

**PROSPECT HEIGHTS SCHOOL  
DISTRICT 23**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED**

**JUNE 30, 2022**

**AND**

**INDEPENDENT AUDITORS' REPORT**

# PROSPECT HEIGHTS SCHOOL DISTRICT 23

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# PROSPECT HEIGHTS SCHOOL DISTRICT 23

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## **Independent Auditors' Report**

To the Board of Education of  
Prospect Heights School District 23

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Prospect Heights School District 23 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District as of June 30, 2022 and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### ***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 (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 3, the District adopted the provisions of GASB Statement No. 87, *Leases*, effective July 1, 2021. Our opinions are not modified with respect to this matter.

#### ***Basis of Accounting***

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

### ***Other Information***

Management is responsible for the other information. The other information comprises the other information as listed in the table of contents but does not include the financial statements and our auditors' report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 17, 2022 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.

*Baker Tilly US, LLP*

Oak Brook, Illinois  
October 17, 2022

# **Prospect Heights School District 23**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2022**

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The discussion and analysis of Prospect Heights School District 23's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2022. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is presented in the Management's Discussion and Analysis (the "MD&A").

#### **Financial Highlights**

- In total, net position decreased by \$0.1. This represents a 1% decrease from 2021.
- General revenues accounted for \$22.6 in revenue or 70% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$9.9 or 30% of total revenues of \$32.5.
- The District had \$32.6 in expenses related to government activities. However, only \$9.9 of these expenses were offset by program specific charges and grants.

#### **Overview of the Financial Statements**

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

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

This report also contains other supplementary information in addition to the basic financial statements.

#### *Government-wide financial statements*

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

The statement of net position - modified cash basis presents information on all District assets/deferred outflows of resources and liabilities/deferred inflows of resources arising from cash transactions, with the difference between them reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statements of activities - modified cash basis presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported with cash is received and disbursed. Additionally, activity related to acquisition, depreciation and year end balances of capital assets, as well as year end balances and related changes in long-term debt in its government-wide financial statements are reported.

# **Prospect Heights School District 23**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2022**

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

#### *Fund financial statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds (the District maintains no proprietary or fiduciary funds).

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

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

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds.

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

#### *Notes to basic financial statements*

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

#### *Other information*

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



**Prospect Heights School District 23**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2022**

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**Government-Wide Financial Analysis**

The District's combined net position was lower on June 30, 2022 than it was the year before, decreasing 1% to \$19.1.

**Table 1**  
**Condensed Statements of Net Position**  
**(in millions of dollars)**

	<u>2021</u>	<u>2022</u>
<b>Assets:</b>		
Current and other assets	\$ 12.8	\$ 10.9
Capital assets	<u>17.7</u>	<u>18.5</u>
Total assets	<u>30.5</u>	<u>29.4</u>
<b>Liabilities:</b>		
Current liabilities	0.1	0.1
Long-term debt outstanding	<u>11.2</u>	<u>10.2</u>
Total liabilities	<u>11.3</u>	<u>10.3</u>
<b>Net position:</b>		
Net investment in capital assets	10.3	8.9
Restricted	5.6	4.6
Unrestricted	<u>3.3</u>	<u>5.6</u>
Total net position	<u>\$ 19.2</u>	<u>\$ 19.1</u>

**Prospect Heights School District 23**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2022**

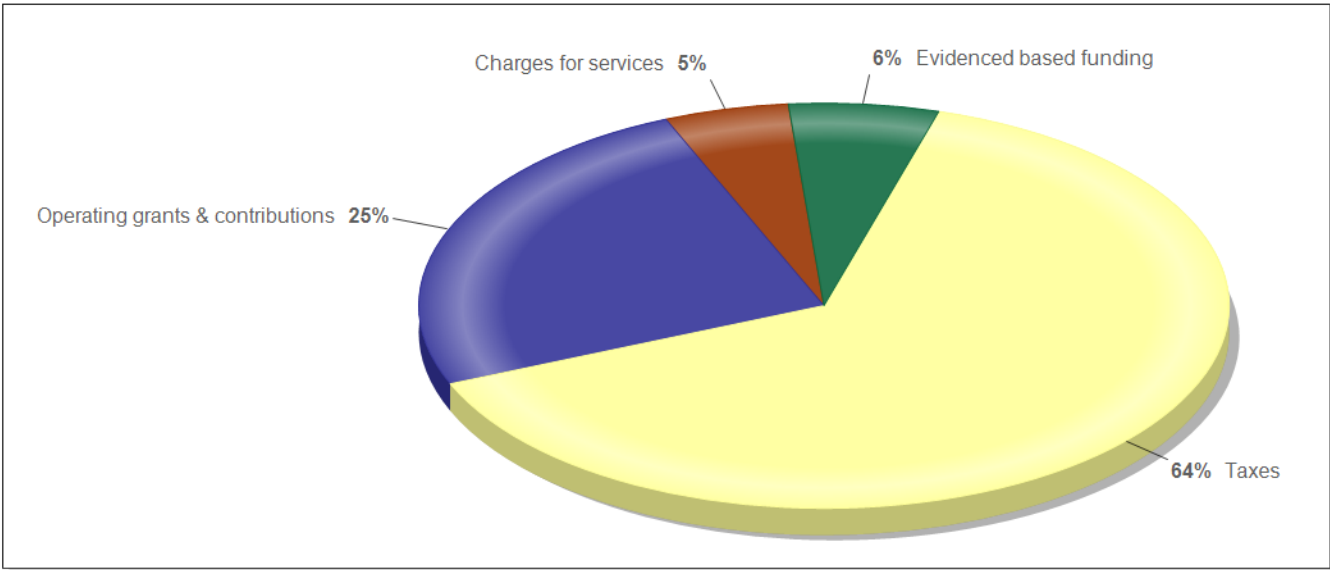
<b>Table 2</b>		
<b>Changes in Net Position</b>		
<b>(in millions of dollars)</b>		
	<u>2021</u>	<u>2022</u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 0.4	\$ 1.6
Operating grants & contributions	14.1	8.2
Capital grants & contributions	-	0.1
<i>General revenues:</i>		
Taxes	20.1	20.8
Evidenced based funding	1.8	1.8
Other	0.1	-
Total revenues	<u>36.5</u>	<u>32.5</u>
<b>Expenses:</b>		
Instruction	23.2	19.2
Pupil & instructional staff services	4.1	4.5
Administration & business	3.8	3.4
Transportation	0.9	1.5
Operations & maintenance	1.8	2.0
Interest & fees	0.4	0.4
Other	1.3	1.6
Total expenses	<u>35.5</u>	<u>32.6</u>
Increase (decrease) in net position	1.0	(0.1)
Net position, beginning of year	<u>18.2</u>	<u>19.2</u>
Net position, end of year	<u>\$ 19.2</u>	<u>\$ 19.1</u>

Property taxes accounted for the largest portion of the District's revenues, contributing 64%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$32.6, mainly related to instructing and caring for the students and student transportation at 77%.

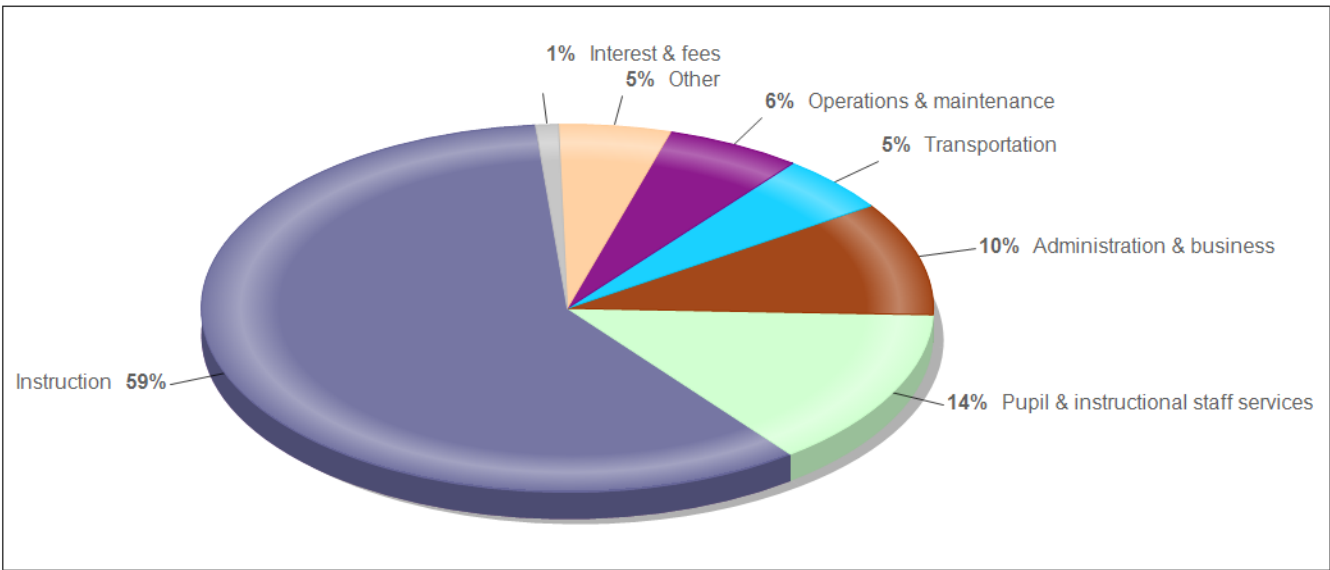
**Prospect Heights School District 23**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2022**

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**District-Wide Revenues by Source**



**District-Wide Expenses by Function**



**Financial Analysis of the District's Funds**

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

**Prospect Heights School District 23**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2022**

**General Fund Budgetary Highlights**

**Capital Assets and Debt Administration**

*Capital assets*

By the end of 2022, the District had compiled a total investment of \$28.5 (\$18.5 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$1.0. More detailed information about capital assets can be found in Note 6 of the basic financial statements.

<b>Table 3</b>		
<b>Capital Assets (net of depreciation)</b>		
<b>(in millions of dollars)</b>		
	<u>2021</u>	<u>2022</u>
Land	\$ 0.4	\$ 0.4
Construction in progress	0.1	0.6
Buildings	15.7	16.1
Equipment	0.8	0.7
Land improvements	0.7	0.6
Equipment - right-to-use lease asset	-	0.1
Total	<u>\$ 17.7</u>	<u>\$ 18.5</u>

*Long-term debt*

The District retired \$1.0 in bonds in 2022. Unamortized premium was reduced by \$(1.0). At the end of fiscal 2022, the District had a debt margin of \$31.7. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

<b>Table 4</b>		
<b>Outstanding Long-Term Debt</b>		
<b>(in millions of dollars)</b>		
	<u>2021</u>	<u>2022</u>
General obligation bonds	\$ 10.5	\$ 9.6
Lease liability	0.1	0.1
Unamortized premium	0.6	0.5
Total	<u>\$ 11.2</u>	<u>\$ 10.2</u>

# **Prospect Heights School District 23**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2022**

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#### **Factors Bearing on the District's Future**

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

The Board of Education and the Prospect Heights Education Association are in the final year of a four year agreement that commenced on July 1, 2019, and expires on June 30, 2023. The contract ties starting salaries, pay raises and stipend increases to the 10 year consumer price index. The Board of Education and the Prospect Heights Education Association are committed to working together in the best interest of the student population that they serve. The Administration and the Association representatives meet regularly to discuss issues for which the parties have concern. These discussions focus on how the Administration and Association can collaborate on methods by which the educational program can be improved, determine financial solutions to staffing and supply questions which impact the District's overall finances. In addition, the Board of Education, the Administration and Association continue their meetings within the Labor Management Committee to address open issues and concerns regarding contract language. They also meet through the joint Insurance Committee for the purpose of educating the District's employees on issues concerning health care coverage and costs. The end goal of the Insurance Committee is to reach consensus on program changes that lead to financial savings for the District and program options that benefit employees with minimal financial impact on those employees as well as providing options to employees searching for alternative health care plans.

Following a full evaluation and cost comparison of custodial outsourcing and contract negotiations with the custodial bargaining unit, the Board of Education and the Service Employees International Union (SEIU) Local No. 73, representatives of the District's custodians, agreed to a three year agreement which commenced July 1, 2020, and expires on June 30, 2023. This agreement has also tied the salary increases for the custodial unit to the 10 year consumer price index and the aforementioned agreement with the PHEA in order to benchmark the monies spent on salaries to the expected increases in revenue to be received from property tax revenue. Administration is looking forward to negotiations with the SEIU in the Spring of 2023, as they work toward a new agreement.

During the 2021-22 school year, District 23 was again forced to make significant changes in its operations due to the COVID 19 pandemic. Schools continued educating students both remotely and in person. The District worked to meet the needs of its students with some Federal Assistance. The District was approved for funding under the ESSER II and ESSER III Programs. ESSER II funds total \$467,000 and ESSER III funds total \$1,093,000. The District chose to focus on five areas of need: Technology, Space Modification, Curriculum & Programming, Mitigation Supplies & Equipment, and Personnel. As these grants span multiple years, Administration has worked to make thoughtful facility and programmatic improvements and to address "learning loss" through the Pandemic, knowing that these additional funds need to be fully expended by September, 2024. Through June, 2022, the District has fully spent its ESSER II funding and approximately half of the ESSER III funds on the articulated priorities. However, as the District currently operates on a Cash Basis of Accounting, reimbursement dollars that come in after June 30, 2022 will book into the next fiscal year. This is largely the cause of the District's deficit in the General Fund (Educational Accounts) this fiscal year.

Public schools in Illinois were again asked by the Illinois State Board of Education to assist with the provision of meals for all children under the age of 18 for the school year. Waivers for District participation were extended, making full reimbursement of distributed meals a reality. Unfortunately, with the mid-year shift back to the National School Lunch Program, the reimbursement amount for school districts was cut in half and budgeted revenues, as had been seen in the prior year, were not fully realized by the District.

# **Prospect Heights School District 23**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2022**

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The District had been successful in negotiating a two year extension with First Student for their student transportation services, allowing for minimal increases of 4.5% in 2020 21 and 3% in 2021 22 over the daily route cost. Through the implementation of community stops, and the continued review and consolidation of routes, Administration continues to keep an eye out for efficiencies that can be made. Building closures and remote learning still allowed the District to realize a slight savings in its contracted services for transportation, even with the increase in actual route cost. The District has negotiated a one year extension for the 2022-23 school year at a proposed increase of 5%. Final Transportation Fund balances in 2022 reflect a deficit of \$251,407, however this was the result of a thoughtful plan to spend down the balances in the Transportation Fund in an effort to shift property tax funding towards the General Fund (Educational Accounts) in upcoming years.

While most of the anticipated property tax revenue came in prior to the close of the fiscal year, property tax revenue receipts were delayed. Some minimal funding was received after June 30, 2022. Unfortunately, moving into FY2023, the delay in property tax revenue still remains of concern as we begin the new fiscal year. As Cook County has delayed the issuance of the second installment tax bills, August revenues are now anticipated just before December 31, 2022. In order to avoid the costly issuance of Tax Anticipation Warrants and manage the impending revenue delays, the District plans to expedite the issuance of tax-exempt Working Cash bonds. Once tax revenues are received, the bond proceeds will be transferred into the Capital Projects Fund to be allocated towards Summer, 2023 capital work.

Of note, in December of 2021, Prospect Heights School District 23 was able to reach a settlement in its litigation against its former architect firm, Studio GC, while seeking to recover the cost of retrofitting its HVAC systems to address humidity issues in District 23 buildings. Funds were received and transferred into the Capital Projects Fund to be used on the remaining HVAC retrofit work throughout the District.

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

### **Requests for Information**

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

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

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
AS OF JUNE 30, 2022

GOVERNMENTAL  
ACTIVITIES

**Assets**

Cash and investments	\$ 10,852,652
Student activity cash	7,828
Capital assets:	
Land	405,938
Construction in progress	578,279
Capital assets being depreciated, net of accumulated depreciation	<u>17,555,699</u>
Total assets	<u>29,400,396</u>

**Liabilities**

Accounts payable	(50)
Payroll deductions payable	93,677
Long-term liabilities:	
Other long-term liabilities - due within one year	1,016,964
Other long-term liabilities - due after one year	<u>9,142,806</u>
Total liabilities	<u>10,253,397</u>

**Net position**

Net investment in capital assets	8,883,614
Restricted for:	
Tort immunity	134,027
Operations and maintenance	1,266,155
Student transportation	1,906,860
Retirement benefits	340,062
Debt service	649,769
Food service	382,254
Unrestricted	<u>5,584,258</u>
Total net position	<u>\$ 19,146,999</u>

See Notes to Basic Financial Statements

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
<b>Governmental activities</b>					
Instruction:					
Regular programs	\$ 8,090,136	\$ 1,466,249	\$ 468,410	\$ -	\$ (6,155,477)
Special programs	4,584,225	-	767,995	-	(3,816,230)
Other instructional programs	1,033,923	4,864	42,097	-	(986,962)
Student activities	67,012	53,714	-	-	(13,298)
State retirement contributions	5,513,320	-	5,513,320	-	-
Support Services:					
Pupils	2,402,558	-	5,911	-	(2,396,647)
Instructional staff	2,057,390	-	29,754	-	(2,027,636)
General administration	825,391	-	-	-	(825,391)
School administration	1,281,676	-	-	-	(1,281,676)
Business	1,281,890	(1,572)	1,051,821	50,000	(181,641)
Transportation	1,496,172	-	326,054	-	(1,170,118)
Operations and maintenance	2,011,250	64,567	-	-	(1,946,683)
Central	369,014	-	-	-	(369,014)
Other supporting services	11,928	-	-	-	(11,928)
Community services	201,338	-	-	-	(201,338)
Interest and fees	357,146	-	-	-	(357,146)
Unallocated depreciation	994,178	-	-	-	(994,178)
<b>Total governmental activities</b>	<b>\$ 32,578,547</b>	<b>\$ 1,587,822</b>	<b>\$ 8,205,362</b>	<b>\$ 50,000</b>	<b>(22,735,363)</b>

General revenues:

Taxes:

Real estate taxes, levied for general purposes	15,353,431
Real estate taxes, levied for specific purposes	3,971,344
Real estate taxes, levied for debt service	1,247,282
Personal property replacement taxes	228,045
State aid-formula grants	1,845,929
Investment income	32,038
Miscellaneous	4,478
<b>Total general revenues</b>	<b>22,682,547</b>

Change in net position	(52,816)
Net position, beginning of year	19,199,815
Net position, end of year	<u>\$ 19,146,999</u>

See Notes to Basic Financial Statements



**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

**GOVERNMENTAL FUNDS**

BALANCE SHEET - MODIFIED CASH BASIS

AS OF JUNE 30, 2022

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Assets</b>				
Cash and investments	\$ 3,426,669	\$ 1,362,123	\$ 1,928,885	\$ 343,226
Student activity cash	<u>7,828</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,434,497</u>	<u>\$ 1,362,123</u>	<u>\$ 1,928,885</u>	<u>\$ 343,226</u>
<b>Liabilities</b>				
Accounts payable	\$ (50)	\$ -	\$ -	\$ -
Payroll deductions payable	<u>93,741</u>	<u>(100)</u>	<u>36</u>	<u>-</u>
Total liabilities	<u>93,691</u>	<u>(100)</u>	<u>36</u>	<u>-</u>
<b>Fund balance</b>				
Restricted	516,281	1,266,155	1,906,860	340,062
Assigned	7,827	96,068	21,989	3,164
Unassigned	<u>2,816,698</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>3,340,806</u>	<u>1,362,223</u>	<u>1,928,849</u>	<u>343,226</u>
Total liabilities and fund balance	<u>\$ 3,434,497</u>	<u>\$ 1,362,123</u>	<u>\$ 1,928,885</u>	<u>\$ 343,226</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
\$ 656,257	\$ 3,135,492	\$ 10,852,652
<u>-</u>	<u>-</u>	<u>7,828</u>
<u>\$ 656,257</u>	<u>\$ 3,135,492</u>	<u>\$ 10,860,480</u>
\$ -	\$ -	\$ (50)
<u>-</u>	<u>-</u>	<u>93,677</u>
<u>-</u>	<u>-</u>	<u>93,627</u>
649,769	-	4,679,127
6,488	3,135,492	3,271,028
<u>-</u>	<u>-</u>	<u>2,816,698</u>
<u>656,257</u>	<u>3,135,492</u>	<u>10,766,853</u>
<u>\$ 656,257</u>	<u>\$ 3,135,492</u>	<u>\$ 10,860,480</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET - MODIFIED CASH BASIS TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
AS OF JUNE 30, 2022

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Total fund balances - governmental funds - modified cash basis		\$ 10,766,853
Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position - Modified Cash Basis do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet - Modified Cash Basis.		
		18,539,916
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position - Modified Cash Basis.		
Balances at June 30, 2022 are:		
Bonds payable	\$ (9,585,000)	
Unamortized bond premium	(503,468)	
Lease liability	<u>(71,302)</u>	
		<u>(10,159,770)</u>
Net position of governmental activities - modified cash basis		<u>\$ 19,146,999</u>

See Notes to Basic Financial Statements

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**GOVERNMENTAL FUNDS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Revenues</b>				
Property taxes	\$ 15,636,076	\$ 1,798,325	\$ 1,039,280	\$ 851,094
Corporate personal property replacement taxes	221,426	-	-	6,619
State aid	7,833,003	50,000	326,054	-
Federal aid	2,308,764	-	-	-
Investment income	14,167	2,997	4,979	812
Student activities	53,714	-	-	-
Other	573,816	64,770	-	-
Total revenues	<u>26,640,966</u>	<u>1,916,092</u>	<u>1,370,313</u>	<u>858,525</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	8,006,208	-	-	83,928
Special programs	3,369,880	-	-	184,642
Other instructional programs	1,009,032	-	-	24,891
Student activities	67,012	-	-	-
State retirement contributions	5,929,850	-	-	-
Support Services:				
Pupils	2,286,480	-	-	116,078
Instructional staff	2,005,346	-	-	52,044
General administration	806,622	-	-	18,769
School administration	1,225,372	-	-	56,304
Business	1,252,979	-	-	28,911
Transportation	-	-	1,495,182	990
Operations and maintenance	20,971	1,835,297	-	154,982
Central	350,051	-	-	18,963
Other supporting services	9,719	-	2,181	28
Community services	185,422	-	-	15,916
Payments to other districts and gov't units	905,346	-	124,357	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	252,460	16,863	-	-
Total expenditures	<u>27,682,750</u>	<u>1,852,160</u>	<u>1,621,720</u>	<u>756,446</u>
Excess (deficiency) of revenues over expenditures	<u>(1,041,784)</u>	<u>63,932</u>	<u>(251,407)</u>	<u>102,079</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	(49,855)	-	-	-
Total other financing sources (uses)	<u>(49,855)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,091,639)	63,932	(251,407)	102,079
Fund balance, beginning of year	<u>4,432,445</u>	<u>1,298,291</u>	<u>2,180,256</u>	<u>241,147</u>
Fund balance, end of year	<u>\$ 3,340,806</u>	<u>\$ 1,362,223</u>	<u>\$ 1,928,849</u>	<u>\$ 343,226</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
\$ 1,247,282	\$ -	\$ 20,572,057
-	-	228,045
-	-	8,209,057
-	-	2,308,764
1,526	7,557	32,038
-	-	53,714
-	900,000	1,538,586
<u>1,248,808</u>	<u>907,557</u>	<u>32,942,261</u>
-	-	8,090,136
-	-	3,554,522
-	-	1,033,923
-	-	67,012
-	-	5,929,850
-	-	2,402,558
-	-	2,057,390
-	-	825,391
-	-	1,281,676
-	-	1,281,890
-	-	1,496,172
-	-	2,011,250
-	-	369,014
-	-	11,928
-	-	201,338
-	-	1,029,703
959,769	-	959,769
407,493	-	407,493
-	1,544,323	1,813,646
<u>1,367,262</u>	<u>1,544,323</u>	<u>34,824,661</u>
<u>(118,454)</u>	<u>(636,766)</u>	<u>(1,882,400)</u>
49,855	-	49,855
-	-	(49,855)
<u>49,855</u>	<u>-</u>	<u>-</u>
(68,599)	(636,766)	(1,882,400)
<u>724,856</u>	<u>3,772,258</u>	<u>12,649,253</u>
<u>\$ 656,257</u>	<u>\$ 3,135,492</u>	<u>\$ 10,766,853</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
- MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

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Net change in fund balances - total governmental funds - modified cash basis	\$	(1,882,400)
Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities - Modified Cash Basis, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year net capital outlay exceeds depreciation expense in the current period.		
		819,468
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount of current year principal repayments.		
		959,769
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities - Modified Cash Basis. This is the amount of the current year, net effect of these differences.		
		50,347
In the Statement of Activities - Modified Cash Basis, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
State on-behalf contribution revenue	\$	416,530
State on-behalf contribution expense		<u>(416,530)</u>
		<u>-</u>
Change in net position of governmental activities - modified cash basis	\$	<u><u>(52,816)</u></u>

See Notes to Basic Financial Statements

# PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prospect Heights School District 23 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the modified cash basis of accounting as applicable to the local governmental units of this type. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant accounting policies of the District:

### Reporting Entity

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

### Basis of Presentation

#### *Government-wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

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

#### *Governmental Funds Financial Statements*

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

Separate financial statements are provided for all governmental funds.

# PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

### Measurement Focus and Basis of Accounting

The government-wide financial statements and the fund financial statements are reported using the modified cash basis of accounting. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenditures are recognized when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In the government-wide financial statements, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as described above. In the governmental fund financial statements, the current financial resources measurement focus is used. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period.

As a result of the use of the modified cash basis of accounting, certain assets and deferred inflows of resources and their related revenues, (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and deferred inflows of resources and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

### Major Governmental Funds

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

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

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

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

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

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



## PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

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

### Assets, Liabilities and Net Position or Equity

#### *Deposits and Investments*

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

#### *Receivables and Payables*

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

#### *Property Tax Revenues*

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2021 levy resolution was approved during the December 8, 2021 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

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

The Property Tax Extension Limitation Law (PTELL) is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELL limits the increase in total taxes billed to the 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 CPI rates applicable to the 2021 and 2020 tax levies were 1.4% and 2.3%, respectively.

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

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

*Personal Property Replacement Taxes*

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

*Capital Assets*

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

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

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

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

*Long-Term Obligations*

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

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

*Equity Classifications*

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

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

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

## PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

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

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

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

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

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

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

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

The assigned fund balance in the General Fund of \$7,827 is for student activity purposes. The remaining assigned fund balances are for purpose of the respective funds as described above in the Major Governmental Funds section.

Governmental fund balances reported on the fund financial statements at June 30, 2022 are as follows:

The restricted fund balance in the General Fund is comprised of \$134,027 for tort immunity and \$382,254 for the operation of the District's food service program. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

*Eliminations and Reclassifications*

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Data**

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the cash basis, which is consistent with cash basis of accounting prescribed by the program accounting manual for Illinois school districts.

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

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

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

**Budget Reconciliations**

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

	<b>Revenues</b>	<b>Expenditures</b>
General Fund Budgetary Basis	\$ 20,711,116	\$ 21,752,900
To adjust for on-behalf payments received	-	5,929,850
To adjust for on-behalf payments made	<u>5,929,850</u>	<u>-</u>
General Fund GAAP Basis	<u>\$ 26,640,966</u>	<u>\$ 27,682,750</u>

## PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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### **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (CONTINUED)**

#### **Excess of Expenditures over Budget**

For the year ended June 30, 2022, expenditures exceeded budget in the Operations & Maintenance Fund and Capital Projects Fund by \$17,353 and \$173,477, respectively. These excesses were funded by available financial resources.

### **NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES**

In June 2017, the Governmental Accounting Standards Board issued statement No. 87 - Leases. This Statement establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. The statement requires lessees to recognize a lease liability and an intangible right-to-use lease asset and lessors to recognize a lease receivable and a deferred inflow of resources. This standard was implemented July 1, 2021.

### **NOTE 4 - DEPOSITS AND INVESTMENTS**

#### **Cash & Investments under the custody of the Township Treasurer**

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

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

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

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

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)**

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

The weighted average to maturity of all marketable pooled investments held by the Treasury was 1.74 years. The Treasury also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2022, the cost basis of all investments held by the Treasurer's office was \$487,939,268 and the value of the District's proportionate share of the pool was \$10,842,085.

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

**Cash & Investments in the custody of the District**

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

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits with financial institutions	\$ 17,828	\$ 24,316
Total	<u>\$ 17,828</u>	<u>\$ 24,316</u>

The District maintains \$567 in petty cash.

*Custodial Credit Risk - Deposits.* With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2022, the bank balance of the District's deposit with financial institutions totaled \$24,316; of this amount, all of which are collateralized and insured.

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

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

**NOTE 5 - INTERFUND TRANSFERS**

During the year, the District transferred \$49,855 from the General Fund (Educational Accounts) to the Debt Service Fund for the funding of principal and interest payments made during the year on lease liabilities.

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the District for the year ended June 30, 2022 was as follows:

	<i>Beginning Balance</i>	<i>Adjustments*</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<b><u>Capital assets not being depreciated / amortized:</u></b>					
Land	\$ 405,938	\$ -	\$ -	\$ -	\$ 405,938
Construction in progress	<u>137,606</u>	<u>-</u>	<u>578,279</u>	<u>137,606</u>	<u>578,279</u>
Total capital assets not being depreciated / amortized	<u>543,544</u>	<u>-</u>	<u>578,279</u>	<u>137,606</u>	<u>984,217</u>
<b><u>Capital assets being depreciated / amortized:</u></b>					
Land improvements	1,121,993	-	7,910	-	1,129,903
Buildings	22,132,149	-	1,103,650	-	23,235,799
Equipment	2,826,850	(116,071)	261,413	-	2,972,192
Equipment - right-to-use lease asset	-	116,071	-	-	116,071
Transportation equipment	<u>88,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,962</u>
Total capital assets being depreciated	<u>26,169,954</u>	<u>-</u>	<u>1,372,973</u>	<u>-</u>	<u>27,542,927</u>
<b><u>Less Accumulated Depreciation / Amortization for:</u></b>					
Land improvements	468,721	-	41,141	-	509,862
Buildings	6,400,712	-	684,410	-	7,085,122
Equipment	2,042,687	-	217,738	-	2,260,425
Equipment - right-to-use lease asset	-	-	44,769	-	44,769
Transportation equipment	<u>80,930</u>	<u>-</u>	<u>6,120</u>	<u>-</u>	<u>87,050</u>
Total accumulated depreciation / amortization	<u>8,993,050</u>	<u>-</u>	<u>994,178</u>	<u>-</u>	<u>9,987,228</u>
Net capital assets being depreciated / amortized	<u>17,176,904</u>	<u>-</u>	<u>378,795</u>	<u>-</u>	<u>17,555,699</u>
Net governmental activities capital assets	<u>\$ 17,720,448</u>	<u>\$ -</u>	<u>\$ 957,074</u>	<u>\$ 137,606</u>	<u>\$ 18,539,916</u>

\* The adjustment column represents the restatement of capital assets to report right-to-use lease assets in accordance with GASB Statement No. 87, *Leases*.

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 6 - CAPITAL ASSETS - (CONTINUED)**

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

<b>Governmental Activities</b>	<b>Depreciation</b>
Unallocated	\$ 994,178
Total depreciation expense - governmental activities	\$ 994,178

**NOTE 7 - LONG TERM LIABILITIES**

*Changes in General Long-term Liabilities.* The following is the long-term liability activity for the District for the year ended June 30, 2022:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds	\$ 10,500,000	\$ -	\$ 915,000	\$ 9,585,000	\$ 970,000
Unamortized premium	<u>553,815</u>	<u>-</u>	<u>50,347</u>	<u>503,468</u>	<u>-</u>
Total bonds payable	<u>11,053,815</u>	<u>-</u>	<u>965,347</u>	<u>10,088,468</u>	<u>970,000</u>
Lease liabilities	<u>116,071</u>	<u>-</u>	<u>44,769</u>	<u>71,302</u>	<u>46,964</u>
Total long-term liabilities - governmental activities	<u>\$ 11,169,886</u>	<u>\$ -</u>	<u>\$ 1,010,116</u>	<u>\$ 10,159,770</u>	<u>\$ 1,016,964</u>

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

<b>Purpose</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Carrying Amount</b>
Series Series 2013 General Obligation Limited Tax Bonds dated February 7, 2013 are due in annual installments through December 15, 2023	4.00%	\$ 7,950,000	\$ 1,385,000
Series Series 2014 General Obligation Limited Tax Bonds dated January 28, 2014 are due in annual installments through December 15, 2024	4.00% - 4.25%	2,140,000	1,450,000
Series Series 2019A General Obligation Limited Tax Bonds dated February 13, 2019 are due in annual installments through December 15, 2028	4.00%	2,775,000	2,775,000
Series Series 2019B Taxable General Obligation Limited Tax Bonds dated February 13, 2019 are due in annual installments through December 15, 2026	3.46% - 3.56%	1,315,000	1,315,000
Series Series 2021 General Obligation Limited Tax School Bonds dated June 9, 2021 are due in annual installments through December 15, 2030	4.00%	<u>2,660,000</u>	<u>2,660,000</u>
Total		<u>\$ 16,840,000</u>	<u>\$ 9,585,000</u>



**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)**

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

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	\$ 970,000	\$ 359,809	\$ 1,329,809
2024	930,000	321,809	1,251,809
2025	960,000	282,809	1,242,809
2026	975,000	245,083	1,220,083
2027	1,025,000	208,378	1,233,378
2028 - 2031	<u>4,725,000</u>	<u>421,700</u>	<u>5,146,700</u>
Total	<u>\$ 9,585,000</u>	<u>\$ 1,839,588</u>	<u>\$ 11,424,588</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2022, the statutory debt limit for the District was \$41,822,674, providing a debt margin of \$31,662,904.

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

<i>Description</i>	<i>Date of Issue</i>	<i>Final Maturity</i>	<i>Interest Rates</i>	<i>Original Indebtedness</i>	<i>Balance</i>
Copier Lease	12/27/18	7/29/23	3.50%	\$ 249,276	\$ 71,302
Total				<u>\$ 249,276</u>	<u>\$ 71,302</u>

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

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	\$ 46,964	\$ 2,891	\$ 49,855
2024	<u>24,338</u>	<u>589</u>	<u>24,927</u>
Total	<u>\$ 71,302</u>	<u>\$ 3,480</u>	<u>\$ 74,782</u>

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District has purchased insurance from private insurance companies for general liability, workers' compensation and other coverages not included below. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

## PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 9 - JOINT AGREEMENTS

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

### NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

#### Teachers' Health Insurance Security

*Plan Description.* The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

*On Behalf Contributions to THIS Fund.* The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90% of pay during the year ended June 30, 2022. State of Illinois contributions of \$105,618 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$(232,942) in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

*Contributions.* The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.67% during the year ended June 30, 2022. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2022, the District paid \$78,627 to the THIS Fund, respectively, which was 100 percent of the required contribution for the year.

## PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

*THIS Fiduciary Net Position.* Detailed information about the THIS Fund's fiduciary net position as of June 30, 2021 is available in the separately issued THIS Annual Financial Report.

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

District's proportionate share of the collection net OPEB liability	\$ 9,337,581
State's proportionate share of the collective net OPEB liability associated with the District	<u>12,660,397</u>
Total	<u>\$ 21,997,978</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. 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, 2021, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2021 and 2020, the District's proportion was 0.042337% and 0.043019%, respectively.

*Actuarial Assumptions.* The net OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4% to 9.5%
Investment Rate of Return	2.75%
Healthcare Cost Trend Rates - Initial	Medicare and Non-Medicare - 8.00%
Healthcare Cost Trend Rates - Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2038

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

*Discount Rate.* At June 30, 2021, the discount rate used to measure the total OPEB liability was a blended rate of 1.92%, which was a change from the June 30, 2020 rate of 2.45%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.92%) or 1-percentage-point higher (2.92%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 11,217,200	\$ 9,337,581	\$ 7,847,750

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 7,475,214	\$ 9,337,581	\$ 11,867,500

*OPEB Expense.* District OPEB expense, as part of the June 30, 2021 valuation, was \$(129,376). For the year ended June 30, 2022, the District recognized on-behalf revenue and expenditures of \$(232,942) for support provided by the state.

**NOTE 11 - RETIREMENT SYSTEMS**

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

**Teachers' Retirement System**

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2021>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

## PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional *Tier 3* hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring *Tier 1* members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested *Tier 1* and *Tier 2* members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2021 was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

*On Behalf Contributions to TRS.* The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2022, State of Illinois contributions recognized by the District were based on the state's proportionate share of with the pension expense associated with the District, and the District recognized revenue and expenses of \$5,746,262 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$5,824,232 in the General Fund based on the current financial resources measurement basis.

*2.2 Formula Contributions.* Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were \$68,066 .

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)**

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

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

For the year ended June 30, 2022, the District pension contribution was 10.31 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2022, were \$26,568, which was equal to the District's required contribution.

*TRS Fiduciary Net Position.* Detailed information about the TRS's fiduciary net position as of June 30, 2021 is available in the separately issued TRS Comprehensive Annual Financial Report.

*Net Pension Liability.* At June 30, 2022, the District has 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 allocated to the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$	955,894
State's proportionate share of the collective net pension liability associated with the District		<u>80,114,099</u>
Total		<u><u>\$ 81,069,993</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021. 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, 2021, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2021 and 2020, the District's proportion was 0.00122533 percent and 0.00145927 percent, respectively.

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

*Actuarial Assumptions.* The assumptions used to measure the total pension liability in the June 30, 2021 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.25%.

*Mortality.* Mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017. The assumptions were based on the results of an experience study dated September 18, 2018.

## PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
U.S. equities large cap	16.70 %	6.20 %
U.S. equities small/mid cap	2.20 %	7.40 %
International equities developed	10.60 %	6.90 %
Emerging market equities	4.50 %	9.20 %
U.S. bonds core	3.00 %	1.60 %
Cash equivalents	2.00 %	0.10 %
TIPS	1.00 %	0.80 %
International debt developed	1.00 %	0.40 %
Emerging international debt	4.00 %	4.40 %
Real estate	16.00 %	5.80 %
Private debt	10.00 %	6.50 %
Hedge funds	10.00 %	3.90 %
Private equity	15.00 %	10.40 %
Infrastructure	4.00 %	6.30 %

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2021 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)**

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
District's proportionate share of the collective net pension liability	<u>\$ 1,183,855</u>	<u>\$ 955,894</u>	<u>\$ 766,542</u>

*Pension Expense.* District pension expense, as part of the June 30, 2021 valuation, was \$9,584. For the year ended June 30, 2022, the District recognized TRS-related pension expense of \$68,066 and on-behalf revenue and expense of \$5,746,262 for support provided by the state.

**Illinois Municipal Retirement Fund**

*Plan Description.* The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

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

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.



**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)**

*Plan Membership.* At December 31, 2021, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	86
Inactive, non-retired members	101
Active members	81
Total	<u>268</u>

*Contributions.* As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2021 was 11.12 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Net Pension Liability/(Asset).* The net pension liability/(asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

*Actuarial Assumptions.* The assumptions used to measure the total pension liability in the December 31, 2021 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, and (c) price inflation of 2.25%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

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

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)**

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Projected Returns/Risk</b>	
		<b>One Year Arithmetic</b>	<b>Ten Year Geometric</b>
Equities	39.00 %	3.25 %	1.90 %
International equities	15.00 %	4.89 %	3.15 %
Fixed income	25.00 %	(0.50)%	(0.60)%
Real estate	10.00 %	4.20 %	3.30 %
Alternatives	10.00 %		
Private equity		8.85 %	5.50 %
Hedge funds		-	-
Commodities		2.90 %	1.70 %
Cash equivalents	1.00 %	(0.90)%	(0.90)%

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

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

	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
Total pension liability	\$ 18,572,216	\$ 16,865,564	\$ 15,447,974
Plan fiduciary net position	<u>18,271,960</u>	<u>18,271,960</u>	<u>18,271,960</u>
Net pension liability/(asset)	<u>\$ 300,256</u>	<u>\$ (1,406,396)</u>	<u>\$ (2,823,986)</u>

## PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

### NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

*Changes in Net Pension Liability/(Asset).* The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2021 was as follows:

	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability/(Asset)</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
Balances at December 31, 2020	\$ 15,961,525	\$ 15,914,313	\$ 47,212
Service cost	291,057	-	291,057
Interest on total pension liability	1,133,517	-	1,133,517
Differences between expected and actual experience of the total pension liability	424,134	-	424,134
Benefit payments, including refunds of employee contributions	(944,669)	(944,669)	-
Contributions - employer	-	352,284	(352,284)
Contributions - employee	-	142,562	(142,562)
Net investment income	-	2,721,209	(2,721,209)
Other (net transfer)	-	86,261	(86,261)
Balances at December 31, 2021	<u>\$ 16,865,564</u>	<u>\$ 18,271,960</u>	<u>\$ (1,406,396)</u>

*Pension Expense.* District pension expense, as part of the December 31, 2021 valuation, was \$(379,904). For the year ended June 30, 2022, the District recognized pension expense of \$331,887.

### NOTE 12 - CONSTRUCTION COMMITMENTS

As of June 30, 2022, the District is committed to approximately \$717,128 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

### NOTE 13 - STATE AND FEDERAL AID CONTINGENCIES

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

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 14 - EFFECT OF NEW ACCOUNTING STANDARDS ON  
CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 91, *Conduit Debt*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

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

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY  
AND RELATED RATIOS  
Eight Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total pension liability</b>			
Service cost	\$ 291,057	\$ 291,912	\$ 306,987
Interest	1,133,517	1,089,960	1,047,019
Differences between expected and actual experience	424,134	250,623	-
Changes of assumptions	-	(109,553)	155,134
Benefit payments, including refunds of member contributions	<u>(944,669)</u>	<u>(898,774)</u>	<u>(919,869)</u>
<b>Net change in total pension liability</b>	904,039	624,168	589,271
<b>Total pension liability - beginning</b>	<u>15,961,525</u>	<u>15,337,357</u>	<u>14,748,086</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 16,865,564</u>	<u>\$ 15,961,525</u>	<u>\$ 15,337,357</u>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 352,284	\$ 333,289	\$ 282,379
Employee contributions	142,562	134,390	130,328
Net investment income	2,721,209	2,062,985	2,291,161
Benefit payments, including refunds of member contributions	(944,669)	(898,774)	(919,869)
Other (net transfer)	<u>86,261</u>	<u>129,799</u>	<u>106,104</u>
<b>Net change in plan fiduciary net position</b>	2,357,647	1,761,689	1,890,103
<b>Plan fiduciary net position - beginning</b>	<u>15,914,313</u>	<u>14,152,624</u>	<u>12,262,521</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 18,271,960</u>	<u>\$ 15,914,313</u>	<u>\$ 14,152,624</u>
<b>Employer's net pension liability/(asset) - ending (a) - (b)</b>	<u>\$ (1,406,396)</u>	<u>\$ 47,212</u>	<u>\$ 1,184,733</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	108.34%	99.70%	92.28%
<b>Covered payroll</b>	\$ 3,168,022	\$ 2,986,463	\$ 2,896,199
<b>Employer's net pension liability/(asset) as a percentage of covered payroll</b>	-44.39%	1.58%	40.91%

**Notes to Schedule:**

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

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

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

See Auditors' Report and Notes to Basic Financial Statements

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
 Eight Most Recent Fiscal Years

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

**Notes to Schedule:**

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

**Valuation date:**

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

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

**Other information:**

There were no benefit changes during the year.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.0012253281%	0.0014592678%	0.0015818509%
District's proportionate share of the net pension liability	\$ 955,894	\$ 1,258,111	\$ 1,283,010
State's proportionate share of the net pension liability	<u>80,114,099</u>	<u>98,541,827</u>	<u>91,310,441</u>
Total net pension liability	<u>\$ 81,069,993</u>	<u>\$ 99,799,938</u>	<u>\$ 92,593,451</u>
Covered payroll	\$ 11,735,327	\$ 10,985,442	\$ 10,645,787
District's proportionate share of the net pension liability as a percentage of covered payroll	8.15%	11.45%	12.05%
Plan fiduciary net position as a percentage of the total pension liability	45.10%	37.80%	39.60%
Contractually required contribution	\$ 94,633	\$ 69,712	\$ 71,916
Contributions in relation to the contractually required contribution	<u>(94,634)</u>	<u>(69,535)</u>	<u>(72,312)</u>
Contribution deficiency (excess)	<u>\$ (1)</u>	<u>\$ 177</u>	<u>\$ (396)</u>
Contributions as a percentage of covered payroll	0.8064%	0.6330%	0.6793%

**Notes to Schedule:**

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

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

**Key Assumptions:**

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

See Auditors' Report and Notes to Basic Financial Statements



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

See Auditors' Report and Notes to Basic Financial Statements

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

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

**Notes to Schedule:**

The District implemented GASB 68 in fiscal year 2018. However, the District did not begin tracking the information and disclosing until fiscal year 2021.

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

**Key Assumptions:**

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

See Auditors' Report and Notes to Basic Financial Statements

**PROSPECT HEIGHTS SCHOOL DISTRICT 23****GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 15,950,317	\$ 15,550,149	\$ (400,168)
Tort immunity levy	-	85,927	85,927
Corporate personal property replacement taxes	105,000	221,426	116,426
Summer school tuition from pupils or parents (in state)	1,500	-	(1,500)
Regular transportation fees from other LEAs (in state)	7,500	-	(7,500)
Investment income	181,500	14,167	(167,333)
Sales to pupils - lunch	150,000	(1,572)	(151,572)
Admissions - athletic	1,000	-	(1,000)
Fees	208,500	48,185	(160,315)
Book store sales	17,000	10,513	(6,487)
Other pupil activity revenue	-	144,575	144,575
Student activities	-	53,714	53,714
Sales - other	12,500	4,864	(7,636)
Refund of prior years' expenditures	15,000	4,478	(10,522)
Other local fees	400,000	321,039	(78,961)
Other	<u>20,000</u>	<u>41,734</u>	<u>21,734</u>
Total local sources	<u>17,069,817</u>	<u>16,499,199</u>	<u>(570,618)</u>
<b>State sources</b>			
Evidence based funding	1,969,992	1,845,929	(124,063)
Special education - private facility tuition	45,000	22,641	(22,359)
CTE - Secondary program improvement	1,321	1,328	7
State free lunch & breakfast	4,500	31,866	27,366
Other restricted revenue from state sources	<u>8,500</u>	<u>1,389</u>	<u>(7,111)</u>
Total state sources	<u>2,029,313</u>	<u>1,903,153</u>	<u>(126,160)</u>
<b>Federal sources</b>			
National school lunch program	20,000	530,732	510,732
School breakfast program	20,000	157,386	137,386
Summer food service admin/program	1,500,000	266,394	(1,233,606)
Food service - other	-	65,443	65,443
Title I - Low income	150,266	217,533	67,267
Title IV - Safe & drug free schools - formula	10,000	5,911	(4,089)
Federal - special education - preschool flow-through	14,645	15,762	1,117
Federal - special education - IDEA - flow-through/low incident	318,023	331,517	13,494
Federal - special education - IDEA - room & board	-	47,951	47,951
Title III - English language acquisition	47,000	40,769	(6,231)
Title II - Teacher quality	26,515	29,754	3,239
Medicaid matching funds - administrative outreach	150,000	81,886	(68,114)
Medicaid matching funds - fee-for-service program	-	50,705	50,705
Other restricted revenue from federal sources	<u>1,560,956</u>	<u>467,021</u>	<u>(1,093,935)</u>
Total federal sources	<u>3,817,405</u>	<u>2,308,764</u>	<u>(1,508,641)</u>
Total revenues	<u>22,916,535</u>	<u>20,711,116</u>	<u>(2,205,419)</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Expenditures</b>			
<b>Instruction</b>			
<b>Regular programs</b>			
Salaries	\$ 6,047,652	\$ 5,988,477	\$ 59,175
Employee benefits	1,139,518	1,140,864	(1,346)
Purchased services	62,475	73,661	(11,186)
Supplies and materials	700,762	797,610	(96,848)
Capital outlay	14,034	32,489	(18,455)
Other objects	3,450	758	2,692
Non-capitalized equipment	-	4,838	(4,838)
Total	<u>7,967,891</u>	<u>8,038,697</u>	<u>(70,806)</u>
<b>Tuition payment to charter schools</b>			
Purchased services	<u>7,050</u>	-	<u>7,050</u>
Total	<u>7,050</u>	-	<u>7,050</u>
<b>Special education programs</b>			
Salaries	2,216,856	2,187,188	29,668
Employee benefits	726,315	619,721	106,594
Purchased services	44,650	31,613	13,037
Supplies and materials	32,000	10,923	21,077
Capital outlay	15,000	5,771	9,229
Other objects	<u>1,450</u>	<u>370</u>	<u>1,080</u>
Total	<u>3,036,271</u>	<u>2,855,586</u>	<u>180,685</u>
<b>Special education programs Pre-K</b>			
Salaries	194,301	180,616	13,685
Employee benefits	36,995	38,758	(1,763)
Purchased services	1,000	630	370
Supplies and materials	6,500	4,634	1,866
Capital outlay	8,000	1,925	6,075
Other objects	<u>150</u>	-	<u>150</u>
Total	<u>246,946</u>	<u>226,563</u>	<u>20,383</u>
<b>Remedial and supplemental programs K - 12</b>			
Salaries	85,236	68,460	16,776
Purchased services	<u>13,940</u>	<u>8,283</u>	<u>5,657</u>
Total	<u>99,176</u>	<u>76,743</u>	<u>22,433</u>
<b>CTE programs</b>			
Salaries	121,524	121,524	-
Employee benefits	29,663	9,921	19,742
Purchased services	600	-	600
Supplies and materials	<u>3,000</u>	<u>2,486</u>	<u>514</u>
Total	<u>154,787</u>	<u>133,931</u>	<u>20,856</u>

# PROSPECT HEIGHTS SCHOOL DISTRICT 23

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Interscholastic programs</b>			
Salaries	\$ 153,680	\$ 151,269	\$ 2,411
Purchased services	6,000	5,582	418
Supplies and materials	1,000	2,241	(1,241)
Capital outlay	5,000	5,382	(382)
Other objects	<u>2,000</u>	<u>935</u>	<u>1,065</u>
Total	<u>167,680</u>	<u>165,409</u>	<u>2,271</u>
<b>Summer school programs</b>			
Salaries	228,500	135,871	92,629
Purchased services	10,000	16,863	(6,863)
Supplies and materials	<u>2,000</u>	<u>2,256</u>	<u>(256)</u>
Total	<u>240,500</u>	<u>154,990</u>	<u>85,510</u>
<b>Bilingual programs</b>			
Salaries	403,546	477,567	(74,021)
Employee benefits	109,349	81,826	27,523
Supplies and materials	<u>5,750</u>	<u>691</u>	<u>5,059</u>
Total	<u>518,645</u>	<u>560,084</u>	<u>(41,439)</u>
<b>Special education programs K -12 - private tuition</b>			
Other objects	<u>240,000</u>	<u>218,684</u>	<u>21,316</u>
Total	<u>240,000</u>	<u>218,684</u>	<u>21,316</u>
<b>Student activities</b>			
Other objects	<u>-</u>	<u>67,012</u>	<u>(67,012)</u>
Total	<u>-</u>	<u>67,012</u>	<u>(67,012)</u>
Total instruction	<u>12,678,946</u>	<u>12,497,699</u>	<u>181,247</u>
<b>Support services</b>			
<b>Pupils</b>			
<b>Attendance and social work services</b>			
Salaries	340,795	335,395	5,400
Employee benefits	45,596	46,256	(660)
Purchased services	34,000	29,400	4,600
Supplies and materials	2,000	146	1,854
Other objects	<u>200</u>	<u>50</u>	<u>150</u>
Total	<u>422,591</u>	<u>411,247</u>	<u>11,344</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Health services</b>			
Salaries	\$ 599,546	\$ 580,628	\$ 18,918
Employee benefits	136,129	153,472	(17,343)
Purchased services	17,350	78,572	(61,222)
Supplies and materials	28,500	19,036	9,464
Capital outlay	10,000	-	10,000
Other objects	<u>850</u>	<u>-</u>	<u>850</u>
Total	<u>792,375</u>	<u>831,708</u>	<u>(39,333)</u>
<b>Psychological services</b>			
Salaries	425,587	417,483	8,104
Employee benefits	112,720	94,882	17,838
Purchased services	3,375	530	2,845
Supplies and materials	1,200	583	617
Other objects	<u>875</u>	<u>940</u>	<u>(65)</u>
Total	<u>543,757</u>	<u>514,418</u>	<u>29,339</u>
<b>Speech pathology and audiology services</b>			
Salaries	428,954	427,439	1,515
Employee benefits	65,826	54,838	10,988
Purchased services	4,375	7,088	(2,713)
Supplies and materials	11,500	1,601	9,899
Capital outlay	10,000	-	10,000
Other objects	<u>1,725</u>	<u>600</u>	<u>1,125</u>
Total	<u>522,380</u>	<u>491,566</u>	<u>30,814</u>
<b>Other support services - pupils</b>			
Purchased services	30,000	37,541	(7,541)
Supplies and materials	<u>10,750</u>	<u>-</u>	<u>10,750</u>
Total	<u>40,750</u>	<u>37,541</u>	<u>3,209</u>
Total pupils	<u>2,321,853</u>	<u>2,286,480</u>	<u>35,373</u>
<b>Instructional staff</b>			
<b>Improvement of instructional services</b>			
Salaries	670,756	463,950	206,806
Employee benefits	66,433	79,650	(13,217)
Purchased services	50,563	28,969	21,594
Supplies and materials	2,206	1,546	660
Other objects	<u>2,500</u>	<u>3,536</u>	<u>(1,036)</u>
Total	<u>792,458</u>	<u>577,651</u>	<u>214,807</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Educational media services</b>			
Salaries	\$ 897,910	\$ 891,073	\$ 6,837
Employee benefits	187,579	183,310	4,269
Purchased services	249,450	161,016	88,434
Supplies and materials	229,502	137,946	91,556
Capital outlay	604,680	183,295	421,385
Other objects	2,000	340	1,660
Non-capitalized equipment	<u>100,000</u>	<u>39,898</u>	<u>60,102</u>
Total	<u>2,271,121</u>	<u>1,596,878</u>	<u>674,243</u>
<b>Assessment and testing</b>			
Supplies and materials	<u>17,000</u>	<u>14,112</u>	<u>2,888</u>
Total	<u>17,000</u>	<u>14,112</u>	<u>2,888</u>
Total instructional staff	<u>3,080,579</u>	<u>2,188,641</u>	<u>891,938</u>
<b>General administration</b>			
<b>Board of education services</b>			
Salaries	-	115,701	(115,701)
Employee benefits	-	612	(612)
Purchased services	66,500	78,663	(12,163)
Supplies and materials	3,500	4,653	(1,153)
Other objects	<u>9,000</u>	<u>8,117</u>	<u>883</u>
Total	<u>79,000</u>	<u>207,746</u>	<u>(128,746)</u>
<b>Executive administration services</b>			
Salaries	269,680	274,680	(5,000)
Employee benefits	76,709	74,989	1,720
Purchased services	14,500	6,797	7,703
Supplies and materials	18,000	16,630	1,370
Other objects	<u>3,000</u>	<u>2,766</u>	<u>234</u>
Total	<u>381,889</u>	<u>375,862</u>	<u>6,027</u>
<b>Tort immunity services</b>			
Employee benefits	-	961	(961)
Purchased services	<u>132,750</u>	<u>222,053</u>	<u>(89,303)</u>
Total	<u>132,750</u>	<u>223,014</u>	<u>(90,264)</u>
Total general administration	<u>593,639</u>	<u>806,622</u>	<u>(212,983)</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>School administration</b>			
<b>Office of the principal services</b>			
Salaries	\$ 914,006	\$ 911,242	\$ 2,764
Employee benefits	222,789	257,382	(34,593)
Purchased services	3,300	2,141	1,159
Supplies and materials	46,595	51,409	(4,814)
Other objects	<u>3,738</u>	<u>3,198</u>	<u>540</u>
Total	<u>1,190,428</u>	<u>1,225,372</u>	<u>(34,944)</u>
Total school administration	<u>1,190,428</u>	<u>1,225,372</u>	<u>(34,944)</u>
<b>Business</b>			
<b>Direction of business support services</b>			
Salaries	135,528	135,528	-
Employee benefits	42,227	41,185	1,042
Purchased services	3,750	5,461	(1,711)
Other objects	<u>2,000</u>	<u>460</u>	<u>1,540</u>
Total	<u>183,505</u>	<u>182,634</u>	<u>871</u>
<b>Fiscal services</b>			
Salaries	119,199	119,199	-
Employee benefits	68,843	48,843	20,000
Purchased services	35,850	32,298	3,552
Supplies and materials	4,500	4,974	(474)
Capital outlay	6,000	5,844	156
Other objects	<u>300</u>	<u>713</u>	<u>(413)</u>
Total	<u>234,692</u>	<u>211,871</u>	<u>22,821</u>
<b>Operation and maintenance of plant services</b>			
Purchased services	-	19,900	(19,900)
Supplies and materials	<u>19,000</u>	<u>1,071</u>	<u>17,929</u>
Total	<u>19,000</u>	<u>20,971</u>	<u>(1,971)</u>
<b>Food services</b>			
Salaries	91,799	95,848	(4,049)
Purchased services	1,005,750	674,487	331,263
Supplies and materials	52,250	65,963	(13,713)
Capital outlay	<u>15,000</u>	<u>17,754</u>	<u>(2,754)</u>
Total	<u>1,164,799</u>	<u>854,052</u>	<u>310,747</u>
<b>Internal services</b>			
Purchased services	29,000	28,020	980
Supplies and materials	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total	<u>31,500</u>	<u>28,020</u>	<u>3,480</u>
Total business	<u>1,633,496</u>	<u>1,297,548</u>	<u>335,948</u>



**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Central</b>			
<b>Planning, research, development and evaluation services</b>			
Purchased services	\$ 25,000	\$ 25,000	\$ -
Total	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<b>Information services</b>			
Purchased services	126,450	117,079	9,371
Supplies and materials	<u>1,000</u>	<u>924</u>	<u>76</u>
Total	<u>127,450</u>	<u>118,003</u>	<u>9,447</u>
<b>Staff services</b>			
Salaries	114,938	107,393	7,545
Employee benefits	39,890	37,643	2,247
Purchased services	26,500	22,092	4,408
Supplies and materials	22,000	15,225	6,775
Other objects	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total	<u>205,328</u>	<u>182,353</u>	<u>22,975</u>
<b>Data processing services</b>			
Purchased services	<u>25,250</u>	<u>24,695</u>	<u>555</u>
Total	<u>25,250</u>	<u>24,695</u>	<u>555</u>
Total central	<u>383,028</u>	<u>350,051</u>	<u>32,977</u>
<b>Other supporting services</b>			
Salaries	5,000	345	4,655
Purchased services	7,000	9,374	(2,374)
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>12,500</u>	<u>9,719</u>	<u>2,781</u>
Total support services	<u>9,215,523</u>	<u>8,164,433</u>	<u>1,051,090</u>
<b>Community services</b>			
Salaries	172,578	139,653	32,925
Employee benefits	9,750	9,750	-
Purchased services	42,666	17,995	24,671
Supplies and materials	<u>12,000</u>	<u>18,024</u>	<u>(6,024)</u>
Total community services	<u>236,994</u>	<u>185,422</u>	<u>51,572</u>
<b>Payments to other districts and governmental units</b>			
<b>Payments for special education programs</b>			
Purchased services	<u>247,704</u>	<u>236,292</u>	<u>11,412</u>
Total	<u>247,704</u>	<u>236,292</u>	<u>11,412</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Payments for special education programs - tuition</b>			
Other objects	\$ 400,000	\$ 669,054	\$ (269,054)
Total	<u>400,000</u>	<u>669,054</u>	<u>(269,054)</u>
Total payments to other districts and governmental units	<u>647,704</u>	<u>905,346</u>	<u>(257,642)</u>
Total expenditures	<u>22,779,167</u>	<u>21,752,900</u>	<u>1,026,267</u>
Excess (deficiency) of revenues over expenditures	<u>137,368</u>	<u>(1,041,784)</u>	<u>(1,179,152)</u>
<b>Other financing sources (uses)</b>			
Transfer for principal on leases	-	(44,769)	(44,769)
Transfer for interest on leases	<u>-</u>	<u>(5,086)</u>	<u>(5,086)</u>
Total other financing sources (uses)	<u>-</u>	<u>(49,855)</u>	<u>(49,855)</u>
Net change in fund balance	<u>\$ 137,368</u>	(1,091,639)	<u>\$ (1,229,007)</u>
Fund balance, beginning of year		<u>4,432,445</u>	
Fund balance, end of year		<u>\$ 3,340,806</u>	

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**OPERATIONS AND MAINTENANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 1,718,192	\$ 1,798,325	\$ 80,133
Investment income	20,000	2,997	(17,003)
Rentals	135,000	64,567	(70,433)
Impact fees from municipal or county governments	2,500	-	(2,500)
Other	<u>1,000</u>	<u>203</u>	<u>(797)</u>
Total local sources	<u>1,876,692</u>	<u>1,866,092</u>	<u>(10,600)</u>
<b>State sources</b>			
School infrastructure - maintenance projects	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total state sources	<u>-</u>	<u>50,000</u>	<u>50,000</u>
<b>Federal sources</b>			
Other restricted revenue from federal sources	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total federal sources	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total revenues	<u>1,901,692</u>	<u>1,916,092</u>	<u>14,400</u>
<b>Expenditures</b>			
<b>Support services</b>			
<b>Business</b>			
<b>Operation and maintenance of plant services</b>			
Salaries	881,440	893,295	(11,855)
Employee benefits	170,153	162,823	7,330
Purchased services	443,564	466,763	(23,199)
Supplies and materials	310,350	309,400	950
Capital outlay	9,000	16,863	(7,863)
Other objects	300	150	150
Non-capitalized equipment	<u>5,000</u>	<u>2,866</u>	<u>2,134</u>
Total	<u>1,819,807</u>	<u>1,852,160</u>	<u>(32,353)</u>
<b>Food services</b>			
Capital outlay	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total business	<u>1,834,807</u>	<u>1,852,160</u>	<u>(17,353)</u>
Total support services	<u>1,834,807</u>	<u>1,852,160</u>	<u>(17,353)</u>
Total expenditures	<u>1,834,807</u>	<u>1,852,160</u>	<u>(17,353)</u>
Net change in fund balance	<u>\$ 66,885</u>	63,932	<u>\$ (2,953)</u>
Fund balance, beginning of year		<u>1,298,291</u>	
Fund balance, end of year		<u>\$ 1,362,223</u>	

**PROSPECT HEIGHTS SCHOOL DISTRICT 23  
TRANSPORTATION FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 1,123,199	\$ 1,039,280	\$ (83,919)
Investment income	<u>30,000</u>	<u>4,979</u>	<u>(25,021)</u>
Total local sources	<u>1,153,199</u>	<u>1,044,259</u>	<u>(108,940)</u>
<b>State sources</b>			
Transportation - regular/vocational	375,000	161,538	(213,462)
Transportation - special education	<u>200,000</u>	<u>164,516</u>	<u>(35,484)</u>
Total state sources	<u>575,000</u>	<u>326,054</u>	<u>(248,946)</u>
Total revenues	<u>1,728,199</u>	<u>1,370,313</u>	<u>(357,886)</u>
<b>Expenditures</b>			
<b>Support Services</b>			
<b>Business</b>			
<b>Pupil transportation services</b>			
Salaries	30,412	25,963	4,449
Purchased services	1,483,658	1,361,204	122,454
Supplies and materials	<u>82,500</u>	<u>108,015</u>	<u>(25,515)</u>
Total	<u>1,596,570</u>	<u>1,495,182</u>	<u>101,388</u>
Total business	<u>1,596,570</u>	<u>1,495,182</u>	<u>101,388</u>
<b>Other supporting services</b>			
Purchased services	<u>3,350</u>	<u>2,181</u>	<u>1,169</u>
Total	<u>3,350</u>	<u>2,181</u>	<u>1,169</u>
Total support services	<u>1,599,920</u>	<u>1,497,363</u>	<u>102,557</u>
<b>Payments to other districts and government units</b>			
<b>Payments for special education programs</b>			
Purchased services	<u>100,000</u>	<u>124,357</u>	<u>(24,357)</u>
Total	<u>100,000</u>	<u>124,357</u>	<u>(24,357)</u>
Total payments to other districts and government units	<u>100,000</u>	<u>124,357</u>	<u>(24,357)</u>
Total expenditures	<u>1,699,920</u>	<u>1,621,720</u>	<u>78,200</u>
Net change in fund balance	<u>\$ 28,279</u>	(251,407)	<u>\$ (279,686)</u>
Fund balance, beginning of year		<u>2,180,256</u>	
Fund balance, end of year		<u>\$ 1,928,849</u>	

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 412,250	\$ 425,547	\$ 13,297
Social security/Medicare only levy	413,750	425,547	11,797
Corporate personal property replacement taxes	-	6,619	6,619
Investment income	<u>4,000</u>	<u>812</u>	<u>(3,188)</u>
Total local sources	<u>830,000</u>	<u>858,525</u>	<u>28,525</u>
Total revenues	<u>830,000</u>	<u>858,525</u>	<u>28,525</u>
<b>Expenditures</b>			
<b>Instruction</b>			
Regular programs	85,262	83,928	1,334
Special education programs	193,610	173,008	20,602
Special education programs Pre-K	7,407	6,397	1,010
Remedial and supplemental programs K - 12	-	5,237	(5,237)
CTE programs	1,762	1,753	9
Interscholastic programs	2,228	3,487	(1,259)
Summer school programs	-	7,918	(7,918)
Bilingual programs	<u>12,626</u>	<u>11,733</u>	<u>893</u>
Total instruction	<u>302,895</u>	<u>293,461</u>	<u>9,434</u>
<b>Support services</b>			
<b>Pupils</b>			
Attendance and social work services	5,611	5,018	593
Health services	110,658	99,095	11,563
Psychological services	6,171	5,860	311
Speech pathology and audiology services	<u>6,173</u>	<u>6,105</u>	<u>68</u>
Total pupils	<u>128,613</u>	<u>116,078</u>	<u>12,535</u>
<b>Instructional staff</b>			
Improvement of instructional staff	4,667	11,933	(7,266)
Educational media services	<u>42,689</u>	<u>40,111</u>	<u>2,578</u>
Total instructional staff	<u>47,356</u>	<u>52,044</u>	<u>(4,688)</u>
<b>General administration</b>			
Board of education services	-	7,726	(7,726)
Executive administration services	<u>9,856</u>	<u>11,043</u>	<u>(1,187)</u>
Total general administration	<u>9,856</u>	<u>18,769</u>	<u>(8,913)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>School administration</b>			
Office of the principal services	\$ 61,942	\$ 56,304	\$ 5,638
Total school administration	<u>61,942</u>	<u>56,304</u>	<u>5,638</u>
<b>Business</b>			
Direction of business support services	1,965	1,947	18
Fiscal services	22,374	21,061	1,313
Operations and maintenance of plant services	155,754	154,982	772
Pupil transportation services	791	990	(199)
Food services	<u>1,133</u>	<u>5,903</u>	<u>(4,770)</u>
Total business	<u>182,017</u>	<u>184,883</u>	<u>(2,866)</u>
<b>Central</b>			
Staff services	<u>20,870</u>	<u>18,963</u>	<u>1,907</u>
Total central	<u>20,870</u>	<u>18,963</u>	<u>1,907</u>
<b>Other supporting services</b>			
Total support services	<u>-</u>	<u>28</u>	<u>(28)</u>
<b>Community services</b>			
Total expenditures	<u>8,649</u>	<u>15,916</u>	<u>(7,267)</u>
Total expenditures	<u>762,198</u>	<u>756,446</u>	<u>5,752</u>
Net change in fund balance	<u>\$ 67,802</u>	102,079	<u>\$ 34,277</u>
Fund balance, beginning of year		<u>241,147</u>	
Fund balance, end of year		<u>\$ 343,226</u>	

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**DEBT SERVICE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 1,216,020	\$ 1,247,282	\$ 31,262
Investment income	<u>9,000</u>	<u>1,526</u>	<u>(7,474)</u>
Total local sources	<u>1,225,020</u>	<u>1,248,808</u>	<u>23,788</u>
Total revenues	<u>1,225,020</u>	<u>1,248,808</u>	<u>23,788</u>
<b>Expenditures</b>			
<b>Debt services</b>			
<b>Payments on long term debt</b>			
Interest on long term debt	399,282	404,368	(5,086)
Principal payments on long term debt	<u>970,000</u>	<u>959,769</u>	<u>10,231</u>
Total	<u>1,369,282</u>	<u>1,364,137</u>	<u>5,145</u>
<b>Other debt service</b>			
Other objects	<u>-</u>	<u>3,125</u>	<u>(3,125)</u>
Total	<u>-</u>	<u>3,125</u>	<u>(3,125)</u>
Total debt services	<u>1,369,282</u>	<u>1,367,262</u>	<u>2,020</u>
Total expenditures	<u>1,369,282</u>	<u>1,367,262</u>	<u>2,020</u>
Excess (deficiency) of revenues over expenditures	<u>(144,262)</u>	<u>(118,454)</u>	<u>25,808</u>
<b>Other financing sources (uses)</b>			
Premium on bonds sold	108,173	-	(108,173)
Transfer for principal on leases	-	44,769	44,769
Transfer for interest on leases	<u>-</u>	<u>5,086</u>	<u>5,086</u>
Total other financing sources (uses)	<u>108,173</u>	<u>49,855</u>	<u>(58,318)</u>
Net change in fund balance	<u>\$ (36,089)</u>	<u>(68,599)</u>	<u>\$ (32,510)</u>
Fund balance, beginning of year		<u>724,856</u>	
Fund balance, end of year		<u>\$ 656,257</u>	

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

**CAPITAL PROJECTS FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
Investment income	\$ 25,000	\$ 7,557	\$ (17,443)
Other	<u>-</u>	<u>900,000</u>	<u>900,000</u>
Total local sources	<u>25,000</u>	<u>907,557</u>	<u>882,557</u>
<b>State sources</b>			
Other restricted revenue from state sources	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total state sources	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total revenues	<u>75,000</u>	<u>907,557</u>	<u>832,557</u>
<b>Expenditures</b>			
<b>Support services</b>			
<b>Business</b>			
<b>Facilities acquisition and construction service</b>			
Purchased services	25,000	-	25,000
Capital outlay	<u>1,345,846</u>	<u>1,544,323</u>	<u>(198,477)</u>
Total	<u>1,370,846</u>	<u>1,544,323</u>	<u>(173,477)</u>
Total business	<u>1,370,846</u>	<u>1,544,323</u>	<u>(173,477)</u>
Total support services	<u>1,370,846</u>	<u>1,544,323</u>	<u>(173,477)</u>
Total expenditures	<u>1,370,846</u>	<u>1,544,323</u>	<u>(173,477)</u>
Net change in fund balance	<u>\$ (1,295,846)</u>	<u>(636,766)</u>	<u>\$ 659,080</u>
Fund balance, beginning of year		<u>3,772,258</u>	
Fund balance, end of year		<u>\$ 3,135,492</u>	



**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**GENERAL FUND**  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
AS OF JUNE 30, 2022

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Assets</b>				
Cash	\$ 2,425,006	\$ 134,027	\$ 867,636	\$ 3,426,669
Student activity cash and investments	<u>7,828</u>	<u>-</u>	<u>-</u>	<u>7,828</u>
Total assets	<u>\$ 2,432,834</u>	<u>\$ 134,027</u>	<u>\$ 867,636</u>	<u>\$ 3,434,497</u>
<b>Liabilities and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ (50)	\$ -	\$ -	\$ (50)
Payroll deductions payable	<u>93,741</u>	<u>-</u>	<u>-</u>	<u>93,741</u>
Total liabilities	<u>93,691</u>	<u>-</u>	<u>-</u>	<u>93,691</u>
<b>Fund balance</b>				
Restricted	382,254	134,027	-	516,281
Assigned	7,827	-	-	7,827
Unassigned	<u>1,949,062</u>	<u>-</u>	<u>867,636</u>	<u>2,816,698</u>
Total fund balance	<u>2,339,143</u>	<u>134,027</u>	<u>867,636</u>	<u>3,340,806</u>
Total liabilities and fund balance	<u>\$ 2,432,834</u>	<u>\$ 134,027</u>	<u>\$ 867,636</u>	<u>\$ 3,434,497</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

**GENERAL FUND**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED  
CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2022

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Revenues</b>				
Property taxes	\$ 15,353,431	\$ 85,927	\$ 196,718	\$ 15,636,076
Corporate personal property replacement taxes	221,426	-	-	221,426
State aid	7,833,003	-	-	7,833,003
Federal aid	2,308,764	-	-	2,308,764
Investment income	12,078	349	1,740	14,167
Student activities	53,714	-	-	53,714
Other	573,816	-	-	573,816
Total revenues	<u>26,356,232</u>	<u>86,276</u>	<u>198,458</u>	<u>26,640,966</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	8,006,208	-	-	8,006,208
Special programs	3,369,880	-	-	3,369,880
Other instructional programs	1,009,032	-	-	1,009,032
Student activities	67,012	-	-	67,012
State retirement contributions	5,929,850	-	-	5,929,850
Support Services:				
Pupils	2,286,480	-	-	2,286,480
Instructional staff	2,005,346	-	-	2,005,346
General administration	632,971	173,651	-	806,622
School administration	1,225,372	-	-	1,225,372
Business	1,252,979	-	-	1,252,979
Operations and maintenance	20,971	-	-	20,971
Central	350,051	-	-	350,051
Other supporting services	9,719	-	-	9,719
Community services	185,422	-	-	185,422
Payments to other districts and gov't units	905,346	-	-	905,346
Capital outlay	252,460	-	-	252,460
Total expenditures	<u>27,509,099</u>	<u>173,651</u>	<u>-</u>	<u>27,682,750</u>
Excess (deficiency) of revenues over expenditures	<u>(1,152,867)</u>	<u>(87,375)</u>	<u>198,458</u>	<u>(1,041,784)</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	<u>(49,855)</u>	<u>-</u>	<u>-</u>	<u>(49,855)</u>
Total other financing sources (uses)	<u>(49,855)</u>	<u>-</u>	<u>-</u>	<u>(49,855)</u>
Net change in fund balance	(1,202,722)	(87,375)	198,458	(1,091,639)
Fund balance, beginning of year	<u>3,541,865</u>	<u>221,402</u>	<u>669,178</u>	<u>4,432,445</u>
Fund balance, end of year	<u>\$ 2,339,143</u>	<u>\$ 134,027</u>	<u>\$ 867,636</u>	<u>\$ 3,340,806</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 15,827,827	\$ 15,353,431	\$ (474,396)
Corporate personal property replacement taxes	105,000	221,426	116,426
Summer school tuition from pupils or parents (in state)	1,500	-	(1,500)
Regular transportation fees from other LEAs (in state)	7,500	-	(7,500)
Investment income	175,000	12,078	(162,922)
Sales to pupils - lunch	150,000	(1,572)	(151,572)
Admissions - athletic	1,000	-	(1,000)
Fees	208,500	48,185	(160,315)
Book store sales	17,000	10,513	(6,487)
Other pupil activity revenue	-	144,575	144,575
Student activities	-	53,714	53,714
Sales - other	12,500	4,864	(7,636)
Refund of prior years' expenditures	15,000	4,478	(10,522)
Other local fees	400,000	321,039	(78,961)
Other	20,000	41,734	21,734
Total local sources	<u>16,940,827</u>	<u>16,214,465</u>	<u>(726,362)</u>
<b>State sources</b>			
Evidence based funding	1,969,992	1,845,929	(124,063)
Special education - private facility tuition	45,000	22,641	(22,359)
CTE - Secondary program improvement	1,321	1,328	7
State free lunch & breakfast	4,500	31,866	27,366
Other restricted revenue from state sources	8,500	1,389	(7,111)
Total state sources	<u>2,029,313</u>	<u>1,903,153</u>	<u>(126,160)</u>
<b>Federal sources</b>			
National school lunch program	20,000	530,732	510,732
School breakfast program	20,000	157,386	137,386
Summer food service admin/program	1,500,000	266,394	(1,233,606)
Food service - other	-	65,443	65,443
Title I - Low income	150,266	217,533	67,267
Title IV - Safe & drug free schools - formula	10,000	5,911	(4,089)
Federal - special education - preschool flow-through	14,645	15,762	1,117
Federal - special education - IDEA - flow-through/low incident	318,023	331,517	13,494
Federal - special education - IDEA - room & board	-	47,951	47,951
Title III - English language acquisition	47,000	40,769	(6,231)
Title II - Teacher quality	26,515	29,754	3,239
Medicaid matching funds - administrative outreach	150,000	81,886	(68,114)
Medicaid matching funds - fee-for-service program	-	50,705	50,705
Other restricted revenue from federal sources	1,560,956	467,021	(1,093,935)
Total federal sources	<u>3,817,405</u>	<u>2,308,764</u>	<u>(1,508,641)</u>
Total revenues	<u>22,787,545</u>	<u>20,426,382</u>	<u>(2,361,163)</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Expenditures</b>			
<b>Instruction</b>			
<b>Regular programs</b>			
Salaries	\$ 6,047,652	\$ 5,988,477	\$ 59,175
Employee benefits	1,139,518	1,140,864	(1,346)
Purchased services	62,475	73,661	(11,186)
Supplies and materials	700,762	797,610	(96,848)
Capital outlay	14,034	32,489	(18,455)
Other objects	3,450	758	2,692
Non-capitalized equipment	-	4,838	(4,838)
Total	<u>7,967,891</u>	<u>8,038,697</u>	<u>(70,806)</u>
<b>Tuition payment to charter schools</b>			
Purchased services	<u>7,050</u>	-	<u>7,050</u>
Total	<u>7,050</u>	-	<u>7,050</u>
<b>Special education programs</b>			
Salaries	2,216,856	2,187,188	29,668
Employee benefits	726,315	619,721	106,594
Purchased services	44,650	31,613	13,037
Supplies and materials	32,000	10,923	21,077
Capital outlay	15,000	5,771	9,229
Other objects	<u>1,450</u>	<u>370</u>	<u>1,080</u>
Total	<u>3,036,271</u>	<u>2,855,586</u>	<u>180,685</u>
<b>Special education programs Pre-K</b>			
Salaries	194,301	180,616	13,685
Employee benefits	36,995	38,758	(1,763)
Purchased services	1,000	630	370
Supplies and materials	6,500	4,634	1,866
Capital outlay	8,000	1,925	6,075
Other objects	<u>150</u>	-	<u>150</u>
Total	<u>246,946</u>	<u>226,563</u>	<u>20,383</u>
<b>Remedial and supplemental programs K - 12</b>			
Salaries	85,236	68,460	16,776
Purchased services	<u>13,940</u>	<u>8,283</u>	<u>5,657</u>
Total	<u>99,176</u>	<u>76,743</u>	<u>22,433</u>
<b>CTE programs</b>			
Salaries	121,524	121,524	-
Employee benefits	29,663	9,921	19,742
Purchased services	600	-	600
Supplies and materials	<u>3,000</u>	<u>2,486</u>	<u>514</u>
Total	<u>154,787</u>	<u>133,931</u>	<u>20,856</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Interscholastic programs</b>			
Salaries	\$ 153,680	\$ 151,269	\$ 2,411
Purchased services	6,000	5,582	418
Supplies and materials	1,000	2,241	(1,241)
Capital outlay	5,000	5,382	(382)
Other objects	<u>2,000</u>	<u>935</u>	<u>1,065</u>
Total	<u>167,680</u>	<u>165,409</u>	<u>2,271</u>
<b>Summer school programs</b>			
Salaries	228,500	135,871	92,629
Purchased services	10,000	16,863	(6,863)
Supplies and materials	<u>2,000</u>	<u>2,256</u>	<u>(256)</u>
Total	<u>240,500</u>	<u>154,990</u>	<u>85,510</u>
<b>Bilingual programs</b>			
Salaries	403,546	477,567	(74,021)
Employee benefits	109,349	81,826	27,523
Supplies and materials	<u>5,750</u>	<u>691</u>	<u>5,059</u>
Total	<u>518,645</u>	<u>560,084</u>	<u>(41,439)</u>
<b>Special education programs K -12 - private tuition</b>			
Other objects	<u>240,000</u>	<u>218,684</u>	<u>21,316</u>
Total	<u>240,000</u>	<u>218,684</u>	<u>21,316</u>
<b>Student activities</b>			
Other objects	<u>-</u>	<u>67,012</u>	<u>(67,012)</u>
Total	<u>-</u>	<u>67,012</u>	<u>(67,012)</u>
Total instruction	<u>12,678,946</u>	<u>12,497,699</u>	<u>181,247</u>
<b>Support services</b>			
<b>Pupils</b>			
<b>Attendance and social work services</b>			
Salaries	340,795	335,395	5,400
Employee benefits	45,596	46,256	(660)
Purchased services	34,000	29,400	4,600
Supplies and materials	2,000	146	1,854
Other objects	<u>200</u>	<u>50</u>	<u>150</u>
Total	<u>422,591</u>	<u>411,247</u>	<u>11,344</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Health services</b>			
Salaries	\$ 599,546	\$ 580,628	\$ 18,918
Employee benefits	136,129	153,472	(17,343)
Purchased services	17,350	78,572	(61,222)
Supplies and materials	28,500	19,036	9,464
Capital outlay	10,000	-	10,000
Other objects	<u>850</u>	<u>-</u>	<u>850</u>
Total	<u>792,375</u>	<u>831,708</u>	<u>(39,333)</u>
<b>Psychological services</b>			
Salaries	425,587	417,483	8,104
Employee benefits	112,720	94,882	17,838
Purchased services	3,375	530	2,845
Supplies and materials	1,200	583	617
Other objects	<u>875</u>	<u>940</u>	<u>(65)</u>
Total	<u>543,757</u>	<u>514,418</u>	<u>29,339</u>
<b>Speech pathology and audiology services</b>			
Salaries	428,954	427,439	1,515
Employee benefits	65,826	54,838	10,988
Purchased services	4,375	7,088	(2,713)
Supplies and materials	11,500	1,601	9,899
Capital outlay	10,000	-	10,000
Other objects	<u>1,725</u>	<u>600</u>	<u>1,125</u>
Total	<u>522,380</u>	<u>491,566</u>	<u>30,814</u>
<b>Other support services - pupils</b>			
Purchased services	30,000	37,541	(7,541)
Supplies and materials	<u>10,750</u>	<u>-</u>	<u>10,750</u>
Total	<u>40,750</u>	<u>37,541</u>	<u>3,209</u>
Total pupils	<u>2,321,853</u>	<u>2,286,480</u>	<u>35,373</u>
<b>Instructional staff</b>			
<b>Improvement of instructional services</b>			
Salaries	670,756	463,950	206,806
Employee benefits	66,433	79,650	(13,217)
Purchased services	50,563	28,969	21,594
Supplies and materials	2,206	1,546	660
Other objects	<u>2,500</u>	<u>3,536</u>	<u>(1,036)</u>
Total	<u>792,458</u>	<u>577,651</u>	<u>214,807</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Educational media services</b>			
Salaries	\$ 897,910	\$ 891,073	\$ 6,837
Employee benefits	187,579	183,310	4,269
Purchased services	249,450	161,016	88,434
Supplies and materials	229,502	137,946	91,556
Capital outlay	604,680	183,295	421,385
Other objects	2,000	340	1,660
Non-capitalized equipment	<u>100,000</u>	<u>39,898</u>	<u>60,102</u>
Total	<u>2,271,121</u>	<u>1,596,878</u>	<u>674,243</u>
<b>Assessment and testing</b>			
Supplies and materials	<u>17,000</u>	<u>14,112</u>	<u>2,888</u>
Total	<u>17,000</u>	<u>14,112</u>	<u>2,888</u>
Total instructional staff	<u>3,080,579</u>	<u>2,188,641</u>	<u>891,938</u>
<b>General administration</b>			
<b>Board of education services</b>			
Salaries	-	115,701	(115,701)
Employee benefits	-	612	(612)
Purchased services	66,500	78,663	(12,163)
Supplies and materials	3,500	4,653	(1,153)
Other objects	<u>9,000</u>	<u>8,117</u>	<u>883</u>
Total	<u>79,000</u>	<u>207,746</u>	<u>(128,746)</u>
<b>Executive administration services</b>			
Salaries	269,680	274,680	(5,000)
Employee benefits	76,709	74,989	1,720
Purchased services	14,500	6,797	7,703
Supplies and materials	18,000	16,630	1,370
Other objects	<u>3,000</u>	<u>2,766</u>	<u>234</u>
Total	<u>381,889</u>	<u>375,862</u>	<u>6,027</u>
<b>Tort immunity services</b>			
Purchased services	<u>132,750</u>	<u>49,363</u>	<u>83,387</u>
Total	<u>132,750</u>	<u>49,363</u>	<u>83,387</u>
Total general administration	<u>593,639</u>	<u>632,971</u>	<u>(39,332)</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>School administration</b>			
<b>Office of the principal services</b>			
Salaries	\$ 914,006	\$ 911,242	\$ 2,764
Employee benefits	222,789	257,382	(34,593)
Purchased services	3,300	2,141	1,159
Supplies and materials	46,595	51,409	(4,814)
Other objects	<u>3,738</u>	<u>3,198</u>	<u>540</u>
Total	<u>1,190,428</u>	<u>1,225,372</u>	<u>(34,944)</u>
Total school administration	<u>1,190,428</u>	<u>1,225,372</u>	<u>(34,944)</u>
<b>Business</b>			
<b>Direction of business support services</b>			
Salaries	135,528	135,528	-
Employee benefits	42,227	41,185	1,042
Purchased services	3,750	5,461	(1,711)
Other objects	<u>2,000</u>	<u>460</u>	<u>1,540</u>
Total	<u>183,505</u>	<u>182,634</u>	<u>871</u>
<b>Fiscal services</b>			
Salaries	119,199	119,199	-
Employee benefits	68,843	48,843	20,000
Purchased services	35,850	32,298	3,552
Supplies and materials	4,500	4,974	(474)
Capital outlay	6,000	5,844	156
Other objects	<u>300</u>	<u>713</u>	<u>(413)</u>
Total	<u>234,692</u>	<u>211,871</u>	<u>22,821</u>
<b>Operation and maintenance of plant services</b>			
Purchased services	-	19,900	(19,900)
Supplies and materials	<u>19,000</u>	<u>1,071</u>	<u>17,929</u>
Total	<u>19,000</u>	<u>20,971</u>	<u>(1,971)</u>
<b>Food services</b>			
Salaries	91,799	95,848	(4,049)
Purchased services	1,005,750	674,487	331,263
Supplies and materials	52,250	65,963	(13,713)
Capital outlay	<u>15,000</u>	<u>17,754</u>	<u>(2,754)</u>
Total	<u>1,164,799</u>	<u>854,052</u>	<u>310,747</u>
<b>Internal services</b>			
Purchased services	29,000	28,020	980
Supplies and materials	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total	<u>31,500</u>	<u>28,020</u>	<u>3,480</u>
Total business	<u>1,633,496</u>	<u>1,297,548</u>	<u>335,948</u>



**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Central</b>			
<b>Planning, research, development and evaluation services</b>			
Purchased services	\$ 25,000	\$ 25,000	\$ -
Total	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<b>Information services</b>			
Purchased services	126,450	117,079	9,371
Supplies and materials	<u>1,000</u>	<u>924</u>	<u>76</u>
Total	<u>127,450</u>	<u>118,003</u>	<u>9,447</u>
<b>Staff services</b>			
Salaries	114,938	107,393	7,545
Employee benefits	39,890	37,643	2,247
Purchased services	26,500	22,092	4,408
Supplies and materials	22,000	15,225	6,775
Other objects	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total	<u>205,328</u>	<u>182,353</u>	<u>22,975</u>
<b>Data processing services</b>			
Purchased services	<u>25,250</u>	<u>24,695</u>	<u>555</u>
Total	<u>25,250</u>	<u>24,695</u>	<u>555</u>
Total central	<u>383,028</u>	<u>350,051</u>	<u>32,977</u>
<b>Other supporting services</b>			
Salaries	5,000	345	4,655
Purchased services	7,000	9,374	(2,374)
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>12,500</u>	<u>9,719</u>	<u>2,781</u>
Total support services	<u>9,215,523</u>	<u>7,990,782</u>	<u>1,224,741</u>
<b>Community services</b>			
Salaries	172,578	139,653	32,925
Employee benefits	9,750	9,750	-
Purchased services	42,666	17,995	24,671
Supplies and materials	<u>12,000</u>	<u>18,024</u>	<u>(6,024)</u>
Total community services	<u>236,994</u>	<u>185,422</u>	<u>51,572</u>
<b>Payments to other districts and governmental units</b>			
<b>Payments for special education programs</b>			
Purchased services	<u>247,704</u>	<u>236,292</u>	<u>11,412</u>
Total	<u>247,704</u>	<u>236,292</u>	<u>11,412</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Payments for special education programs - tuition</b>			
Other objects	\$ 400,000	\$ 669,054	\$ (269,054)
Total	<u>400,000</u>	<u>669,054</u>	<u>(269,054)</u>
Total payments to other districts and governmental units	<u>647,704</u>	<u>905,346</u>	<u>(257,642)</u>
Total expenditures	<u>22,779,167</u>	<u>21,579,249</u>	<u>1,199,918</u>
Excess (deficiency) of revenues over expenditures	<u>8,378</u>	<u>(1,152,867)</u>	<u>(1,161,245)</u>
<b>Other financing sources (uses)</b>			
Transfer for principal on leases	-	(44,769)	(44,769)
Transfer for interest on leases	<u>-</u>	<u>(5,086)</u>	<u>(5,086)</u>
Total other financing sources (uses)	<u>-</u>	<u>(49,855)</u>	<u>(49,855)</u>
Net change in fund balance	<u>\$ 8,378</u>	(1,202,722)	<u>\$ (1,211,100)</u>
Fund balance, beginning of year		<u>3,541,865</u>	
Fund balance, end of year		<u>\$ 2,339,143</u>	

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

**TORT IMMUNITY AND JUDGMENT ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
Tort immunity levy	\$ -	\$ 85,927	\$ 85,927
Investment income	<u>3,000</u>	<u>349</u>	<u>(2,651)</u>
Total local sources	<u>3,000</u>	<u>86,276</u>	<u>83,276</u>
Total revenues	<u>3,000</u>	<u>86,276</u>	<u>83,276</u>
<b>Expenditures</b>			
<b>Support Services</b>			
<b>General administration</b>			
<b>Risk management and claims services payments</b>			
Employee benefits	-	961	(961)
Purchased services	<u>-</u>	<u>172,690</u>	<u>(172,690)</u>
Total	<u>-</u>	<u>173,651</u>	<u>(173,651)</u>
Total general administration	<u>-</u>	<u>173,651</u>	<u>(173,651)</u>
Total expenditures	<u>-</u>	<u>173,651</u>	<u>(173,651)</u>
Net change in fund balance	<u>\$ 3,000</u>	<u>(87,375)</u>	<u>\$ (90,375)</u>
Fund balance, beginning of year		<u>221,402</u>	
Fund balance, end of year		<u>\$ 134,027</u>	

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**

**WORKING CASH ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

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	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>			
<b>Local sources</b>			
General levy	\$ 122,490	\$ 196,718	\$ 74,228
Investment income	<u>3,500</u>	<u>1,740</u>	<u>(1,760)</u>
Total local sources	<u>125,990</u>	<u>198,458</u>	<u>72,468</u>
Total revenues	<u>125,990</u>	<u>198,458</u>	<u>72,468</u>
<b>Expenditures</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 125,990</u>	198,458	<u>\$ 72,468</u>
Fund balance, beginning of year		<u>669,178</u>	
Fund balance, end of year		<u>\$ 867,636</u>	