-	4,503
Proportionate share	82,671	-	82,671
Investments	-	997,877	997,877
	<u>\$ 192,274</u>	<u>\$ 1,144,477</u>	<u>\$ 1,336,751</u>
Net pension liability	<u>\$ 1,320,271</u>	<u>\$ 732,108</u>	<u>\$ 2,052,379</u>
Pension expense (benefit)	<u>\$ 9,648,765</u>	<u>\$ (113,084)</u>	<u>\$ 9,535,681</u>

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE F - PENSION LIABILITIES (Continued)

3. **Summary of Pension Items** (Continued)

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred inflows of resources:			
Experience	\$ 5,322	\$ -	\$ 5,322
Investments	38	-	38
Assumptions	1,161	9,721	10,882
Proportionate share	169,261	-	169,261
	<u>\$ 175,782</u>	<u>\$ 9,721</u>	<u>\$ 185,503</u>

4. **Social Security/Medicare**

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

5. **457(b) Retirement Plan**

The District has a 457(b) Retirement Plan, which is a defined contribution pension plan for District employees. The plan is held in a trust and is administered by a third party serving as the plan's trustee. The number of employees participating in the plan at June 30, 2024 was 3. The plan allows for employees to make contributions to the plan.

6. **403(b) Retirement Plan**

The District also has a 403(b) Salary Reduction plan that also contains a Roth option, which is a defined contribution plan for District employees. The plan is held in a trust and administered by a third party serving as the plan's trustee. The number of employees participating in the plan at June 30, 2024 was 79. The plan allows for employees to make contributions to the plan.

7. **TRS Supplemental Savings Plan**

The District has an Illinois Teachers' Retirement System Supplemental Savings Plan that is available to Illinois public school teachers employed outside the city of Chicago. The Supplemental Savings Plan is a 457(b) Retirement Plan, which is a defined contribution plan. The plan assets are held in a trust and is administered by a third party serving as the plan's trustee. There were four employees participating in the plan on June 30, 2024. The plan allows for both employees and the District to make contributions to the plan. For the fiscal year ended June 30, 2024, the District did not make any contributions to the plan.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

The District participates in the Teacher Health Insurance Security Fund (THIS), 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 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.

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" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

Benefits Provided

The 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.

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 0.90 percent of pay during the year ended June 30, 2024. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2024, the District recognized revenue and expenses of \$2,143,179 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$154,570 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

General Information about the Other Postemployment Plan (Continued)

Contributions (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.67 percent during the year ended June 30, 2024. For the year ended June 30, 2024, the District paid \$115,069 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2023, measurement date.

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

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB 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 net OPEB liability	\$ 4,151,301
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>5,613,882</u>
Total	<u><u>\$ 9,765,183</u></u>

* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to June 30, 2023. 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, 2023, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2023, the District's proportion was 0.058245 percent, which was an increase of 0.001700 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - OPEB revenue	\$ 2,143,179	\$ 154,570
and expense/expenditure		
District OPEB pension expense (income)	<u>(1,541,859)</u>	<u>115,069</u>
Total OPEB expense/expenditure	<u>\$ 601,320</u>	<u>\$ 269,639</u>

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,318,174
Change of assumptions	55,024	8,159,552
Net difference between projected and actual earnings on OPEB plan investments	1,653	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,998,060</u>	<u>1,109,143</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>2,054,737</u>	<u>11,586,869</u>
District contributions subsequent to the measurement date	<u>115,069</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 2,169,806</u>	<u>\$ 11,586,869</u>

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The District reported \$115,069 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2025. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2025	\$ 1,741,546
2026	1,604,466
2027	1,577,443
2028	1,572,854
2029	1,456,618
Thereafter	<u>1,579,205</u>
Total	<u>\$ 9,532,132</u>

Actuarial Assumptions

The total OPEB liability and contributions in the June 30, 2023, actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you-go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2023, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts, and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment rate of return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Inflation	2.25%
Ultimate Salary Increases	3.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non-Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Trend Rate	Trend rates for plan year 2024 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 6.08% in 2034, declining gradually to an ultimate rate of 4.25% in 2040.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Discount Rate

The State, school districts and active members contribute 0.90 percent, 0.67 percent, 0.90 percent of pay, respectively for fiscal year 2023. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.69 percent at June 30, 2022, and 3.86 percent at June 30, 2023, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.69 percent to 3.86 percent, caused the total OPEB liability to decrease by approximately \$137 million as of June 30, 2023.

Investment Return

During plan year end June 30, 2023, the trust earned \$2,704,000 in interest, and the market value of assets at June 30, 2023, is \$472.25 million. The long-term investment return was assumed to be 2.75 percent.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 1.376 percent for plan year end June 30, 2023, and 0.304 percent for plan year end June 30, 2022.

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

The following presents the District's proportionate share of the net OPEB liability as of June 30, 2023, using the discount rate of 3.86 percent and sensitivity single discount rates that are either one percentage point higher or lower:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
District's proportionate share of the net OPEB liability	\$ 4,635,408	\$ 4,151,301	\$ 3,724,261

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. **Teachers' Health Insurance Security (THIS)** (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

The following table shows the plan's net OPEB liability as of June 30, 2023, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower.

	1% Decrease**	Current Healthcare Trend Rate*	1% Increase ***
District's proportionate share of the net OPEB liability	\$ 3,533,341	\$ 4,151,301	\$ 4,908,387

* Pre-Medicare per capita costs: 6.00% in 2024, 8.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 6.08% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2040.

** One percentage point decrease in healthcare trend rates - Pre-Medicare per capita costs: 5.00% in 2024, 7.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 5.08% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2040.

*** One percentage point increase in healthcare trend rates - Pre-Medicare per capita costs: 7.00% in 2024, 9.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 20.42% from 2029 to 2033, 7.08% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2040.

2. **Retiree Health Plan (RHP)**

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

Benefits Provided

The plan provides the ability for non-certified retirees and their spouses to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. Non-certified retirees are responsible to contribute a premium toward the cost of their insurance, which is determined by the Board. Non-certified retirees may also access dental and life insurance benefits on a "direct pay" basis.

Employees Covered by Benefit Terms

As of June 30, 2024, the following employees were covered by the benefit terms:

Active employees	126
Inactive employees entitled to but not yet receiving benefits	0
Inactive employees currently receiving benefits	<u>3</u>
Total	<u><u>129</u></u>

Contributions

Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups.

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2023 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	3.00%
* Discount rate	4.21%
Salary rate increases	4.00%

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

Total OPEB Liability (Continued)

Healthcare inflation rate	6.50% initial - PPO 4.50% ultimate - PPO 5.00% initial - HMO 4.50% ultimate - HMO Ultimate rate reached in fiscal year 2039
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*In 2024, changes in assumptions related to the discount rate were made (4.13% to 4.21%).

Mortality rates	IMRF Employees and Retirees: Rates from the December 31, 2023, IMRF Actuarial Valuation Report.
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Active Employees

PubG.H-2010(B) Mortality Table - General (below-median income) with future mortality improvement using scale MP-2021.

Retirees

PubG.H-2010(B) Mortality Table - General (below-median income), Male adjusted 108% and Female adjusted 106.4% tables, with future mortality improvement using scale MP-2021.

Election at Retirement	10% of active employees will elect coverage at retirement.
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Coverage Status	Employees are assumed to continue into retirement in their current plan and coverage level. Employees who declined medical coverage as assumed to elect the PPO Plan retirement.
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Marital Status	50% of active employees electing retiree coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.
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Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 4.21% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2024.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

Changes in the Total OPEB Liability

The following table shows the components of the change in the District's net OPEB liability for the fiscal year ended June 30, 2024 based upon a roll forward actuarial valuation from the actuarial valuation performed July 1, 2023 to the fiscal year end:

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at June 30, 2023	\$ 163,748	\$ -	\$ 163,748
Changes for the year:			
Service cost	6,280	-	6,280
Interest on the total OPEB liability	6,348	-	6,348
Difference between expected and actual experience of the total OPEB liability	23,155	-	23,155
Changes of assumptions and other inputs	(4,281)	-	(4,281)
Benefit payments, including the implicit rate subsidy	(20,066)	-	(20,066)
Net changes	11,436	-	11,436
Balances at June 30, 2024	\$ 175,184	\$ -	\$ 175,184

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 4.21%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (3.21%)	Current Discount Rate (4.21%)	1% Higher (5.21%)
Total OPEB liability	\$ 181,946	\$ 175,184	\$ 168,853

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50-6.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower <u>(3.50%-5.50%)</u>	Current Healthcare Rate <u>(4.50%-6.50%)</u>	1% Higher <u>(5.50%-7.50%)</u>
Total OPEB liability	\$ <u>166,897</u>	\$ <u>175,184</u>	\$ <u>184,512</u>

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$12,118. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ 20,937	\$ 16,866
Change of assumptions	<u>9,879</u>	<u>20,771</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ <u>30,816</u>	\$ <u>37,637</u>

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year Ended June 30,	Net Deferred (Outflows) Inflows Resources
2025	\$ 721
2026	824
2027	1,117
2028	2,228
2029	2,379
Thereafter	(448)
Total	\$ <u>6,821</u>

3. **Summary of OPEB Items**

Below is a summary of the various OPEB items at June 30, 2024:

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	\$ 115,069	\$ -	\$ 115,069
Experience	-	20,937	20,937
Investments	1,653	-	1,653
Assumptions	55,024	9,879	64,903
Proportionate share	1,998,060	-	1,998,060
	\$ <u>2,169,806</u>	\$ <u>30,816</u>	\$ <u>2,200,622</u>
OPEB liability	\$ <u>4,151,301</u>	\$ <u>175,184</u>	\$ <u>4,326,485</u>
OPEB expense	\$ <u>601,320</u>	\$ <u>12,118</u>	\$ <u>613,438</u>

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. **Summary of OPEB Items** (Continued)

Deferred inflows of resources:

Assumptions	\$	8,159,552	\$	20,771	\$	8,180,323
Experience		2,318,174		16,866		2,335,040
Proportionate share		<u>1,109,143</u>		<u>-</u>		<u>1,109,143</u>
	\$	<u>11,586,869</u>	\$	<u>37,637</u>	\$	<u>11,624,506</u>

NOTE H - INTERFUND TRANSFERS

The District transferred \$1,470,194 to the Capital Projects Fund from the Operations and Maintenance Fund to fund capital projects.

The District transferred \$93,684 from the General (Educational Account) Fund to the Debt Service Fund. The amount transferred represents funds transferred to pay the principal and interest on the District's lease.

NOTE I - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destructions of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases coverage against such risks and participates in the following public entity risk pools: Educational Benefit Cooperative (EBC) for health benefit claims; Assured Partners (Accident Fund) for worker's compensation claims; and Suburban School Cooperative Insurance Pool (SSCIP) for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance.

Settled claims have not exceeded coverage provided by the pools or commercial insurance coverage for the past three fiscal years.

Complete financial statements for SELF can be obtained from its business office at 1111 South Dee Road, Park Ridge, Illinois 60068.

Complete financial statements for SSCIP can be obtained from its Treasurer at 2850 Golf Road, Rolling Meadows, Illinois 60008.

Complete financial statements for EBC can be obtained from its Treasurer at 6020 W. 151st Street, Oak Forest, Illinois 60452.

Mount Prospect School District 57
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE J - JOINT AGREEMENTS

The District is a member of the Northwest Suburban Special Education Organization (NSSEO), a joint agreement that provides certain special education services to residents of many school districts. During fiscal year 2024, the District made payments totaling \$756,208 to NSSEO. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, they should not be included as a component unit of the District. It is also a member of the risk management pools described in Note I.

NOTE K - CONTINGENCIES

1. Litigation

The District, in the normal course of business, is subject to various ongoing general litigation. Although the outcome of these matters is not presently determinable, the resolution of these matters, should the outcome be unfavorable, could have a significant impact on future tax revenues and expenditures.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE L - COMMITMENTS

The District has entered into certain contracts for construction in the next fiscal year. Commitments under these contracts approximate \$1,082,000 at June 30, 2024.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 10, 2024, the date these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of net position and governmental funds balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Mount Prospect School District 57
MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY
(ASSET) AND RELATED RATIOS
Illinois Municipal Retirement Fund
Ten Most Recent Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability				
Service cost	\$ 372,382	\$ 395,935	\$ 361,497	\$ 354,096
Interest on the total pension liability	1,399,208	1,338,205	1,248,217	1,212,975
Difference between expected and actual experience of the total pension liability	44,604	189,852	637,850	3,420
Assumption changes	(20,616)	-	-	(149,973)
Benefit payments and refunds	(1,069,464)	(1,072,144)	(974,996)	(901,234)
Net change in total pension liability	726,114	851,848	1,272,568	519,284
Total pension liability, beginning	19,647,955	18,796,107	17,523,539	17,004,255
Total pension liability, ending	<u>\$ 20,374,069</u>	<u>\$ 19,647,955</u>	<u>\$ 18,796,107</u>	<u>\$ 17,523,539</u>
Plan fiduciary net position				
Contributions, employer	\$ 249,158	\$ 290,221	\$ 368,819	\$ 319,185
Contributions, employee	188,846	185,802	186,289	160,612
Net investment income	1,989,471	(2,649,160)	3,095,683	2,382,067
Benefit payments, including refunds of employee contributions	(1,069,464)	(1,072,144)	(974,996)	(901,234)
Other (net transfer)	272,274	3,690	82,733	(83,232)
Net change in plan fiduciary net position	1,630,285	(3,241,591)	2,758,528	1,877,398
Plan fiduciary net position, beginning	18,011,676	21,253,267	18,494,739	16,617,341
Plan fiduciary net position, ending	<u>\$ 19,641,961</u>	<u>\$ 18,011,676</u>	<u>\$ 21,253,267</u>	<u>\$ 18,494,739</u>
Net pension liability (asset)	<u>\$ 732,108</u>	<u>\$ 1,636,279</u>	<u>\$ (2,457,160)</u>	<u>\$ (971,200)</u>
Plan fiduciary net position as a percentage of the total pension liability	96.41	91.67 %	113.07 %	105.54 %
Covered valuation payroll	\$ 4,140,089	\$ 4,131,182	\$ 4,118,959	\$ 3,526,904
Net pension liability (asset) as a percentage of covered valuation payroll	17.68 %	39.61 %	(59.65) %	(27.54) %

Note 1: Actuarial valuations are as of December 31, which is six months prior to the end of the fiscal year.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 354,787	\$ 354,250	\$ 357,178	\$ 344,004	\$ 322,697	\$ 342,716
1,168,075	1,149,243	1,124,985	1,059,228	1,008,645	910,622
51,816	(184,565)	183,696	248,399	84,965	161,101
-	408,776	(502,022)	(16,462)	15,626	603,129
(1,008,823)	(870,825)	(807,059)	(760,651)	(737,906)	(663,274)
<u>565,855</u>	<u>856,879</u>	<u>356,778</u>	<u>874,518</u>	<u>694,027</u>	<u>1,354,294</u>
<u>16,438,400</u>	<u>15,581,521</u>	<u>15,224,743</u>	<u>14,350,225</u>	<u>13,656,198</u>	<u>12,301,904</u>
<u>\$ 17,004,255</u>	<u>\$ 16,438,400</u>	<u>\$ 15,581,521</u>	<u>\$ 15,224,743</u>	<u>\$ 14,350,225</u>	<u>\$ 13,656,198</u>
\$ 269,899	\$ 319,841	\$ 312,776	\$ 301,186	\$ 277,791	\$ 280,206
153,935	154,180	157,626	144,033	134,691	126,890
2,741,516	(872,403)	2,466,879	910,304	67,117	779,492
(1,008,823)	(870,825)	(807,059)	(760,651)	(737,906)	(663,274)
(15,390)	201,090	(467,180)	62,653	(103,982)	156,079
<u>2,141,137</u>	<u>(1,068,117)</u>	<u>1,663,042</u>	<u>657,525</u>	<u>(362,289)</u>	<u>679,393</u>
<u>14,476,204</u>	<u>15,544,321</u>	<u>13,881,279</u>	<u>13,223,754</u>	<u>13,586,043</u>	<u>12,906,650</u>
<u>\$ 16,617,341</u>	<u>\$ 14,476,204</u>	<u>\$ 15,544,321</u>	<u>\$ 13,881,279</u>	<u>\$ 13,223,754</u>	<u>\$ 13,586,043</u>
<u>\$ 386,914</u>	<u>\$ 1,962,196</u>	<u>\$ 37,200</u>	<u>\$ 1,343,464</u>	<u>\$ 1,126,471</u>	<u>\$ 70,155</u>
97.72 %	88.06 %	99.76 %	91.18 %	92.15 %	99.49 %
\$ 3,420,765	\$ 3,398,956	\$ 3,471,643	\$ 3,200,710	\$ 2,964,693	\$ 2,818,974
11.31 %	57.73 %	1.07 %	41.97 %	38.00 %	2.49 %

Mount Prospect School District 57
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Ten Most Recent Fiscal Years

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2024	\$ 249,233	\$ 249,158	\$ 75	\$ 4,206,274	5.92 %
2023	290,422	290,221	201	4,040,953	7.18
2022	366,999	368,819	(1,820)	4,174,055	8.84
2021	319,185	319,185	-	3,732,117	8.55
2020	269,898	269,899	(1)	3,420,765	7.89
2019	319,842	319,841	1	3,398,956	9.41
2018	312,795	312,776	19	3,471,643	9.01
2017	301,187	301,186	1	3,200,710	9.41
2016	277,792	277,791	1	2,964,693	9.37
2015	280,206	280,206	-	2,818,974	9.94

Mount Prospect School District 57
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Ten Most Recent Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability	0.0015536146 %	0.0015216985 %	0.0017571253 %	0.0016240880 %
District's proportionate share of the net pension liability	\$ 1,320,271	\$ 1,275,797	\$ 1,370,756	\$ 1,400,212
State's proportionate share of the net pension liability associated with the District	<u>113,940,036</u>	<u>110,666,948</u>	<u>114,883,934</u>	<u>109,671,849</u>
Total	<u>\$ 115,260,307</u>	<u>\$ 111,942,745</u>	<u>\$ 116,254,690</u>	<u>\$ 111,072,061</u>
District's covered-employee payroll	\$ 16,294,232	\$ 15,476,741	\$ 14,545,199	\$ 14,270,843
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	8.10 %	8.24 %	9.42 %	9.81 %
Plan fiduciary net position as a percentage of the total pension liability	43.90 %	42.80 %	45.10 %	37.80 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0018404300 %	0.0016793835 %	0.0023311462 %	0.0027931461 %	0.0031935996 %	0.0024135905 %
\$ 1,492,739	\$ 1,308,993	\$ 1,780,952	\$ 2,204,799	\$ 2,092,129	\$ 1,468,870
<u>106,236,607</u>	<u>89,671,487</u>	<u>92,208,881</u>	<u>98,734,390</u>	<u>79,423,658</u>	<u>64,869,712</u>
\$ <u>107,729,346</u>	\$ <u>90,980,480</u>	\$ <u>93,989,833</u>	\$ <u>100,939,189</u>	\$ <u>81,515,787</u>	\$ <u>66,338,582</u>
\$ 13,829,570	\$ 13,190,985	\$ 12,453,792	\$ 12,143,122	\$ 11,828,614	\$ 11,299,206
10.79 %	9.92 %	14.30 %	18.16 %	17.69 %	13.00 %
39.60 %	40.00 %	39.30 %	36.40 %	41.50 %	43.00 %

Mount Prospect School District 57
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
Ten Most Recent Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 94,507	\$ 89,765	\$ 84,362	\$ 82,771
Contributions in relation to the contractually required contribution	<u>94,441</u>	<u>90,304</u>	<u>91,405</u>	<u>79,173</u>
Contribution deficiency (excess)	\$ <u>66</u>	\$ <u>(539)</u>	\$ <u>(7,043)</u>	\$ <u>3,598</u>
District's covered-employee payroll	\$ 17,174,452	\$ 16,294,232	\$ 15,476,741	\$ 14,545,199
Contributions as a percentage of covered-employee payroll	0.55 %	0.55 %	0.59 %	0.54 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 80,212	\$ 76,508	\$ 96,042	\$ 106,454	\$ 109,366	\$ 90,664
<u>83,349</u>	<u>69,777</u>	<u>96,042</u>	<u>108,170</u>	<u>111,904</u>	<u>86,116</u>
\$ <u>(3,137)</u>	\$ <u>6,731</u>	\$ <u>-</u>	\$ <u>(1,716)</u>	\$ <u>(2,538)</u>	\$ <u>4,548</u>
\$ 14,270,843	\$ 13,829,570	\$ 13,190,985	\$ 12,453,792	\$ 12,143,122	\$ 11,828,614
0.58 %	0.50 %	0.73 %	0.87 %	0.92 %	0.73 %

Mount Prospect School District 57
MULTIYEAR SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT
BENEFITS (OPEB) LIABILITY AND RELATED RATIOS
Retiree Health Plan
Seven Most Recent Fiscal Years

	2024	2023	2022
Total OPEB liability			
Service cost	\$ 6,280	\$ 10,521	\$ 14,729
Interest on the total OPEB liability	6,348	6,268	4,006
Difference between expected and actual experience of the total OPEB liability	23,155	-	(27,099)
Changes of assumptions and other inputs	(4,281)	(1,631)	(17,530)
Benefit payments, including the implicit rate subsidy	(20,066)	(9,298)	-
Other	-	-	-
Net change in total OPEB liability	11,436	5,860	(25,894)
Total OPEB liability, beginning	163,748	157,888	183,782
Total OPEB liability, ending	\$ 175,184	\$ 163,748	\$ 157,888
Plan fiduciary net position			
Contributions, employer	\$ -	\$ -	\$ -
Contributions, active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position, beginning	-	-	-
Plan fiduciary net position, ending	\$ -	\$ -	\$ -
Net OPEB liability	\$ 175,184	\$ 163,748	\$ 157,888
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered valuation payroll	\$ 3,952,444	\$ 4,000,101	\$ 4,000,101
Net OPEB liability as a percentage of covered valuation payroll	4.43 %	4.09 %	3.95 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018, therefore 10 years of information is not available.

	2021		2020		2019		2018
\$	11,694	\$	12,272	\$	8,950	\$	9,445
	4,436		4,078		4,084		4,107
	-		1,258		-		28,635
	4,563		9,362		1,376		(14,803)
	(7,356)		(4,603)		(5,240)		(3,718)
	-		(403)		(358)		(11,761)
	13,337		21,964		8,812		11,905
	170,445		148,481		139,669		127,764
\$	<u>183,782</u>	\$	<u>170,445</u>	\$	<u>148,481</u>	\$	<u>139,669</u>
\$	-	\$	-	\$	-	\$	-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>
\$	<u>183,782</u>	\$	<u>170,445</u>	\$	<u>148,481</u>	\$	<u>139,669</u>
	0.00 %		0.00 %		0.00 %		0.00 %
\$	2,218,186	\$	2,218,186	\$	2,488,544	\$	2,488,544
	8.29 %		7.68 %		5.97 %		5.61 %

Mount Prospect School District 57
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
Seven Most Recent Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net OPEB liability	0.058245 %	0.056545 %	0.050976 %
District's proportionate share of the net OPEB liability	\$ 4,151,301	\$ 3,870,304	\$ 11,242,935
State's proportionate share of the net OPEB liability associated with the District	<u>5,613,882</u>	<u>5,265,168</u>	<u>15,243,779</u>
Total	<u>\$ 9,765,183</u>	<u>\$ 9,135,472</u>	<u>\$ 26,486,714</u>
District's covered-employee payroll	\$ 16,294,232	\$ 15,476,741	\$ 14,545,199
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	25.48 %	25.01 %	77.30 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.21 %	5.24 %	1.40 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018, therefore 10 years of information is not available.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
0.056411 %	0.056272 %	0.055645 %	0.541397 %
\$ 15,082,033	\$ 15,574,547	\$ 14,660,190	\$ 14,049,022
<u>20,432,047</u>	<u>21,089,924</u>	<u>19,685,474</u>	<u>18,449,857</u>
\$ <u>35,514,080</u>	\$ <u>36,664,471</u>	\$ <u>34,345,664</u>	\$ <u>32,498,879</u>
\$ 14,270,843	\$ 13,829,570	\$ 13,190,985	\$ 12,453,792
105.68 %	112.62 %	111.14 %	112.81 %
0.70 %	0.25 %	-0.07 %	-0.17 %

Mount Prospect School District 57
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
Seven Most Recent Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 109,171	\$ 103,694	\$ 133,816
Contributions in relation to the contractually required contribution	<u>109,120</u>	<u>104,561</u>	<u>121,731</u>
Contribution excess (deficiency)	\$ <u>(51)</u>	\$ <u>867</u>	\$ <u>(12,085)</u>
District's covered-employee payroll	\$ 17,174,452	\$ 16,294,232	\$ 15,476,741
Contributions as a percentage of covered-employee payroll	0.64 %	0.64 %	0.79 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018, therefore 10 years of information is not available.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 131,292	\$ 127,232	\$ 116,081	\$ 104,612
<u>131,286</u>	<u>127,242</u>	<u>116,082</u>	<u>104,619</u>
\$ <u><u>(6)</u></u>	\$ <u><u>10</u></u>	\$ <u><u>1</u></u>	\$ <u><u>7</u></u>
\$ 14,545,199	\$ 14,270,843	\$ 13,829,570	\$ 13,190,985
0.90 %	0.89 %	0.84 %	0.79 %

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			
	Original and Final Budget	Actual	Variance From Final Budget	2023 Actual
Revenues				
Local sources				
General levy	\$23,179,290	\$23,812,214	\$ 632,924	\$21,022,960
Special education levy	441,266	309,920	(131,346)	273,613
Summer school tuition from pupils or parents	6,000	3,925	(2,075)	910
Interest on investments	85,000	285,796	200,796	70,812
Sales to pupils - lunch	30,100	33,862	3,762	29,716
Fees	100,600	134,857	34,257	134,865
Student Activity Fund Revenues	-	172,290	172,290	140,538
Rentals - regular textbook	236,000	237,910	1,910	245,431
Impact fees from municipal or county governments	-	98,118	98,118	-
Refund of prior years' expenditures	30,000	31,250	1,250	74,304
Payments of surplus moneys from TIF districts	80,000	136,921	56,921	-
Other local fees	715,000	778,511	63,511	822,315
Other	55,000	168,743	113,743	57,298
Total local sources	24,958,256	26,204,317	1,246,061	22,872,762
State sources				
Evidence Based Funding Formula	2,000,000	2,116,338	116,338	2,114,523
Special Education - Private Facility Tuition	5,000	94,370	89,370	64,054
State Free Lunch & Breakfast	60,000	905	(59,095)	605
Technology - Technology for Success	-	1,786	1,786	1,825
Total state sources	2,065,000	2,213,399	148,399	2,181,007

(Continued)

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Federal sources				
National School Lunch Program	\$ -	\$ -	\$ -	\$ 628
Special Milk Program	15,000	12,691	(2,309)	13,643
Title I - Low Income	62,827	95,908	33,081	79,524
Federal Special Education - Preschool Flow-Through	20,376	22,595	2,219	22,194
Federal Special Education - IDEA Flow Through	565,817	674,118	108,301	526,972
Federal Special Education - IDEA Room & Board	-	-	-	39,088
Federal Special Education - Title III - English Language Acquisition	22,500	23,475	975	16,594
Title II - Teacher Quality	46,487	58,809	12,322	49,033
Medicaid Matching Funds - Administrative Outreach	10,000	38,387	28,387	46,017
Medicaid Matching Funds - Fee-For-Service Program	60,000	136,126	76,126	25,113
Other restricted revenue from Federal Sources	<u>-</u>	<u>336,056</u>	<u>336,056</u>	<u>548,738</u>
Total federal sources	<u>803,007</u>	<u>1,398,165</u>	<u>595,158</u>	<u>1,367,544</u>
Total revenues	<u>27,826,263</u>	<u>29,815,881</u>	<u>1,989,618</u>	<u>26,421,313</u>

(Continued)

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Variance From Final Budget	2023 Actual
	Original and Final Budget	Actual		
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 9,730,534	\$10,188,844	\$ (458,310)	\$ 9,830,376
Employee benefits	2,482,925	3,235,746	(752,821)	1,795,604
Purchased services	208,300	107,994	100,306	126,458
Supplies and materials	637,000	689,928	(52,928)	385,209
Non-capitalized equipment	765,500	450,981	314,519	388,303
Total	<u>13,824,259</u>	<u>14,673,493</u>	<u>(849,234)</u>	<u>12,525,950</u>
Special education programs				
Salaries	2,893,376	2,704,886	188,490	2,455,159
Employee benefits	743,423	777,085	(33,662)	675,364
Purchased services	212,500	595,652	(383,152)	254,973
Supplies and materials	30,000	19,801	10,199	23,195
Capital outlay	-	-	-	7,445
Non-capitalized equipment	5,000	5,067	(67)	2,325
Total	<u>3,884,299</u>	<u>4,102,491</u>	<u>(218,192)</u>	<u>3,418,461</u>
Interscholastic programs				
Salaries	131,086	113,954	17,132	106,722
Employee benefits	15,801	12,660	3,141	13,102
Purchased services	12,300	14,040	(1,740)	12,337
Supplies and materials	9,000	5,005	3,995	4,531
Total	<u>168,187</u>	<u>145,659</u>	<u>22,528</u>	<u>136,692</u>
Summer school programs				
Salaries	15,400	2,376	13,024	13,068
Employee benefits	1,200	287	913	1,134
Total	<u>16,600</u>	<u>2,663</u>	<u>13,937</u>	<u>14,202</u>

(Continued)

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Bilingual programs				
Salaries	\$ 378,708	\$ 378,965	\$ (257)	\$ 307,250
Employee benefits	79,240	96,744	(17,504)	68,232
Purchased services	-	1,094	(1,094)	1,989
Supplies and materials	<u>-</u>	<u>2,868</u>	<u>(2,868)</u>	<u>2,415</u>
Total	<u>457,948</u>	<u>479,671</u>	<u>(21,723)</u>	<u>379,886</u>
Student Activity Fund Expenditures	<u>-</u>	<u>219,323</u>	<u>(219,323)</u>	<u>128,400</u>
Total instruction	<u>18,351,293</u>	<u>19,623,300</u>	<u>(1,272,007)</u>	<u>16,603,591</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	419,625	419,320	305	394,709
Employee benefits	117,624	119,208	(1,584)	110,970
Purchased services	500	-	500	-
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>538,249</u>	<u>538,528</u>	<u>(279)</u>	<u>505,679</u>
Health services				
Salaries	304,205	304,421	(216)	333,764
Employee benefits	61,161	63,950	(2,789)	80,635
Purchased services	2,800	2,278	522	1,807
Supplies and materials	5,800	5,613	187	6,104
Other objects	250	288	(38)	-
Non-capitalized equipment	<u>1,500</u>	<u>350</u>	<u>1,150</u>	<u>325</u>
Total	<u>375,716</u>	<u>376,900</u>	<u>(1,184)</u>	<u>422,635</u>

(Continued)

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Variance From Final Budget	2023 Actual
	Original and Final Budget	Actual		
Psychological services				
Salaries	\$ 215,760	\$ 139,580	\$ 76,180	\$ 206,841
Employee benefits	58,636	36,910	21,726	55,247
Purchased services	500	-	500	-
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>275,396</u>	<u>176,490</u>	<u>98,906</u>	<u>262,088</u>
Speech pathology and audiology services				
Salaries	600,610	573,422	27,188	536,063
Employee benefits	151,171	154,061	(2,890)	113,690
Purchased services	900	178	722	275
Supplies and materials	<u>500</u>	<u>205</u>	<u>295</u>	<u>-</u>
Total	<u>753,181</u>	<u>727,866</u>	<u>25,315</u>	<u>650,028</u>
Other support services - pupils				
Salaries	171,925	161,574	10,351	155,749
Employee benefits	20,699	13,808	6,891	13,613
Purchased services	1,200	-	1,200	-
Supplies and materials	<u>10,000</u>	<u>10,533</u>	<u>(533)</u>	<u>10,213</u>
Total	<u>203,824</u>	<u>185,915</u>	<u>17,909</u>	<u>179,575</u>
Total pupils	<u>2,146,366</u>	<u>2,005,699</u>	<u>140,667</u>	<u>2,020,005</u>
Instructional staff				
Improvement of instruction services				
Salaries	471,994	535,878	(63,884)	355,536
Employee benefits	138,359	135,606	2,753	83,003
Purchased services	39,560	167,628	(128,068)	95,627
Supplies and materials	4,100	25,849	(21,749)	42,182
Other objects	<u>1,300</u>	<u>1,038</u>	<u>262</u>	<u>881</u>
Total	<u>655,313</u>	<u>865,999</u>	<u>(210,686)</u>	<u>577,229</u>

(Continued)

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Educational media services				
Salaries	\$ 403,313	\$ 404,218	\$ (905)	\$ 383,350
Employee benefits	68,228	66,846	1,382	65,282
Purchased services	5,600	5,390	210	5,390
Supplies and materials	<u>11,500</u>	<u>7,284</u>	<u>4,216</u>	<u>9,143</u>
Total	<u>488,641</u>	<u>483,738</u>	<u>4,903</u>	<u>463,165</u>
Assessment and testing				
Purchased services	<u>45,000</u>	<u>45,427</u>	<u>(427)</u>	<u>42,582</u>
Total	<u>45,000</u>	<u>45,427</u>	<u>(427)</u>	<u>42,582</u>
Total instructional staff	<u>1,188,954</u>	<u>1,395,164</u>	<u>(206,210)</u>	<u>1,082,976</u>
General administration				
Board of education services				
Purchased services	176,000	154,006	21,994	127,524
Supplies and materials	11,000	8,064	2,936	7,485
Other objects	<u>14,000</u>	<u>23,152</u>	<u>(9,152)</u>	<u>13,651</u>
Total	<u>201,000</u>	<u>185,222</u>	<u>15,778</u>	<u>148,660</u>
Executive administration services				
Salaries	361,634	369,576	(7,942)	321,814
Employee benefits	70,888	73,125	(2,237)	66,900
Purchased services	19,360	11,933	7,427	10,763
Supplies and materials	1,600	3,872	(2,272)	1,823
Other objects	<u>3,000</u>	<u>11,037</u>	<u>(8,037)</u>	<u>11,062</u>
Total	<u>456,482</u>	<u>469,543</u>	<u>(13,061)</u>	<u>412,362</u>

(Continued)

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Special area administrative services				
Salaries	\$ 183,569	\$ 183,569	\$ -	\$ 180,174
Employee benefits	56,970	58,044	(1,074)	53,798
Purchased services	3,260	2,755	505	2,579
Supplies and materials	<u>1,100</u>	<u>226</u>	<u>874</u>	<u>806</u>
Total	<u>244,899</u>	<u>244,594</u>	<u>305</u>	<u>237,357</u>
Tort immunity services				
Purchased services	<u>254,608</u>	<u>157,520</u>	<u>97,088</u>	<u>249,655</u>
Total	<u>254,608</u>	<u>157,520</u>	<u>97,088</u>	<u>249,655</u>
Total general administration	<u>1,156,989</u>	<u>1,056,879</u>	<u>100,110</u>	<u>1,048,034</u>
School administration				
Office of the principal services				
Salaries	1,491,986	1,500,465	(8,479)	1,439,948
Employee benefits	490,043	508,852	(18,809)	465,463
Purchased services	7,860	5,839	2,021	5,339
Supplies and materials	11,800	9,922	1,878	8,715
Other objects	<u>2,530</u>	<u>1,409</u>	<u>1,121</u>	<u>623</u>
Total	<u>2,004,219</u>	<u>2,026,487</u>	<u>(22,268)</u>	<u>1,920,088</u>
Total school administration	<u>2,004,219</u>	<u>2,026,487</u>	<u>(22,268)</u>	<u>1,920,088</u>
Business				
Direction of business support services				
Salaries	263,477	265,896	(2,419)	255,670
Employee benefits	72,118	73,688	(1,570)	67,926
Purchased services	3,560	1,935	1,625	2,998
Supplies and materials	900	1,337	(437)	840
Other objects	<u>500</u>	<u>490</u>	<u>10</u>	<u>23,993</u>
Total	<u>340,555</u>	<u>343,346</u>	<u>(2,791)</u>	<u>351,427</u>

(Continued)

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Fiscal services				
Salaries	\$ 199,183	\$ 181,422	\$ 17,761	\$ 189,131
Employee benefits	16,044	7,305	8,739	16,381
Purchased services	76,800	70,261	6,539	83,231
Supplies and materials	100	1,290	(1,190)	2,126
Other objects	250	125	125	205
Total	292,377	260,403	31,974	291,074
Food services				
Purchased services	90,000	88,221	1,779	77,350
Supplies and materials	100	-	100	-
Capital outlay	5,000	2,708	2,292	-
Total	95,100	90,929	4,171	77,350
Internal services				
Purchased services	47,100	25,695	21,405	47,623
Supplies and materials	14,000	5,053	8,947	2,173
Total	61,100	30,748	30,352	49,796
Total business	789,132	725,426	63,706	769,647
Planning, research, development and evaluation services				
Purchased services	20,000	27,960	(7,960)	13,542
Total	20,000	27,960	(7,960)	13,542
Information services				
Purchased services	200	2,451	(2,251)	3,061
Supplies and materials	-	952	(952)	-
Capital outlay	-	415,422	(415,422)	-
Other objects	250	-	250	-
Total	450	418,825	(418,375)	3,061

(Continued)

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Variance From Final Budget	2023 Actual
	Original and Final Budget	Actual		
Staff services				
Salaries	\$ 166,099	\$ 161,487	\$ 4,612	\$ 143,252
Employee benefits	108,202	129,074	(20,872)	75,498
Purchased services	36,000	38,198	(2,198)	24,623
Supplies and materials	32,000	19,405	12,595	11,622
Other objects	850	850	-	650
Total	343,151	349,014	(5,863)	255,645
Data processing services				
Salaries	454,317	448,220	6,097	413,540
Employee benefits	61,564	67,482	(5,918)	62,968
Purchased services	386,395	406,180	(19,785)	399,326
Supplies and materials	26,000	12,288	13,712	15,086
Non-capitalized equipment	100	53,649	(53,549)	81,114
Total	928,376	987,819	(59,443)	972,034
Total central	1,291,977	1,783,618	(491,641)	1,244,282
Total support services	8,577,637	8,993,273	(415,636)	8,085,032
Community services				
Salaries	200,643	182,804	17,839	163,923
Employee benefits	26,570	30,381	(3,811)	24,080
Purchased services	5,000	4,700	300	5,136
Supplies and materials	5,000	3,587	1,413	3,732
Total	237,213	221,472	15,741	196,871
Payments for special education programs				
Other objects	767,000	863,039	(96,039)	773,927
Total	767,000	863,039	(96,039)	773,927

(Continued)

Mount Prospect School District 57

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Total payments to other districts and other government units	\$ 767,000	\$ 863,039	\$ (96,039)	\$ 773,927
Total expenditures	<u>27,933,143</u>	<u>29,701,084</u>	<u>(1,767,941)</u>	<u>25,659,421</u>
Excess (deficiency) of revenues over expenditures	<u>(106,880)</u>	<u>114,797</u>	<u>221,677</u>	<u>761,892</u>
Other financing sources (uses)				
Lease issuance	-	415,422	(415,422)	-
Transfer to debt service fund for principal on leases	-	(76,419)	(76,419)	(51,678)
Transfer to debt service fund for interest on leases	<u>-</u>	<u>(17,265)</u>	<u>(17,265)</u>	<u>(1,410)</u>
Total other financing sources (uses)	<u>-</u>	<u>321,738</u>	<u>(509,106)</u>	<u>(53,088)</u>
Net change to fund balance	<u>\$ (106,880)</u>	436,535	<u>\$ 543,415</u>	708,804
Fund balance, beginning of year		<u>7,774,088</u>		<u>7,065,284</u>
Fund balance, end of year		<u>\$ 8,210,623</u>		<u>\$ 7,774,088</u>

(Concluded)

Mount Prospect School District 57

Operations and Maintenance Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 3,975,521	\$ 3,725,769	\$ (249,752)	\$ 3,721,332
Corporate personal property replacement taxes	900,000	926,496	26,496	1,541,985
Interest on investments	60,000	301,057	241,057	84,218
Rentals	-	-	-	1,500
Other	-	-	-	130
Total local sources	<u>4,935,521</u>	<u>4,953,322</u>	<u>17,801</u>	<u>5,349,165</u>
Total revenues	<u>4,935,521</u>	<u>4,953,322</u>	<u>17,801</u>	<u>5,349,165</u>
Expenditures				
Support services				
Business				
Operation and maintenance of plant services				
Salaries	882,400	810,305	72,095	842,074
Employee benefits	152,068	162,886	(10,818)	144,222
Purchased services	750,360	934,129	(183,769)	830,406
Supplies and materials	526,600	596,350	(69,750)	591,316
Capital outlay	30,000	-	30,000	88,140
Non-capitalized equipment	<u>3,000</u>	<u>3,890</u>	<u>(890)</u>	<u>4,570</u>
Total	<u>2,344,428</u>	<u>2,507,560</u>	<u>(163,132)</u>	<u>2,500,728</u>

(Continued)

Mount Prospect School District 57

Operations and Maintenance Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Payments to other districts and Government units				
Payments to other governmental units (in-state)				
Payments for special education programs				
Purchased services	\$ 21,000	\$ 20,112	\$ 888	\$ 14,607
Total	21,000	20,112	888	14,607
Total other payments	21,000	20,112	888	14,607
Total expenditures	2,365,428	2,527,672	(162,244)	2,515,335
Excess of revenues over expenditures	2,570,093	2,425,650	(144,443)	2,833,830
Other financing uses				
Transfer to capital projects fund	(2,000,000)	(1,470,194)	529,806	(1,092,985)
Total other financing uses	(2,000,000)	(1,470,194)	529,806	(1,092,985)
Net change in fund balance	\$ 570,093	955,456	\$ 385,363	1,740,845
Fund balance, beginning of year		5,990,405		4,249,560
Fund balance, end of year		\$ 6,945,861		\$ 5,990,405

(Concluded)

Mount Prospect School District 57

Transportation Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Variance From Final Budget	2023
	Original and Final Budget	Actual		Actual
Revenues				
Local sources				
General levy	\$ 646,573	\$ 672,191	\$ 25,618	\$ 591,289
Regular transportation fees from pupils or parents in state	300,100	326,553	26,453	306,878
Interest on investments	<u>12,000</u>	<u>56,938</u>	<u>44,938</u>	<u>16,945</u>
Total local sources	<u>958,673</u>	<u>1,055,682</u>	<u>97,009</u>	<u>915,112</u>
State sources				
Transportation - Regular and Vocational	3,500	4,639	1,139	4,064
Transportation - Special Education	<u>20,000</u>	<u>56,990</u>	<u>36,990</u>	<u>65,771</u>
Total state sources	<u>23,500</u>	<u>61,629</u>	<u>38,129</u>	<u>69,835</u>
Total revenues	<u>982,173</u>	<u>1,117,311</u>	<u>135,138</u>	<u>984,947</u>
Expenditures				
Business				
Pupil transportation services				
Purchased services	897,000	990,751	(93,751)	850,924
Supplies and materials	<u>800</u>	<u>617</u>	<u>183</u>	<u>3,472</u>
Total	<u>897,800</u>	<u>991,368</u>	<u>(93,568)</u>	<u>854,396</u>
Total expenditures	<u>897,800</u>	<u>991,368</u>	<u>(93,568)</u>	<u>854,396</u>
Excess of revenues over expenditures	<u>\$ 84,373</u>	125,943	<u>\$ 41,570</u>	130,551
Fund balance, beginning of year		<u>1,236,588</u>		<u>1,106,037</u>
Fund balance, end of year		<u>\$ 1,362,531</u>		<u>\$ 1,236,588</u>

Mount Prospect School District 57

Municipal Retirement / Social Security Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Variance From Final Budget	2023 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 370,308	\$ 372,067	\$ 1,759	\$ 408,823
Social security/Medicare only levy	574,439	613,660	39,221	620,650
Corporate personal property replacement taxes	12,000	31,390	19,390	47,656
Interest (on investments)	600	47,017	46,417	5,882
Total local sources	957,347	1,064,134	106,787	1,083,011
Total revenues	957,347	1,064,134	106,787	1,083,011
Expenditures				
Instruction				
Regular programs	178,796	212,758	(33,962)	204,950
Special education programs	187,983	153,536	34,447	143,362
Interscholastic programs	1,906	2,625	(719)	2,692
Summer school programs	-	34	(34)	673
Bilingual programs	5,444	5,419	25	4,410
Total instruction	374,129	374,372	(243)	356,087
Support services				
Pupils				
Attendance and social work services	5,591	5,534	57	5,238
Health services	16,806	17,137	(331)	23,021
Psychological services	3,047	1,960	1,087	2,906
Speech pathology and audiology services	8,069	7,606	463	7,078
Other support services -pupils	2,487	8,015	(5,528)	7,743
Total pupils	36,000	40,252	(4,252)	45,986

(Continued)

Mount Prospect School District 57

Municipal Retirement / Social Security Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			
	Original and Final Budget	Actual	Variance From Final Budget	2023 Actual
Instructional staff				
Improvement of instruction services	\$ 19,962	\$ 20,363	\$ (401)	\$ 18,886
Educational media services	<u>13,319</u>	<u>13,120</u>	<u>199</u>	<u>12,737</u>
Total instructional staff	<u>33,281</u>	<u>33,483</u>	<u>(202)</u>	<u>31,623</u>
General administration				
Executive administration services	23,916	24,225	(309)	19,813
Special area administrative services	<u>8,175</u>	<u>8,159</u>	<u>16</u>	<u>8,637</u>
Total general administration	<u>32,091</u>	<u>32,384</u>	<u>(293)</u>	<u>28,450</u>
School administration				
Office of the principal services	<u>63,539</u>	<u>64,357</u>	<u>(818)</u>	<u>62,419</u>
Total school administration	<u>63,539</u>	<u>64,357</u>	<u>(818)</u>	<u>62,419</u>
Business				
Direction of business support services	12,944	12,710	234	12,745
Fiscal services	26,050	24,537	1,513	25,630
Operation and maintenance of plant services	<u>115,929</u>	<u>106,589</u>	<u>9,340</u>	<u>116,647</u>
Total business	154,923	143,836	11,087	155,022

(Continued)

Mount Prospect School District 57

Municipal Retirement / Social Security Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Central				
Staff services	\$ 7,566	\$ 7,114	\$ 452	\$ 5,407
Data processing services	<u>61,008</u>	<u>65,406</u>	<u>(4,398)</u>	<u>62,927</u>
Total central	<u>68,574</u>	<u>72,520</u>	<u>(3,946)</u>	<u>68,334</u>
Total support services	<u>388,408</u>	<u>386,832</u>	<u>1,576</u>	<u>391,834</u>
Community services	<u>27,169</u>	<u>23,963</u>	<u>3,206</u>	<u>22,251</u>
Total expenditures	<u>789,706</u>	<u>785,167</u>	<u>4,539</u>	<u>770,172</u>
Excess of revenues over expenditures	<u>\$ 167,641</u>	278,967	<u>\$ 111,326</u>	312,839
Fund balance, beginning of year		<u>995,817</u>		<u>682,978</u>
Fund balance, end of year		<u>\$ 1,274,784</u>		<u>\$ 995,817</u>

(Concluded)

Mount Prospect School District 57
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teachers' Retirement Pension and the Teachers' Health Insurance Security Fund other post employment benefits. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level.

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

- a) 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.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) 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 a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 21, 2023.
- g) All budgets lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGET

The following funds had expenditures in excess of budget for the year ended June 30, 2024:

<u>Fund</u>	<u>Variance</u>
General	\$ 1,767,941
Operations and Maintenance	162,244
Transportation	93,568

Mount Prospect School District 57
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

3. BUDGET RECONCILIATION

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 and the Teachers' Health Insurance Security other postemployment benefits. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 29,815,881	\$ 29,701,084
To adjust for on-behalf payments received	8,214,205	-
To adjust for on-behalf payments made	<u>-</u>	<u>8,214,205</u>
	<u>\$ 38,030,086</u>	<u>\$ 37,915,289</u>

4. CHANGES OF ASSUMPTIONS - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

For the 2023 - 2022 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2021 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2020 - 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020 - 2018 and 2017 - 2016 measurement years were based on an experience study dated September 30, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

Mount Prospect School District 57
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2023 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 20-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.75% to 13.75%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Mount Prospect School District 57
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 IMRF CONTRIBUTION RATE* (Continued)

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2021, actuarial valuation.

Changes of Assumptions

For the 2023 and 2022 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.25 percent and a real return of 5.00 percent.

For the 2021, 2020, 2019 and 2018 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00%.

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 THIS CONTRIBUTION RATE*

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Fiscal Year End	June 30, 2024

Methods and Assumptions Used to Determine the 2023 Contribution Rate:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you-go basis. Contribution rates are defined by statute. For the fiscal year ended June 30, 2023, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts, and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.86%
Price Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.

Mount Prospect School District 57
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 THIS CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2023 Contribution Rate: (Continued)

Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021 actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non-Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2024 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040. For Medicare Advantage prescription drug (MAPD) costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 6.08% in 2034, declining gradually to an ultimate rate of 4.25% in 2040.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Changes of Assumptions

The Discount Rate was changed from 3.69% used in the Fiscal Year 2023 valuation to 3.86%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 1.92% used in the Fiscal Year 2022 valuation to 3.69%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 2.45% used in the Fiscal Year 2021 valuation to 1.92%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 3.13% used in the Fiscal Year 2020 valuation to 2.45%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 3.62% used in the Fiscal Year 2019 valuation to 3.13%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

SUPPLEMENTARY FINANCIAL INFORMATION

Mount Prospect School District 57

General Fund

COMBINING BALANCE SHEET

June 30, 2024

	Educational Account	Working Cash Account	Total
ASSETS			
Cash and investments	\$ 6,434,049	\$ 3,923,582	\$ 10,357,631
Receivables (net of allowance for uncollectibles):			
Property taxes	11,861,327	18,966	11,880,293
Intergovernmental	865,175	-	865,175
Prepaid items	<u>207,708</u>	<u>-</u>	<u>207,708</u>
Total assets	<u>\$ 19,368,259</u>	<u>\$ 3,942,548</u>	<u>\$ 23,310,807</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 177,617	\$ -	\$ 177,617
Salaries and wages payable	2,269,459	-	2,269,459
Payroll deductions payable	664,355	-	664,355
Unearned revenue	<u>236,042</u>	<u>-</u>	<u>236,042</u>
Total liabilities	<u>3,347,473</u>	<u>-</u>	<u>3,347,473</u>
DEFERRED INFLOWS			
Property taxes levied for a future period	<u>11,733,951</u>	<u>18,760</u>	<u>11,752,711</u>
Total deferred inflows	<u>11,733,951</u>	<u>18,760</u>	<u>11,752,711</u>
FUND BALANCES			
Nonspendable	207,708	-	207,708
Assigned	26,681	-	26,681
Unassigned	<u>4,052,446</u>	<u>3,923,788</u>	<u>7,976,234</u>
Total fund balance	<u>4,286,835</u>	<u>3,923,788</u>	<u>8,210,623</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 19,368,259</u>	<u>\$ 3,942,548</u>	<u>\$ 23,310,807</u>

Mount Prospect School District 57

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2024

	Educational Account	Working Cash Account	Total
Revenues			
Property taxes	\$ 23,967,177	\$ 154,957	\$ 24,122,134
State aid	10,427,604	-	10,427,604
Federal aid	1,398,165	-	1,398,165
Interest income	113,017	172,779	285,796
Other	1,796,387	-	1,796,387
Total revenues	37,702,350	327,736	38,030,086
Expenditures			
Current:			
Instruction:			
Regular programs	14,892,816	-	14,892,816
Special programs	4,102,491	-	4,102,491
Other instructional programs	627,993	-	627,993
State retirement contributions	8,214,205	-	8,214,205
Support services:			
Pupils	2,005,699	-	2,005,699
Instructional staff	1,395,164	-	1,395,164
General administration	1,056,879	-	1,056,879
School administration	2,026,487	-	2,026,487
Business	722,718	-	722,718
Central	1,368,196	-	1,368,196
Community services	221,472	-	221,472
Nonprogrammed charges	863,039	-	863,039
Debt service:			
Capital outlay	418,130	-	418,130
Total expenditures	37,915,289	-	37,915,289
Excess (deficiency) of revenues over expenditures	(212,939)	327,736	114,797
Other financing sources (uses)			
Transfers (out)	(93,684)	-	(93,684)
Lease issuance	415,422	-	415,422
Total other financing sources (uses)	321,738	-	321,738
Net change in fund balance	108,799	327,736	436,535
Fund balance, beginning of year	4,178,036	3,596,052	7,774,088
Fund balance, end of year	\$ 4,286,835	\$ 3,923,788	\$ 8,210,623

Mount Prospect School District 57

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 768,040	\$ 762,854	\$ (5,186)	\$ 724,034
Interest on investments	<u>12,000</u>	<u>77,761</u>	<u>65,761</u>	<u>20,088</u>
Total local sources	<u>780,040</u>	<u>840,615</u>	<u>60,575</u>	<u>744,122</u>
Total revenues	<u>780,040</u>	<u>840,615</u>	<u>60,575</u>	<u>744,122</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds and other - interest	<u>291,120</u>	<u>182,590</u>	<u>108,530</u>	<u>188,629</u>
Total debt service - interest	<u>291,120</u>	<u>182,590</u>	<u>108,530</u>	<u>188,629</u>
Principal payments on long-term debt	<u>545,000</u>	<u>621,419</u>	<u>76,419</u>	<u>576,678</u>
Total debt service	<u>836,120</u>	<u>804,009</u>	<u>32,111</u>	<u>765,307</u>
Total expenditures	<u>836,120</u>	<u>804,009</u>	<u>32,111</u>	<u>765,307</u>
Excess (deficiency) of revenues over expenditures	<u>(56,080)</u>	<u>36,606</u>	<u>92,686</u>	<u>(21,185)</u>

(Continued)

Mount Prospect School District 57

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			2023 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Transfer to pay principal on leases	\$ -	\$ 76,419	\$ (76,419)	\$ 51,678
Transfer to pay interest on leases	<u>-</u>	<u>17,265</u>	<u>(17,265)</u>	<u>1,410</u>
Total other financing sources	<u>-</u>	<u>93,684</u>	<u>(93,684)</u>	<u>53,088</u>
Net change in fund balance	<u>\$ (56,080)</u>	130,290	<u>\$ 186,370</u>	31,903
Fund balance, beginning of year		<u>1,624,538</u>		<u>1,592,635</u>
Fund balance, end of year		<u>\$ 1,754,828</u>		<u>\$ 1,624,538</u>

(Concluded)

Mount Prospect School District 57

Capital Projects Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Variance From Final Budget	2023 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Other	\$ -	\$ -	\$ -	\$ 5,059
Total local sources	-	-	-	5,059
State sources				
Other restricted revenue from state sources	-	50,000	50,000	50,000
Total state sources	-	50,000	50,000	50,000
Total revenues	-	50,000	50,000	55,059
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	2,000,000	1,520,194	479,806	1,148,044
Total	2,000,000	1,520,194	479,806	1,148,044
Total support services	2,000,000	1,520,194	479,806	1,148,044
Total expenditures	2,000,000	1,520,194	479,806	1,148,044
Deficiency of revenues over expenditures	(2,000,000)	(1,470,194)	529,806	(1,092,985)
Other financing sources				
Permanent transfer to capital projects fund	2,000,000	1,470,194	529,806	1,092,985
Total other financing sources	2,000,000	1,470,194	529,806	1,092,985
Net change in fund balance	\$ -	-	\$ -	-
Fund balance, beginning of year		-		-
Fund balance, end of year		\$ -		\$ -

Mount Prospect School District 57
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2024

Maturity as follows for the Year Ended June 30	School Bonds, Series 2016			Refunding School Bonds, Series 2019			Total Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ -	\$ 49,225	\$ 49,225	\$ 570,000	\$ 93,000	\$ 663,000	\$ 570,000	\$ 142,225	\$ 712,225
2026	-	49,225	49,225	375,000	74,100	449,100	375,000	123,325	498,325
2027	-	49,225	49,225	395,000	58,700	453,700	395,000	107,925	502,925
2028	-	49,225	49,225	405,000	42,700	447,700	405,000	91,925	496,925
2029	-	49,225	49,225	425,000	26,100	451,100	425,000	75,325	500,325
2030	-	49,225	49,225	440,000	8,800	448,800	440,000	58,025	498,025
2031	640,000	40,425	680,425	-	-	-	640,000	40,425	680,425
2032	655,000	22,619	677,619	-	-	-	655,000	22,619	677,619
2033	495,000	6,806	501,806	-	-	-	495,000	6,806	501,806
	<u>\$ 1,790,000</u>	<u>\$ 365,200</u>	<u>\$ 2,155,200</u>	<u>\$ 2,610,000</u>	<u>\$ 303,400</u>	<u>\$ 2,913,400</u>	<u>\$ 4,400,000</u>	<u>\$ 668,600</u>	<u>\$ 5,068,600</u>

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

Mount Prospect School District 57
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST FIVE TAX LEVY YEARS

Levy Year	2023	2022	2021	2020	2019
Assessed valuation	\$874,931,492	\$853,397,696	\$704,064,937	\$758,656,942	\$755,924,552
Rates Extended					
Educational*	2.8040	2.6305	2.9717	2.6821	2.6435
Special Education	0.0366	0.0346	0.0392	0.0363	0.0349
Operations and Maintenance	0.4000	0.4577	0.5500	0.5063	0.4874
Transportation	0.0800	0.0744	0.0852	0.0791	0.0594
Working Cash	0.0046	0.0316	0.0355	0.0460	0.0443
Municipal Retirement	0.0343	0.0516	0.0587	0.0412	0.0397
Social Security	0.0629	0.0785	0.0889	0.0824	0.0794
Debt Service	0.0868	0.0886	0.1076	0.0998	0.1005
Total rates extended	3.5092	3.4475	3.9368	3.5732	3.4891
Levies Extended					
Educational*	\$ 24,533,208	\$ 22,448,530	\$ 20,922,882	\$ 20,347,938	\$ 19,983,175
Special Education	320,000	295,000	275,993	275,233	264,054
Operations and Maintenance	3,500,000	3,905,994	3,872,357	3,840,735	3,684,748
Transportation	700,000	635,000	599,863	600,000	448,892
Working Cash	40,000	270,000	249,943	349,158	334,977
Municipal Retirement	300,000	440,000	413,286	312,700	300,000
Social Security	550,000	670,000	625,913	625,400	600,000
Debt Service	759,806	756,446	757,496	757,496	759,964
Total levies extended	\$ 30,703,014	\$ 29,420,970	\$ 27,717,733	\$ 27,108,660	\$ 26,375,810
Total collections	\$ 15,435,757	\$ 29,282,677	\$ 27,175,022	\$ 26,908,192	\$ 25,795,093
Percentage of extensions collected	50.27%	99.53%	98.04%	99.26%	97.80%

Note: Tax Rates are expressed in dollars per \$100 of assessed valuation.