

PLEASANTDALE SCHOOL DISTRICT
NO. 107, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the District including: Principal Officials and Organizational Chart.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Principal Officials

June 30, 2025

BOARD OF EDUCATION

		Term
Tarryne Marchione	President	2029
Becky Walters	Vice President	2029
Mary Lenzen	Secretary	2029
Bill Brockob	Member	2027
Sean Mason	Member	2029
Jason Nash	Member	2027
Charles Zona	Member	2027

DISTRICT ADMINISTRATION

Dr. Dave Palzet	Superintendent of Schools
Dr. Jennifer Ban	Assistant Superintendent for Teaching and Learning
Griffin Sonntag	Assistant Superintendent for Finance and Operations
Sara Poplawski	Director of Student Services
James Mukite	Director of Technology

SCHOOL PRINCIPALS

Kathleen Tomei	Principal, Pleasantdale Elementary School
Dr. Jeanine Arundel	Principal, Pleasantdale Middle School
Maura Raleigh	Assistant Principal, Pleasantdale Middle School

OFFICIAL ISSUING REPORT

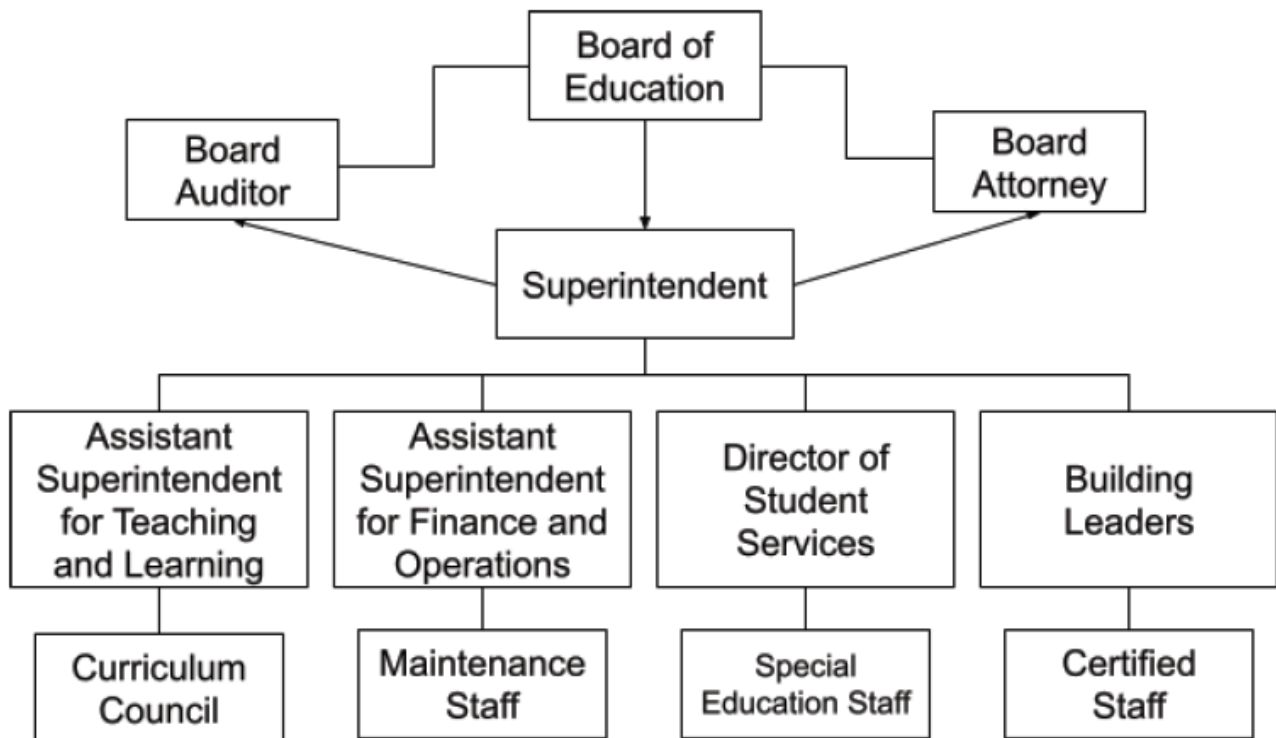
Griffin Sonntag	Assistant Superintendent for Finance and Operations
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DEPARTMENT ISSUING REPORT

Business Office

Organizational Chart

June 30, 2025



FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedule

INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the District's independent auditing firm.



January 8, 2026

Members of the Board of Education
Pleasantdale School District No. 107
Burr Ridge, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pleasantdale School District No. 107 (the District), Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pleasantdale School District No. 107, Illinois, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pleasantdale School District No. 107, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2026, 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 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.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Management's Discussion and Analysis

June 30, 2025

Our discussion and analysis of the Pleasantdale School District No. 107 (the District), Illinois' financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the transmittal letter, which can be found in the introductory section of this report and District's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The District's net position totaled \$30,003,584 on June 30, 2025, which includes \$19,119,324 net investment in capital assets, \$3,701,793 subject to external restrictions, and \$7,182,467 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- During the year, government-wide revenues totaled \$23,678,116, while expenses totaled \$21,588,833, resulting in an increase to net position of \$2,089,283, or 7.5 percent.
- The District's combined fund balances at June 30, 2025 were \$17,851,744, a decrease of \$1,029,856, or 5.5 percent, from the prior year's restated total of \$18,881,600.
- The District's funds reported revenues of \$23,681,465, 66.6 percent of this amount came from property taxes. Expenditures for the year were \$24,711,321. Instruction and support services were 65.0 percent of the total expenditures.
- The District has \$21,234,324 in capital assets and \$2,115,000 outstanding long-term debt.
- Beginning net position/fund balance were restated to move the revenue recognition of personal property replacement taxes from accrual basis to cash basis.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

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

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

Management's Discussion and Analysis

June 30, 2025

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, support services, community services, and payments to other districts and governments. The District does not have any business-type activities.

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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are considered governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the 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 the comparison between governmental funds and governmental activities.

The District maintains seven 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 (includes the Educational Account, Tort Immunity and Judgment Account, and Working Cash Account), Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Safety Fund, which are considered major funds.

The District adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

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

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Management's Discussion and Analysis

June 30, 2025

USING THIS ANNUAL REPORT - Continued

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's Teachers' Health Insurance Security (THIS) post-employment retirement benefit obligations, Teachers' Retirement System (TRS) and Illinois Municipal Retirement (IMRF) pension obligations, and budgetary comparison schedules for the General Fund and major special revenue funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$30,003,584.

	Net Position	
	2025	2024
Current Assets	\$ 25,392,086	27,939,748
Capital Assets	21,234,324	18,797,338
Total Assets	46,626,410	46,737,086
Deferred Outflows	732,441	999,678
Total Assets/Deferred Outflows	47,358,851	47,736,764
Long-Term Liabilities	4,925,901	5,147,739
Other Liabilities	451,193	1,275,741
Total Liabilities	5,377,094	6,423,480
Deferred Inflows	11,978,173	13,224,241
Total Liabilities/Deferred Inflows	17,355,267	19,647,721
Net Position		
Net Investment in Capital Assets	19,119,324	16,771,836
Restricted	3,701,793	4,094,695
Unrestricted	7,182,467	7,222,512
Total Net Position	30,003,584	28,089,043

A large portion of the District's net position, \$19,119,324 or 63.7 percent, reflects its investment in capital assets (for example, land, construction in progress, buildings, land improvements, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Management's Discussion and Analysis

June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

An additional portion, \$3,701,793 or 12.3 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$7,182,467 or 23.9 percent represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

	Changes in Net Position	
	2025	2024
Revenues		
Program Revenues		
Charges for Services	\$ 445,598	665,702
Operating Grants/Contributions	5,260,663	4,234,951
Capital Grants/Contributions	50,000	50,000
General Revenues		
Property Tax	15,767,108	15,600,191
Personal Property Replacement Tax	747,299	1,031,741
State and Federal Aid	534,771	534,075
Earnings on Investments	839,694	702,224
Other General Revenues	32,983	30,430
Total Revenues	23,678,116	22,849,314
Expenses		
Instruction	10,127,704	9,860,069
Support Services	5,935,084	5,673,237
Payments to Other District/Govts.	841,548	851,068
State Retirement Contributions	4,619,708	3,593,411
Interest on Long-Term Debt	64,789	73,038
Total Expenses	21,588,833	20,050,823
Change in Net Position	2,089,283	2,798,491
Net Position - Beginning	28,089,043	25,290,552
Restatement - Change in Accounting Estimates	(174,742)	—
Net Position - Beginning as Restated	27,914,301	25,290,552
Net Position - Ending	30,003,584	28,089,043

Management's Discussion and Analysis
June 30, 2025

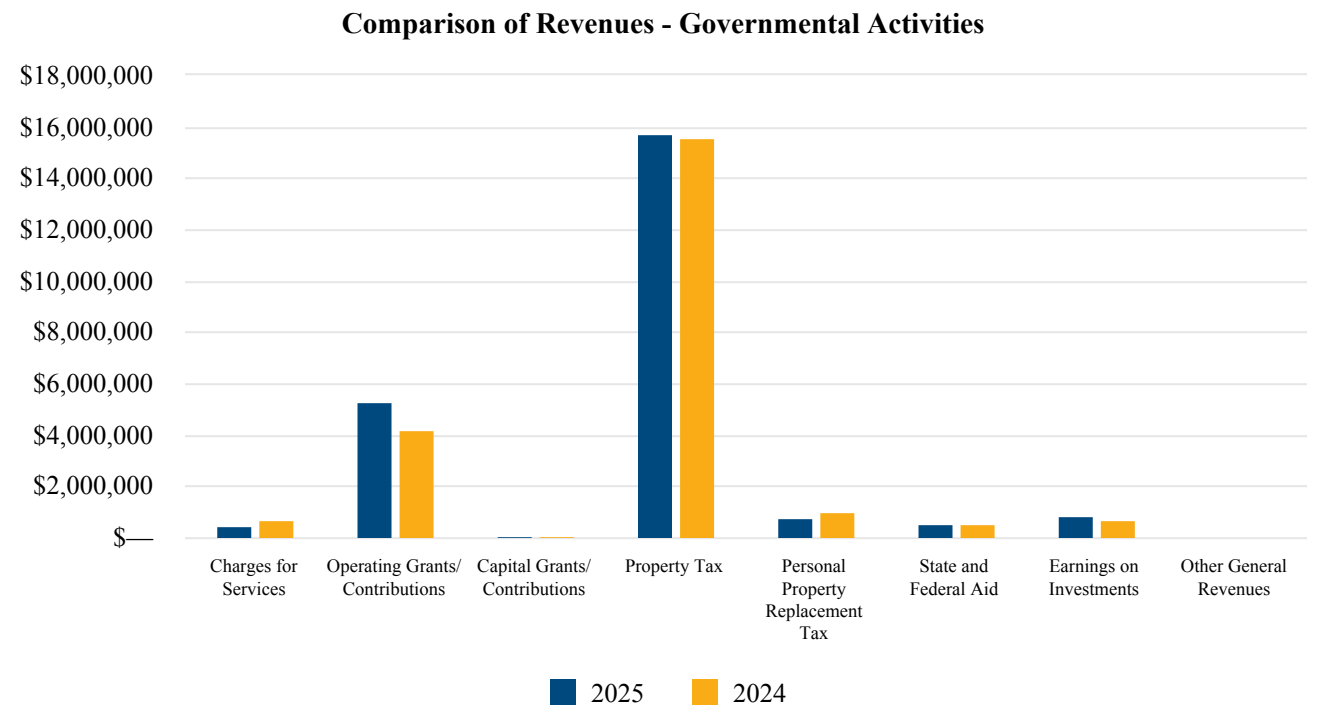
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the District’s governmental activities increased by 7.5 percent (\$30,003,584 in 2025 compared to a restated \$27,914,301 in 2024). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$7,182,467 at June 30, 2025. Revenues for governmental activities totaled \$23,678,116, while the cost of all governmental functions totaled \$21,588,833. This results in an increase of \$2,089,283 or 7.5 percent. In 2024, revenues of \$22,849,314 exceeded expenses of \$20,050,823, resulting in an increase of \$2,798,491. The increase in the current year was lower compared to the prior year primarily due to higher spending on instruction and support services. These higher expenditures were fully supported by higher income from property taxes, operating grants/contributions, and earnings on investments despite lower charges for services and personal property replacement taxes.

Governmental Activity Revenues

The District's governmental activities reported total revenues of \$23,678,116 for the current fiscal year, this represents an increase of \$828,802, or 3.6 percent, from the prior year's total amount of \$22,849,314. As is typical for activities of school districts, program revenues cover a very small percentage of program expenses, with general revenues covering the majority of expenses. For fiscal year ended June 30, 2025, governmental program expenses of \$21,588,833 exceeded program revenues of \$5,756,261 by \$15,832,572. General revenues of \$17,921,855 made up all the deficiency.

The following table graphically depicts the distribution of revenue sources of the District's governmental activities for fiscal years ended June 30, 2025 and June 30, 2024. It depicts very clearly the reliance of property taxes to fund governmental activities. It also clearly identifies the less significant amounts the District receives from other sources. Significant changes of the District's governmental activities' revenues from the prior year include the following: increases in TRS and THIS on behalf payments, property taxes, and earnings on investments.



Management's Discussion and Analysis

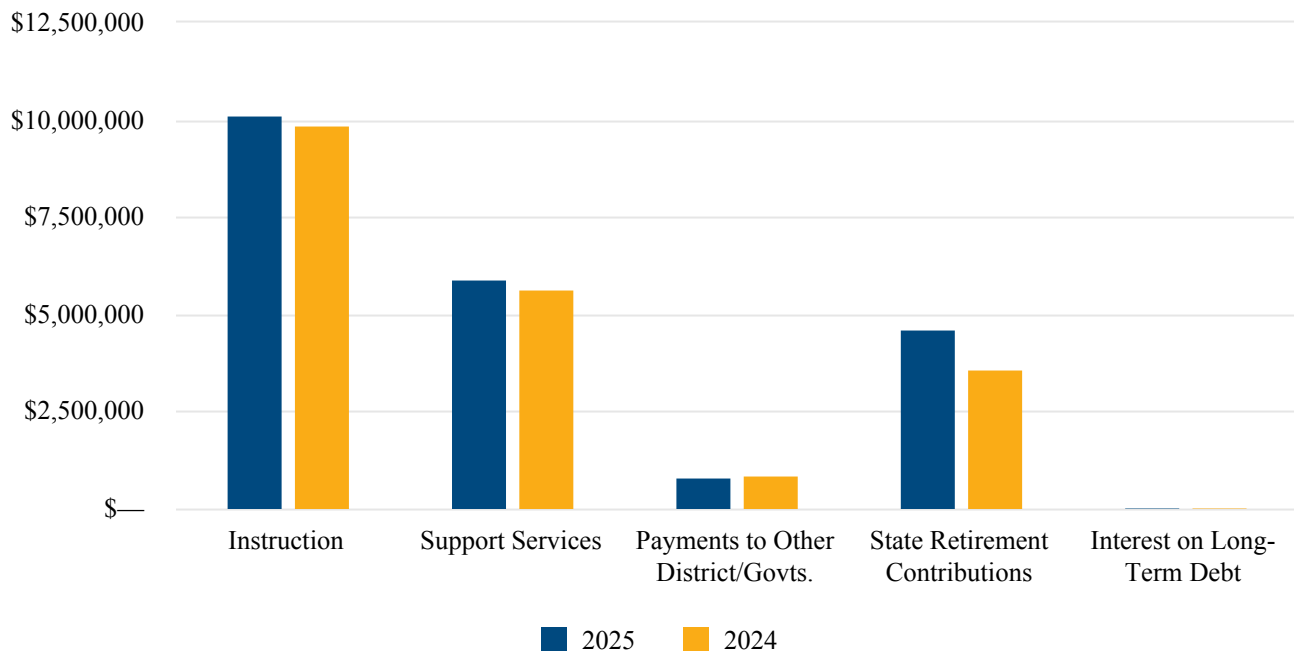
June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activity Expenses

The District's governmental activities reported total expenses of \$21,588,833 for the current fiscal year, this represents an increase of \$1,538,010, or 7.7 percent, from the prior year's total amount of \$20,050,823. The following table graphically depicts the expenses of the District's governmental activities for fiscal years ended June 30, 2025 and June 30, 2024. Significant changes of the District's governmental activities' expenses from the prior year include the following: increased costs of instruction, support services, and state retirement contributions.

Comparison of Expenses - Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance (monies that can be used without restrictions) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

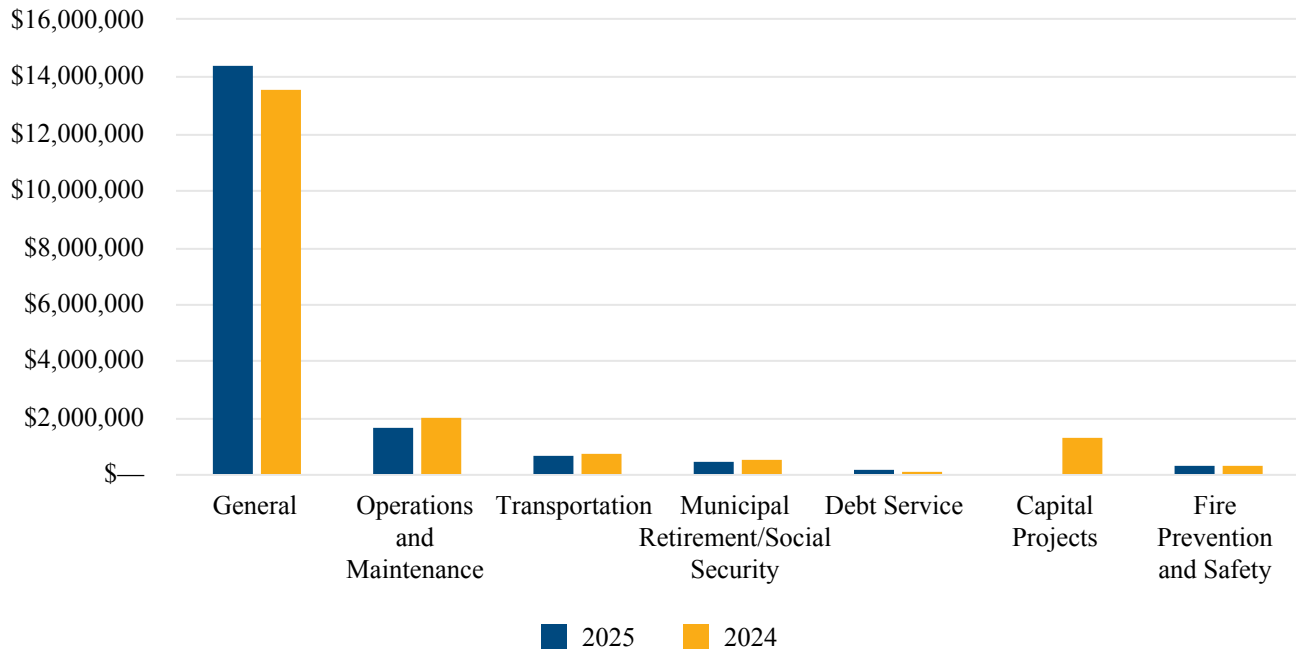
The District's governmental funds reported combining ending fund balances of \$17,851,744, which is \$1,029,856, or 5.5 percent, lower than last year's restated total of \$18,881,600. Of the \$17,851,744 total, \$14,149,951, or approximately 79.3 percent, of the fund balance constitutes unassigned fund balance.

Management's Discussion and Analysis

June 30, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Fund Balances - Governmental Funds



The General Fund is the chief operating fund of the District and includes the Educational Account and Working Cash Account. At June 30, 2025, unassigned fund balance in the General Fund was \$14,149,951, which represents 98.1 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 73.9 percent of total General Fund expenditures.

The General Fund concluded the fiscal year with a balance of \$14,418,075, reflecting a 6.1 percent increase from the previous year's balance of \$13,583,839. This \$834,236 increase resulted from the District being extremely thoughtful about each expenditure it commits to, along with high investment income.

The Operations and Maintenance Fund concluded the fiscal year with a balance of \$1,656,989, reflecting a 19.9 percent decrease from the previous year's restated balance of \$2,069,741. This \$412,752 decrease resulted from planned expenditures lowering the net fund balance.

The Transportation Fund concluded the fiscal year with a balance of \$682,691, reflecting a 13.4 percent decrease from the previous year's balance of \$788,097. This \$105,406 decrease resulted from increased costs for the transportation of our students.

The Municipal Retirement/Social Security Fund concluded the fiscal year with a balance of \$513,594, reflecting a 10.0 percent decrease from the previous year's balance of \$570,718. This \$57,124 decrease resulted from planned expenditures lowering the net fund balance.

The Debt Service Fund concluded the fiscal year with a balance of \$190,858, reflecting a 12.1 percent increase from the previous year's balance of \$170,309. This \$20,549 increase resulted from property tax and earnings on investments exceeding the debt service requirements in the current year.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Management's Discussion and Analysis

June 30, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

The Capital Projects Fund concluded the fiscal year with a balance of zero, reflecting a 100.0 percent decrease from the previous year's balance of \$1,314,301. This \$1,314,301 decrease resulted from paying for the elementary school HVAC replacement project.

The Fire Prevention and Safety Fund concluded the fiscal year with a balance of \$389,537, reflecting a 1.3 percent increase from the previous year's balance of \$384,595. This \$4,942 increase resulted from the earning on investments and levy being more than the expenditures.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2025 was \$21,234,324 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, and equipment.

	Capital Assets - Net of Depreciation	
	2025	2024
Land	\$ 399,498	399,498
Construction in Progress	3,686,639	1,007,697
Land Improvements	183,918	227,797
Buildings	16,908,520	17,422,108
Equipment	55,749	139,736
Totals	21,234,324	19,196,836

This year's major additions included:

Construction in Progress	\$ 2,678,942
Buildings	12,666
Equipment	15,840
Total	2,707,448

Additional information on the District's capital assets can be found in Note 3 of this report.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Management's Discussion and Analysis

June 30, 2025

DEBT ADMINISTRATION

At year-end, the District had total outstanding debt of \$2,115,000 as compared to \$2,425,000 the previous year, a decrease of 12.8 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2025	2024
General Obligation Bonds Payable	\$ 2,115,000	2,425,000

The District maintains an Aa1 rating from Moody's for general obligation debt. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 13.8 percent of its total assessed valuation. The current debt limit for the District is \$53,166,597.

Additional information on the District's long-term debt can be found in Note 3 of this report.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, Pleasantdale School District 107 continues to be in a strong financial position. This is a result of being fiscally responsible and accountable to our taxpayers while providing our students with a high-quality education. Following our 5-year Facilities Plan, we plan to continue to update and improve our facilities through recommended maintenance slightly impacting our future finances. In addition, the District continues to examine opportunities to expand impactful learning opportunities for the students of the district and plan for the potential of enrollment growth in the future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. For questions concerning any of the information provided in this report or requests for additional information should be directed to the Business Office, Griffin L. Sonntag, Chief School Business Official, Pleasantdale School District 107, 7450 South Wolf Road, Burr Ridge, Illinois 60527.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Statement of Net Position

June 30, 2025

See Following Page

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 17,450,316
Receivables - Net of Allowances	
Taxes	7,850,745
Due from Other Governments	91,025
Total Current Assets	<u>25,392,086</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	4,086,137
Depreciable	30,994,461
Accumulated Depreciation	<u>(13,846,274)</u>
Total Noncurrent Assets	<u>21,234,324</u>
Total Assets	<u>46,626,410</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - THIS	416,970
Deferred Items - TRS	96,479
Deferred Items - IMRF	218,992
Total Deferred Outflows of Resources	<u>732,441</u>
Total Assets and Deferred Outflows of Resources	<u>47,358,851</u>

The notes to the financial statements are an integral part of this statement.

	Governmental Activities
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 92,165
Accrued Payroll	34,028
Current Portion of Long-Term Liabilities	325,000
Total Current Liabilities	<u>451,193</u>
Noncurrent Liabilities	
Net OPEB Liability - THIS	2,260,133
Net Pension Liability - TRS	680,239
Net Pension Liability - IMRF	195,529
General Obligation Bonds	1,790,000
Total Noncurrent Liabilities	<u>4,925,901</u>
Total Liabilities	<u>5,377,094</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	7,414,076
Deferred Items - THIS	4,495,481
Deferred Items - TRS	61,046
Deferred Items - IMRF	7,570
Total Deferred Inflows of Resources	<u>11,978,173</u>
Total Liabilities and Deferred Inflows of Resources	<u>17,355,267</u>
NET POSITION	
Net Investment in Capital Assets	19,119,324
Restricted	
Student Activities	48,367
Tort Immunity	219,757
Operations and Maintenance	1,656,989
Transportation	682,691
Municipal Retirement/Social Security	513,594
Debt Service	190,858
Capital Projects	389,537
Unrestricted	<u>7,182,467</u>
Total Net Position	<u>30,003,584</u>

The notes to the financial statements are an integral part of this statement.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Statement of Activities

For the Fiscal Year Ended June 30, 2025

		Program Revenues			(Expenses)/
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Revenues Governmental Activities
	Expenses				
Governmental Activities					
Instruction	\$ 10,127,704	445,598	368,410	—	(9,313,696)
Support Services	5,935,084	—	272,545	50,000	(5,612,539)
Payments to Other Districts/Govts.	841,548	—	—	—	(841,548)
State Retirement Contributions	4,619,708	—	4,619,708	—	—
Interest on Long-Term Debt	64,789	—	—	—	(64,789)
Total Primary Government	21,588,833	445,598	5,260,663	50,000	(15,832,572)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					13,083,068
Property Taxes, Levied for Specific Purposes					2,296,093
Property Taxes, Levied for Debt Services					387,947
Intergovernmental - Unrestricted					
Personal Property Replacement Taxes					747,299
State and Federal Aid					534,771
Earnings on Investments					839,694
Other General Revenues					32,983
					17,921,855
Change in Net Position					2,089,283
Net Position - As Previously Reported					28,089,043
Restatement - Change in Accounting Estimates					(174,742)
Net Position - Beginning as Restated					27,914,301
Net Position - Ending					30,003,584

The notes to the financial statements are an integral part of this statement.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Balance Sheet - Governmental Funds June 30, 2025

		Special Revenue					Capital Projects		
	General	Operations and Maintenance	Transportation	Municipal Retirement/ Social Security	Debt Service	Capital Projects	Fire Prevention and Safety	Totals	
ASSETS									
Cash and Investments	\$ 13,978,707	1,726,498	667,601	508,018	179,983	—	389,509	17,450,316	
Receivables - Net of Allowances									
Taxes	6,830,529	450,913	263,033	115,233	190,535	—	502	7,850,745	
Due from Other Governments	91,025	—	—	—	—	—	—	91,025	
Total Assets	20,900,261	2,177,411	930,634	623,251	370,518	—	390,011	25,392,086	
LIABILITIES									
Accounts Payable	—	92,165	—	—	—	—	—	92,165	
Accrued Payroll	34,600	220	(792)	—	—	—	—	34,028	
Total Liabilities	34,600	92,385	(792)	—	—	—	—	126,193	
DEFERRED INFLOWS OF RESOURCES									
Property Taxes	6,447,513	428,037	248,735	109,657	179,660	—	474	7,414,076	
Grants	73	—	—	—	—	—	—	73	
Total Deferred Inflows of Resources	6,447,586	428,037	248,735	109,657	179,660	—	474	7,414,149	
Total Liabilities and Deferred Inflows of Resources	6,482,186	520,422	247,943	109,657	179,660	—	474	7,540,342	
FUND BALANCES									
Restricted	268,124	1,656,989	682,691	513,594	190,858	—	389,537	3,701,793	
Unassigned	14,149,951	—	—	—	—	—	—	14,149,951	
Total Fund Balances	14,418,075	1,656,989	682,691	513,594	190,858	—	389,537	17,851,744	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	20,900,261	2,177,411	930,634	623,251	370,518	—	390,011	25,392,086	

The notes to the financial statements are an integral part of this statement.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2025

Total Governmental Fund Balances	\$ 17,851,744
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	21,234,324
Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.	73
Deferred outflows/inflows of resources related to the pension plans not reported in the funds.	
Deferred Items - THIS	(4,078,511)
Deferred Items - TRS	35,433
Deferred Items - IMRF	211,422
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds.	
Net OPEB Liability - THIS	(2,260,133)
Net Pension Liability - TRS	(680,239)
Net Pension Liability - IMRF	(195,529)
General Obligation Bonds	<u>(2,115,000)</u>
Net Position of Governmental Activities	<u><u>30,003,584</u></u>

The notes to the financial statements are an integral part of this statement.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2025

	General	Special Revenue			Debt Service	Capital Projects		Totals
		Operations and Maintenance	Transportation	Municipal Retirement/Social Security		Capital Projects	Fire Prevention and Safety	
Revenues								
Local Sources								
Property Taxes	\$ 13,770,083	867,958	523,023	217,075	387,947	—	1,022	15,767,108
Personal Property Replacement Taxes	—	697,299	—	50,000	—	—	—	747,299
Earnings on Investments	634,134	119,302	37,155	20,469	7,391	8,354	12,889	839,694
Other Revenue from Local Sources	463,851	2,650	12,080	—	—	—	—	478,581
State Sources	577,855	50,000	196,551	—	—	—	—	824,406
Federal Sources	404,669	—	—	—	—	—	—	404,669
On-Behalf Payments - State of Illinois	4,619,708	—	—	—	—	—	—	4,619,708
Total Revenues	20,470,300	1,737,209	768,809	287,544	395,338	8,354	13,911	23,681,465
Expenditures								
Instruction	9,683,013	—	—	184,713	—	—	—	9,867,726
Support Services	3,946,734	1,210,010	874,215	159,955	—	—	8,969	6,199,883
Payments to Other Districts and Govt. Units	841,548	—	—	—	—	—	—	841,548
Capital Outlay	45,061	339,951	—	—	—	2,422,655	—	2,807,667
Debt Service								
Principal Retirement	—	—	—	—	310,000	—	—	310,000
Interest and Fiscal Charges	—	—	—	—	64,789	—	—	64,789
On-Behalf Expenditures - State of Illinois	4,619,708	—	—	—	—	—	—	4,619,708
Total Expenditures	19,136,064	1,549,961	874,215	344,668	374,789	2,422,655	8,969	24,711,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,334,236	187,248	(105,406)	(57,124)	20,549	(2,414,301)	4,942	(1,029,856)
Other Financing Sources (Uses)								
Transfers In	—	—	—	—	—	1,100,000	—	1,100,000
Transfers Out	(500,000)	(600,000)	—	—	—	—	—	(1,100,000)
	(500,000)	(600,000)	—	—	—	1,100,000	—	—
Net Change in Fund Balances	834,236	(412,752)	(105,406)	(57,124)	20,549	(1,314,301)	4,942	(1,029,856)
Fund Balances - As Previously Reported	13,583,839	2,244,483	788,097	570,718	170,309	1,314,301	384,595	19,056,342
Restatement - Change in Accounting Estimates	—	(174,742)	—	—	—	—	—	(174,742)
Fund Balances - Beginning as Restated	13,583,839	2,069,741	788,097	570,718	170,309	1,314,301	384,595	18,881,600
Fund Balances - Ending	14,418,075	1,656,989	682,691	513,594	190,858	—	389,537	17,851,744

The notes to the financial statements are an integral part of this statement.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2025**

Net Change in Fund Balances - Total Governmental Funds	\$ (1,029,856)
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Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental Funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	2,707,448
Depreciation Expense	(669,960)

Some revenues not collected as of the year end are not considered available revenues in the
governmental funds. These are the amounts that were not considered available in the current year.

	(3,349)
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The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - THIS	1,036,664
Change in Deferred Items - TRS	55,247
Change in Deferred Items - IMRF	(213,749)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Net OPEB Liability - THIS	(218,875)
Change in Net Pension Liability - TRS	(30,908)
Change in Net Pension Liability - IMRF	146,621
Debt Retirement	310,000

Changes in Net Position of Governmental Activities	2,089,283
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PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pleasantdale School District No. 107 (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 government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established under GAAP and used by the District are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. 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-type activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (instruction, support services, community services, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, state and federal aid, earnings on investments, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, state and federal aid, earnings on investments, etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures. An emphasis is placed on major funds within the governmental category.

GASB Statement No. 34 sets forth minimum criteria for the determination of major funds. The District may electively add funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a single column in the fund financial statements. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund and is comprised of three accounts: the Educational Account Tort Immunity and Judgment Account, and the Working Cash Account.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or assigned to expenditures for specified purposes. The District maintains three major special revenue funds. The Operations and Maintenance Fund is used to account for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes. The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants. The Municipal Retirement/Social Security Fund is used to account 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.

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds - Continued

Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The primary revenue sources are local property taxes levied specifically for debt service and transfers from other funds. The Debt Service Fund is a major fund.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District maintains two major capital projects funds. The Capital Projects Fund is used to account for construction projects and renovations financed through bond issues or transfers from other funds. The Fire Prevention and Safety Fund is used to account for State-approved life safety projects financed through serial bond issues or transfers from other funds.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is used.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Basis of Accounting - Continued

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” “Measurable” means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end, except for state aid. State aid payments received after 60 days are being considered as available as historically, state aid collected within 60 days has represented all state aid expected to be collected.

Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due, and certain compensated absences, claims, and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers’ Retirement System and Teachers’ Health Insurance Security Fund) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid and earnings on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS AND FUND BALANCE/NET POSITION

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits and cash with a fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS AND FUND BALANCE/ NET POSITION - Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized/amortized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized/amortized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical costs based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Buildings	20 - 80 Years
Equipment	5 - 15 Years

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 bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS AND FUND BALANCE/
NET POSITION - Continued**

Long-Term Obligations - Continued

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

Net Position

In the government-wide financial statements, equity is classified as net position 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.

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

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Township Treasurer

Under the Illinois Compiled Statutes, the Lyons Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the township. The Treasurer 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 Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer 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.

Notes to the Financial Statements

June 30, 2025

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Township Treasurer - Continued

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 and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly 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 Treasurer's investment policies are established by the Lyons Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer 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).

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

The weighted average maturity of all marketable pooled investments held by the Treasurer was 7.66 years at June 30, 2025. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2025, the fair value of all investments held by the Treasurer's office was \$261,531,094. The value of the District's proportionate share of the pool was \$17,398,750. Further information about pooled assets held at the Treasurer's office and the Treasurer's office operations is available from the Treasurer's financial statements.

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

District

Deposits. At year-end, the carrying amount of the District's deposits totaled \$51,566 and the bank balances totaled \$48,248.

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 does not have an investment policy which specifically addresses custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND TRANSFERS

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Projects	General	\$ 500,000
Capital Projects	Operations and Maintenance	600,000
		<u>1,100,000</u>

CAPITAL ASSETS

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 399,498	—	—	399,498
Construction in Progress	1,007,697	2,678,942	—	3,686,639
	<u>1,407,195</u>	<u>2,678,942</u>	<u>—</u>	<u>4,086,137</u>
Depreciable Capital Assets				
Land Improvements	874,846	—	—	874,846
Buildings	26,388,975	12,666	—	26,401,641
Equipment	3,702,134	15,840	—	3,717,974
	<u>30,965,955</u>	<u>28,506</u>	<u>—</u>	<u>30,994,461</u>
Less Accumulated Depreciation				
Land Improvements	647,049	43,879	—	690,928
Buildings	8,966,867	526,254	—	9,493,121
Equipment	3,562,398	99,827	—	3,662,225
	<u>13,176,314</u>	<u>669,960</u>	<u>—</u>	<u>13,846,274</u>
Total Net Depreciable Capital Assets	<u>17,789,641</u>	<u>(641,454)</u>	<u>—</u>	<u>17,148,187</u>
Total Net Capital Assets	<u>19,196,836</u>	<u>2,037,488</u>	<u>—</u>	<u>21,234,324</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 259,978
Support Services	409,982
	<u>669,960</u>

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for June 30, 2024 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

PERSONAL PROPERTY REPLACEMENT TAXES

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

LONG-TERM OBLIGATIONS

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,700,000 General Obligation Limited Tax School Bonds of 2022, due in annual installments of \$275,000 to \$315,000 plus semi-annual interest at 2.82% through December 1, 2030.	\$ 2,425,000	—	310,000	2,115,000

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Net OPEB Liability - THIS	\$ 2,041,258	218,875	—	2,260,133	—
Net Pension Liability - TRS	649,331	30,908	—	680,239	—
Net Pension Liability - IMRF	342,150	—	146,621	195,529	—
General Obligation Bonds Payable	2,425,000	—	310,000	2,115,000	325,000
	5,457,739	249,783	456,621	5,250,901	325,000

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - Continued

Long-Term Liabilities Activity - Continued

The net OPEB liability for THIS and net pension liability for TRS are being liquidated by the General Fund. The net pension liability for IMRF is being liquidated by the Municipal Retirement/Social Security Fund. The general obligation bonds payable are being liquidated by the Debt Service Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity are as follows:

Fiscal Year	General Obligation Bonds Payable	
	Principal	Interest
2026	\$ 325,000	55,060
2027	340,000	45,684
2028	360,000	35,814
2029	380,000	25,380
2030	395,000	14,452
2031	315,000	4,441
Totals	<u>2,115,000</u>	<u>180,831</u>

Legal Debt Margin

No school districts maintaining grades K through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 13.8% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1975 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

Assessed Valuation - 2024	<u>\$ 770,530,394</u>
Legal Debt Limit - 13.8% of Assessed Value	53,166,597
Amount of Debt Applicable to Limit	<u>2,115,000</u>
Legal Debt Margin	<u>51,051,597</u>

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2025:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 21,234,324
Less: Capital Related Debt	
General Obligation Bonds Payable	<u>(2,115,000)</u>
Net Investment in Capital Assets	<u><u>19,119,324</u></u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue					Capital Projects		
		Operations		Municipal			Fire	
	General	and Maintenance	Transportation	Retirement/ Social Security	Debt Service	Capital Projects	Prevention and Safety	Totals
Fund Balances								
Restricted								
Student Activities	\$ 48,367	—	—	—	—	—	—	48,367
Tort Immunity	219,757	—	—	—	—	—	—	219,757
Operations and Maintenance	—	1,656,989	—	—	—	—	—	1,656,989
Transportation	—	—	682,691	—	—	—	—	682,691
Municipal Retirement								
/Social Security	—	—	—	513,594	—	—	—	513,594
Debt Service	—	—	—	—	190,858	—	—	190,858
Capital Projects	—	—	—	—	—	—	389,537	389,537
	268,124	1,656,989	682,691	513,594	190,858	—	389,537	3,701,793
Unassigned	14,149,951	—	—	—	—	—	—	14,149,951
Total Fund Balances	14,418,075	1,656,989	682,691	513,594	190,858	—	389,537	17,851,744

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority (the Board of Education), to be reported as committed; amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Education' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Education, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The District's policy manual states that the General Fund should maintain a minimum fund balance equal to 50% of budgeted operating expenditures.

REPORTING UNITS AFFECTED BY RESTATEMENTS OF BEGINNING BALANCES

Change in Accounting Estimates. Beginning net position/fund balance was restated to move the revenue recognition of personal property replacement taxes from accrual basis to cash basis. The following is a summary of the net position/fund balances as originally reported and as restated:

	Governmental Activities	Operations and Maintenance
Beginning Net Position/Fund Balance as Previously Reported	\$ 28,089,043	2,244,483
Change in Accounting Estimates		
Personal Property Replacement Tax	(174,742)	(174,742)
Beginning Net Position/Fund Balance as Restated	27,914,301	2,069,741

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION

RISK MANAGEMENT

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

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

JOINT AGREEMENTS

The District is a member of LaGrange Area Department of Special Education (LADSE), a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

CONTINGENT LIABILITIES

Litigation

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

State and Federal 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 grant. Management believes such disallowance, if any, would be immaterial.

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund (THIS)

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. THIS health coverage includes provisions for medical, prescription drug, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2015, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

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 Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS, who are not employees of the State, to contribute to the THIS Fund. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On Behalf Contributions to the 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 the THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2025. State of Illinois contributions were \$79,398, and the District recognized revenues and expenditures of this amount during the year.

Employer Contributions to the THIS Fund. The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2025. For the year ended June 30, 2025, the District paid \$59,108 to the THIS Fund, which was 100 percent of the required contribution.

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

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund (THIS) - Continued

Plan Description - Continued

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation: 2.25%

Salary Increases: Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.

Investment Rate of Return: 2.75%, net of OPEB plan investment expense, including inflation, for all plan years.

Healthcare Cost Trend Rates: Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund (THIS) - Continued

Single Discount Rate

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

Since TRIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.97% as of June 30, 2024, and 3.86% as of June 30, 2023.

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

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

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Employer's Proportionate Share of the Net OPEB Liability	\$ 2,522,295	2,260,133	2,029,005

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund (THIS) - Continued

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

The following table shows the plan's net OPEB liability as of June 30, 2024, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current claims trend rates are 6.00% in 2025, 8.00% in 2026, decreasing to an ultimate trend rate of 4.25% in plan year end 2041. Post-Medicare per capita costs: Based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031, and decreasing ratably to an ultimate trend rate of 4.25% in 2041.

	1% Decrease (Varies)	Healthcare Cost Trend Rates	1% Increase (Varies)
Employer's Proportionate Share of the Net OPEB Liability	\$ 1,945,962	2,260,133	2,633,954

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

At June 30, 2025, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2024, the District's proportion was 0.028571 percent, which was a decrease of 0.000187 percent from its proportion measured as of June 30, 2024. 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:

Employer's Proportionate Share of the Net OPEB Liability	\$ 2,260,133
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>3,069,366</u>
Total	<u><u>5,329,499</u></u>

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund (THIS) - Continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

For the year ending June 30, 2025, the District recognized OPEB revenue and expense of \$79,398 for support provided by the State. For the year ending June 30, 2025, the District recognized OPEB revenue of \$758,681. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 62,367	(952,597)	(890,230)
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(3,179,307)	(3,179,307)
Changes of Assumptions	591	(1,818)	(1,227)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	294,904	(361,759)	(66,855)
Total Pension Expense to be Recognized in Future Periods	357,862	(4,495,481)	(4,137,619)
Employer Contributions Subsequent to the Measurement Date	59,108	—	59,108
Totals	416,970	(4,495,481)	(4,078,511)

\$59,108 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2026	\$ (835,702)
2027	(808,773)
2028	(798,383)
2029	(735,369)
2030	(567,770)
Thereafter	(391,622)
Total	(4,137,619)

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS), the Illinois Municipal Retirement Fund (IMRF), and the Supplemental Pension Benefit (SPB). 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.

The aggregate amounts for the pension plans are:

	Pension Expense	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Teacher's Retirement System of the State of Illinois	\$ 34,769	680,239	96,479	61,046
Illinois Municipal Retirement Fund	176,568	195,529	218,992	7,570
	211,337	875,768	315,471	68,616

Teachers' Retirement System (TRS)

Plan Descriptions, Provisions and Funding Policies

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can only be made by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for TRS's administration. TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

Benefits Provided

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

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Benefits Provided - Continued

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different than 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, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

Contributions

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

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

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2025, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer and the employer recognized revenue and expenditures of \$4,540,310 in pension contributions from the State.

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, 2025 were \$51,168 and are deferred because they were paid after the June 30, 2024 measurement date.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Contributions - Continued

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

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

For the year ended June 30, 2025, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2025, salaries totaling \$76,733 were paid from federal and special trust funds that required employer contributions of \$7,934, which was equal to the District's actual contributions. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2025, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$8,574 for salary increases in excess of 3 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

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

Employer's Proportionate Share of the Net Pension Liability	\$ 680,239
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>56,717,329</u>
Total	<u><u>57,397,568</u></u>

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the employer's proportion was 0.000792 percent, which was an increase of 0.000028 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the employer recognized pension expense of \$4,540,310 and revenue of \$4,540,310 for support provided by the state. At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 2,558	(1,766)	792
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(5,840)	(5,840)
Changes of Assumptions	9,373	(361)	9,012
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	25,440	(53,079)	(27,639)
Total Pension Expense to be Recognized in Future Periods	37,371	(61,046)	(23,675)
Employer Contributions Subsequent to the Measurement Date	59,108	—	59,108
Totals	96,479	(61,046)	35,433

\$59,108 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

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

<u>Fiscal Year</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2026	\$ (30,434)
2027	(2,884)
2028	1,102
2029	5,793
2030	2,748
Thereafter	<u>—</u>
Total	<u><u>(23,675)</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50 Percent

Salary Increases: Varies by Amount of Service Credit

Investment Rate of Return: 7.00 Percent, Net of Pension Plan Investment Expense, Including Inflation

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021. In the June 30, 2023 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection scale table MP-2020.

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions - Continued

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	7.6%
Private Equity	15.0%	10.3%
Public Income	18.0%	5.8%
Private Credit	8.0%	9.2%
Real Assets	18.0%	7.0%
Diversifying Strategies	4.0%	5.2%
Total	100.0%	

Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2023 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2024 was projected to be available to make all projected future benefit payments to 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.

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	\$ 840,114	680,239	547,709

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2024 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. 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 defined benefit agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	39
Inactive Plan Members Entitled to but not yet Receiving Benefits	108
Active Plan Members	<u>39</u>
Total	<u><u>186</u></u>

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended June 30, 2025, the District's contribution was 6.43% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

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.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	5.20%
Domestic Equities	33.50%	4.35%
International Equities	18.00%	5.40%
Real Estate	10.50%	6.40%
Blended	12.50%	4.85% - 6.25%
Cash and Cash Equivalents	1.00%	3.60%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all 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 benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset) \$	924,397	195,529	(384,354)

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2023	\$ 7,495,630	7,153,480	342,150
Changes for the Year:			
Service Cost	159,009	—	159,009
Interest on the Total Pension Liability	535,177	—	535,177
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(19,539)	—	(19,539)
Changes of Assumptions	—	—	—
Contributions - Employer	—	100,892	(100,892)
Contributions - Employees	—	75,669	(75,669)
Net Investment Income	—	705,978	(705,978)
Benefit Payments, Including Refunds of Employee Contributions	(386,759)	(386,759)	—
Other (Net Transfer)	—	(61,271)	61,271
Net Changes	287,888	434,509	(146,621)
Balances at December 31, 2024	7,783,518	7,587,989	195,529

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended June 30, 2025, the District recognized pension expense of \$176,568. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ —	(7,570)	(7,570)
Changes of Assumptions	—	—	—
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	157,659	—	157,659
Total Pension Expense to be Recognized in Future Periods	157,659	(7,570)	150,089
Pension Contributions Made Subsequent to the Measurement Date	61,333	—	61,333
Total Deferred Amounts Related to IMRF	218,992	(7,570)	211,422

\$61,333 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ 71,651
2027	207,363
2028	(89,486)
2029	(39,439)
2030	—
Thereafter	—
Total	150,089

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Financial Statements

June 30, 2025

NOTE 3 - OTHER INFORMATION - Continued

SUBSEQUENT EVENT

The District withdrew from Lyons Township School Treasurer on April 16, 2025. Starting on July 1, 2025, the District has appointed Paul Bellisario from Proviso Township School Treasurer to serve as the School District's School Treasurer.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
Teachers' Retirement System - Last Ten Fiscal Years
- Schedule of Employer Contributions
Illinois Municipal Retirement Fund - Last Ten Fiscal Years
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund - Last Ten Measurement Years
- Budgetary Comparison Schedule
General Fund
Major Special Revenue Funds
- Notes to the Required Supplementary Information

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Teacher's Health Insurance Security Fund

Schedule of Employer Contributions

June 30, 2025

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2018	\$ 57,102	\$ 57,212	\$ 110	\$ 6,797,802	0.84%
2019	59,850	59,879	29	6,801,137	0.88%
2020	68,186	68,186	—	7,411,475	0.92%
2021	69,824	69,824	—	7,589,542	0.92%
2022	50,932	50,932	—	7,601,782	0.67%
2023	53,877	53,877	—	8,041,396	0.67%
2024	57,015	57,015	—	8,509,769	0.67%
2025	59,108	59,108	—	8,822,051	0.67%

Note:

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

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

**Teacher's Health Insurance Security Fund
Schedule of Employer Contributions - Continued
June 30, 2025**

Notes to the Schedule of Employer Contributions

Valuation Date	6/30/2023
Measurement Date	6/30/2024
Sponsor's Fiscal Year End	6/30/2025

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2024, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts, and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation for all plan years.
Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the actuarial valuation as of June 30, 2021.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Teacher's Health Insurance Security Fund

Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability

June 30, 2025

	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Employer's Proportion of the Net OPEB Liability	0.029607%	0.028704%	0.028343%	0.029676%	0.029239%	0.027543%	0.028758%	0.028571%
Employer's Proportionate Share of the Net OPEB Liability	\$ 7,682,901	7,562,192	7,844,719	7,934,095	6,357,335	1,920,411	2,041,258	2,260,133
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	10,089,558	10,154,393	10,622,750	10,748,538	8,619,618	2,612,530	2,760,431	3,069,366
Total	17,772,459	17,716,585	18,467,469	18,682,633	14,976,953	4,532,941	4,801,689	5,329,499
Employer's Covered-Employee Payroll	\$ 6,324,214	6,797,802	6,801,137	7,411,475	7,589,542	7,601,782	8,041,396	8,509,769
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered-Employee Payroll	121.48%	111.24%	115.34%	107.05%	83.76%	25.26%	25.38%	26.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.07%)	(0.07%)	(0.22%)	0.70%	1.40%	5.24%	6.21%	7.43%

Notes:

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

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

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Teachers' Retirement System

Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions - Last Ten Fiscal Years

June 30, 2025

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Employer's Proportion of the Net Pension Liability	0.000986%	0.001068%	0.001182%	0.000809%	0.001031%	0.000894%	0.000836%	0.000753%	0.000764%	0.000792%
Employer's Proportionate Share of the Net Pension Liability	\$ 646,122	842,779	903,326	630,368	836,582	770,489	652,340	631,303	649,331	680,239
State's Proportionate Share of the Net Pension Liability Associated with the Employer	38,581,979	47,787,873	51,818,700	43,182,823	59,538,610	60,348,712	54,673,057	54,761,347	56,037,556	56,717,329
Total	39,228,101	48,630,652	52,722,026	43,813,191	60,375,192	61,119,201	55,325,397	55,392,650	56,686,887	57,397,568
Employer's Covered Payroll	\$ N/A	5,954,992	6,324,214	6,797,802	6,801,137	7,411,475	7,589,542	7,601,782	8,041,396	8,509,769
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered Payroll	N/A	14.15%	14.28%	9.27%	12.30%	10.40%	8.60%	8.30%	8.07%	7.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.50%	36.40%	39.30%	40.00%	39.60%	37.80%	45.10%	42.80%	43.90%	45.40%
Contractually-Required Contribution	\$ 34,539	43,109	42,921	39,447	48,338	47,891	48,983	48,906	52,158	59,102
Contributions in Relation to the Contractually Required Contribution	15,529	41,348	48,714	33,602	48,857	47,006	49,904	48,871	52,174	59,108
Contribution Excess (Deficiency)	\$ (19,010)	(1,761)	5,793	(5,845)	519	(885)	921	(35)	16	6
Employer's Covered Payroll	\$ 5,954,992	6,324,214	6,797,802	6,801,137	7,411,475	7,589,542	7,601,782	8,041,396	8,509,769	8,822,051
Contributions as a % of Covered Payroll	0.26%	0.65%	0.72%	0.49%	0.66%	0.62%	0.66%	0.61%	0.61%	0.67%

Notes:

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

For the 2024 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated August 16, 2024.

For the 2023-2022 and 2020-2016 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.50 percent*. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2021 measurement year, the assumed investment rate of return was 7.0, including an inflation rate of 2.25 percent and a real return of 4.75 percent.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Employer Contributions - Last Ten Fiscal Years

June 30, 2025

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 136,129	\$ 136,129	\$ —	\$ 1,274,619	10.68%
2017	152,679	152,679	—	1,327,643	11.50%
2018	141,122	141,122	—	1,303,068	10.83%
2019	139,353	139,353	—	1,320,884	10.55%
2020	119,159	119,159	—	1,275,794	9.34%
2021	133,183	133,183	—	1,222,988	10.89%
2022	141,320	141,320	—	1,374,704	10.28%
2023	125,232	125,232	—	1,485,551	8.43%
2024	120,881	120,881	—	1,683,578	7.18%
2025	109,440	109,440	—	1,702,404	6.43%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years

June 30, 2025

	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Total Pension Liability										
Service Cost	\$ 149,557	151,769	158,773	139,963	140,805	134,857	123,780	138,049	148,912	159,009
Interest	353,626	370,646	394,003	408,804	426,037	447,002	464,882	499,772	512,962	535,177
Changes in Benefit Terms	—	—	—	—	—	—	—	—	—	—
Differences Between Expected and Actual Experience	(60,503)	3,237	69,033	(32,338)	8,078	27,900	218,805	(81,980)	45,262	(19,539)
Change of Assumptions	6,157	(12,707)	(170,459)	160,166	—	(45,379)	—	—	(10,327)	—
Benefit Payments, Including Refunds of Member Contributions	(235,393)	(196,768)	(239,724)	(249,450)	(253,275)	(312,296)	(312,142)	(354,564)	(404,124)	(386,759)
Net Change in Total Pension Liability	213,444	316,177	211,626	427,145	321,645	252,084	495,325	201,277	292,685	287,888
Total Pension Liability - Beginning	4,764,222	4,977,666	5,293,843	5,505,469	5,932,614	6,254,259	6,506,343	7,001,668	7,202,945	7,495,630
Total Pension Liability - Ending	4,977,666	5,293,843	5,505,469	5,932,614	6,254,259	6,506,343	7,001,668	7,202,945	7,495,630	7,783,518
Plan Fiduciary Net Position										
Contributions - Employer	\$ 136,130	152,679	141,122	139,353	119,159	133,184	141,320	125,231	120,881	100,892
Contributions - Members	57,358	59,744	58,638	59,440	57,411	55,034	80,225	66,850	75,761	75,669
Net Investment Income	21,075	289,224	785,932	(278,613)	918,630	825,452	1,119,145	(931,978)	723,524	705,978
Benefit Payments, Including Refunds of Member Contributions	(235,393)	(196,768)	(239,724)	(249,450)	(253,275)	(312,296)	(312,142)	(354,564)	(404,124)	(386,759)
Other (Net Transfer)	21,326	34,191	(35,004)	26,281	56,449	57,970	6,790	44,005	11,294	(61,271)
Net Change in Plan Fiduciary Net Position	496	339,070	710,964	(302,989)	898,374	759,344	1,035,338	(1,050,456)	527,336	434,509
Plan Net Position - Beginning	4,236,003	4,236,499	4,575,569	5,286,533	4,983,544	5,881,918	6,641,262	7,676,600	6,626,144	7,153,480
Plan Net Position - Ending	4,236,499	4,575,569	5,286,533	4,983,544	5,881,918	6,641,262	7,676,600	6,626,144	7,153,480	7,587,989
Employer's Net Pension Liability/(Asset)	\$ 741,167	718,274	218,936	949,070	372,341	(134,919)	(674,932)	576,801	342,150	195,529
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.11%	86.43%	96.02%	84.00%	94.05%	102.07%	109.64%	91.99%	95.44%	97.49%
Covered Payroll	\$ 1,274,619	1,327,643	1,303,068	1,320,884	1,275,794	1,222,988	1,374,704	1,485,551	1,683,578	1,681,536
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	58.15%	54.10%	16.80%	71.85%	29.19%	(11.03%)	(49.10%)	38.83%	20.32%	11.63%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017 and 2023.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes	\$ 13,742,060	13,742,060	13,770,083	28,023
Personal Property Replacement Taxes	—	—	—	—
Earnings on Investments	337,000	337,000	634,134	297,134
Other	500,000	500,000	463,851	(36,149)
State Sources	585,621	585,621	577,855	(7,766)
Federal Sources	391,991	391,991	404,669	12,678
Total Direct Revenues	15,556,672	15,556,672	15,850,592	293,920
On-Behalf Payments - State of Illinois	—	—	4,619,708	4,619,708
Total Revenues	15,556,672	15,556,672	20,470,300	4,913,628
Expenditures				
Instruction	9,780,450	9,780,450	9,683,013	(97,437)
Support Services	4,100,306	4,100,306	3,946,734	(153,572)
Payments to Other Districts and Government Units	853,000	853,000	841,548	(11,452)
Capital Outlay	59,639	59,639	45,061	(14,578)
Total Direct Expenditures	14,793,395	14,793,395	14,516,356	(277,039)
On-Behalf Payments - State of Illinois	—	—	4,619,708	4,619,708
Total Expenditures	14,793,395	14,793,395	19,136,064	4,342,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	763,277	763,277	1,334,236	570,959
Other Financing Sources (Uses)				
Other Sources and Uses Not Classified Elsewhere	65,000	65,000	—	(65,000)
Transfers Out	(500,000)	(500,000)	(500,000)	
	(435,000)	(435,000)	(500,000)	(65,000)
Net Change in Fund Balances	328,277	328,277	834,236	505,959
Fund Balances - Beginning			13,583,839	
Fund Balances - Ending			14,418,075	

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Operations and Maintenance - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes				
General Levy	\$ 816,611	816,611	867,958	51,347
Personal Property Replacement Taxes	671,697	671,697	697,299	25,602
Earnings on Investments	60,000	60,000	119,302	59,302
Other Revenue from Local Sources	500	500	2,650	2,150
	1,548,808	1,548,808	1,687,209	138,401
State Sources				
School Infrastructure - Maintenance Projects	50,000	50,000	50,000	—
Total Revenues	1,598,808	1,598,808	1,737,209	138,401
Expenditures				
Support Services				
Business				
Facilities Acquisition and Construction Services				
Purchased Services	30,000	30,000	—	(30,000)
Operations and Maintenance of Plant Services				
Salaries	179,276	179,276	208,923	29,647
Employee Benefits	36,340	36,340	44,655	8,315
Purchased Services	772,000	772,000	732,822	(39,178)
Supplies and Materials	271,600	271,600	223,610	(47,990)
	1,259,216	1,259,216	1,210,010	(49,206)
Capital Outlay	435,000	435,000	339,951	(95,049)
Total Expenditures	1,724,216	1,724,216	1,549,961	(174,255)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,408)	(125,408)	187,248	312,656
Other Financing (Uses)				
Transfers Out	(600,000)	(600,000)	(600,000)	—
Net Change in Fund Balance	(725,408)	(725,408)	(412,752)	312,656
Fund Balance - As Previously Reported			2,244,483	
Restatement - Change in Accounting Estimates			(174,742)	
Fund Balance - Beginning as Restated			2,069,741	
Fund Balances - Ending			1,656,989	

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS**Transportation - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes				
General Levy	\$ 464,677	464,677	523,023	58,346
Earnings on Investments	40,000	40,000	37,155	(2,845)
Other Revenue from Local Sources	7,500	7,500	12,080	4,580
	<u>512,177</u>	<u>512,177</u>	<u>572,258</u>	<u>60,081</u>
State Sources				
Transportation - Regular and Vocational	50,000	50,000	119,594	69,594
Transportation - Special Education	75,000	75,000	76,957	1,957
	<u>125,000</u>	<u>125,000</u>	<u>196,551</u>	<u>71,551</u>
Total Revenues	<u>637,177</u>	<u>637,177</u>	<u>768,809</u>	<u>131,632</u>
Expenditures				
Support Services				
Business				
Pupil Transportation Services				
Salaries	45,015	45,015	47,059	2,044
Employee Benefits	10,900	10,900	11,731	831
Purchased Services	876,000	876,000	815,425	(60,575)
	<u>931,915</u>	<u>931,915</u>	<u>874,215</u>	<u>(57,700)</u>
Total Expenditures	<u>931,915</u>	<u>931,915</u>	<u>874,215</u>	<u>(57,700)</u>
Net Change in Fund Balance	<u>(294,738)</u>	<u>(294,738)</u>	(105,406)	<u>189,332</u>
Fund Balance - Beginning			<u>788,097</u>	
Fund Balances Ending			<u>682,691</u>	

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Municipal Retirement/Social Security - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes				
General Levy	\$ 20,670	20,670	35,964	15,294
FICA/Medicare Purposes Levy	180,860	180,860	181,111	251
Personal Property Replacement Taxes	56,000	56,000	50,000	(6,000)
Earnings on Investments	12,000	12,000	20,469	8,469
Total Revenues	269,530	269,530	287,544	18,014
Expenditures				
Instruction				
Regular Programs	65,420	65,420	67,210	1,790
Pre-K Programs	2,500	2,500	2,579	79
Special Education Programs	106,300	106,300	100,099	(6,201)
Interscholastic Programs	14,000	14,000	11,811	(2,189)
Summer School Programs	5,700	5,700	1,668	(4,032)
Gifted Programs	1,300	1,300	1,346	46
Total Instruction	195,220	195,220	184,713	(10,507)
Support Services				
Pupils				
Attendance and Social Work Services	1,700	1,700	1,730	30
Health Services	18,300	18,300	16,332	(1,968)
	20,000	20,000	18,062	(1,938)
Instructional Staff				
Improvement of Instruction Services	5,000	5,000	4,863	(137)
Educational Media Services	55,600	55,600	56,359	759
	60,600	60,600	61,222	622
General Administration				
Executive Administration Services	7,000	7,000	7,005	5

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS**Municipal Retirement/Social Security - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Expenditures - Continued				
Support Services - Continued				
School Administration				
Office of the Principal Services	\$ 24,600	24,600	22,475	(2,125)
Business				
Fiscal Services	20,400	20,400	19,407	(993)
Operations and Maintenance of Plant Services	29,900	29,900	26,716	(3,184)
Pupil Transportation Services	2,450	2,450	2,323	(127)
Food Services	2,620	2,620	2,745	125
	55,370	55,370	51,191	(4,179)
Total Support Services	167,570	167,570	159,955	(7,615)
Total Expenditures	362,790	362,790	344,668	(18,122)
Net Change in Fund Balance	(93,260)	(93,260)	(57,124)	36,136
Fund Balance - Beginning			570,718	
Fund Balances Ending			513,594	

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Notes to the Required Supplementary Information

June 30, 2025

BUDGETARY INFORMATION

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

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

- 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.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
- 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.
- Formal budgetary integration is employed as a management control device during the year for all governmental funds.
- All budget appropriations lapse at the end of the fiscal year.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN AN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Debt Service	\$ 774

Notes to the Required Supplementary Information

June 30, 2025

ANALYSIS OF VARIANCES BETWEEN ACTUAL AMOUNTS AND FINAL BUDGET

The following section summarizes significant variances between final budget amounts and actual results for key funds. More detailed budgetary comparison schedules, as well as information for other funds not presented here, can be found in the other supplementary information section of this report.

General Fund

Exclusive of on-behalf payments, the General Fund's revenues totaled \$15,850,592 compared to budgeted revenues of \$15,556,672, resulting in a difference of \$293,920 or 1.9 percent above budget. This variance is primarily attributable to higher than expected investment income.

Exclusive of on-behalf payments, the General Fund's expenditures totaled \$14,516,356 compared to budgeted expenditures of \$14,793,395, resulting in a difference of \$277,039 or less than one percent below budget. This variance is primarily attributable to being extremely thoughtful about every expenditure.

Operations and Maintenance Fund

The Operations and Maintenance Fund's revenues totaled \$1,737,209 compared to budgeted revenues of \$1,598,808, resulting in a difference of \$138,401 or 8.7 percent above budget. This variance is primarily attributable to higher than expected investment income and corporate personal property replacement taxes received.

The Operations and Maintenance Fund's expenditures totaled \$1,549,961 compared to budgeted expenditures of \$1,724,216, resulting in a difference of \$174,255 or less than one percent below budget. This variance is primarily attributable to being extremely thoughtful about every expenditure.

Transportation Fund

The Transportation Fund's revenues totaled \$768,809 compared to budgeted revenues of \$637,177, resulting in a difference of \$131,632 or 20.7 percent above budget. This variance is primarily attributable to adjustments made to levy not reflected in the budget.

The Transportation Fund's expenditures totaled \$874,215 compared to budgeted expenditures of \$931,915, resulting in a difference of \$57,700 or less than one percent below budget. This variance is primarily attributable to expenditures coming in less than expected.

Municipal Retirement/Social Security Fund

The Municipal Retirement/Social Security Fund's revenues totaled \$287,544 compared to budgeted revenues of \$269,530, resulting in a difference of \$18,014 or 6.7 percent above budget. This variance is primarily attributable to higher than expected property tax revenues and earnings on investment.

The Municipal Retirement/Social Security Fund's expenditures totaled \$344,668 compared to budgeted expenditures of \$362,790, resulting in a difference of \$18,122 or less than one percent below budget. This variance is primarily attributable to expenditures coming in less than expected.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - General Fund - by Account
- Budgetary Comparison Schedules - General Fund - by Account
- Budgetary Comparison Schedules - Major Governmental Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes the Educational, Tort Immunity and Judgment, and Working Cash Accounts.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than debt service or capital project funds) that are legally restricted to expenditure for specified purposes.

Operations and Maintenance Fund

The Operations and Maintenance Fund is used to account for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund

The Transportation Fund is used to account 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

The Municipal Retirement/Social Security Fund is used to account 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.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The primary revenue sources are local property taxes levied specifically for debt service and transfers from other funds.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Projects Fund

The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Fire Prevention and Safety Fund

The Fire Prevention and Safety Fund is used to account for State-approved life safety projects financed through serial bond issues or transfers from other funds.

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS
General Fund - By Account
Combining Balance Sheet
June 30, 2025

	Educational Account	Tort Immunity and Judgment	Working Cash Account	Totals
ASSETS				
Cash and Investments	\$ 12,872,763	214,896	891,048	13,978,707
Receivables - Net of Allowance				
Taxes	6,577,519	90,181	162,829	6,830,529
Due from Other Governments	91,025	—	—	91,025
Total Assets	19,541,307	305,077	1,053,877	20,900,261
LIABILITIES				
Accrued Payroll	34,600	—	—	34,600
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	6,207,943	85,320	154,250	6,447,513
Grants	73	—	—	73
Total Deferred Inflows of Resources	6,208,016	85,320	154,250	6,447,586
Total Liabilities and Deferred Inflows of Resources	6,242,616	85,320	154,250	6,482,186
FUND BALANCES				
Restricted	48,367	219,757	—	268,124
Unassigned	13,250,324	—	899,627	14,149,951
Total Fund Balances	13,298,691	219,757	899,627	14,418,075
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	19,541,307	305,077	1,053,877	20,900,261

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

General Fund - By Account

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2025

	Educational Account	Tort Immunity and Judgment	Working Cash Account	Totals
Revenues				
Local Sources				
Property Taxes	\$ 13,272,479	178,604	319,000	13,770,083
Earnings on Investments	601,242	4,802	28,090	634,134
Other	463,851	—	—	463,851
State Sources	577,855	—	—	577,855
Federal Sources	404,669	—	—	404,669
Total Direct Revenues	15,320,096	183,406	347,090	15,850,592
On-Behalf Payments - State of Illinois	4,619,708	—	—	4,619,708
Total Revenues	19,939,804	183,406	347,090	20,470,300
Expenditures				
Instruction	9,683,013	—	—	9,683,013
Support Services	3,818,743	127,991	—	3,946,734
Payments to Other Districts and Gov. Units	841,548	—	—	841,548
Capital Outlay	45,061	—	—	45,061
Total Direct Expenditures	14,388,365	127,991	—	14,516,356
On-Behalf Expenditures - State of Illinois	4,619,708	—	—	4,619,708
Total Expenditures	19,008,073	127,991	—	19,136,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	931,731	55,415	347,090	1,334,236
Other Financing (Uses)				
Transfers Out	—	—	(500,000)	(500,000)
Net Change in Fund Balance	931,731	55,415	(152,910)	834,236
Fund Balances - Beginning	12,366,960	164,342	1,052,537	13,583,839
Fund Balances - Ending	13,298,691	219,757	899,627	14,418,075

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes				
General Levy	\$ 13,027,533	13,027,533	13,083,068	55,535
Special Education Purposes Levy	197,480	197,480	189,411	(8,069)
Tuition	215,000	215,000	162,415	(52,585)
Earnings on Investments	310,000	310,000	601,242	291,242
Food Service	175,000	175,000	155,489	(19,511)
District/School Activity Income	—	—	97,498	97,498
Textbook Income	100,000	100,000	30,196	(69,804)
Other Revenue from Local Sources	10,000	10,000	18,253	8,253
	14,035,013	14,035,013	14,337,572	302,559
State Sources				
Unrestricted - Evidence Based Funding	534,771	534,771	534,771	—
Special Education	50,000	50,000	38,017	(11,983)
State Free Lunch and Breakfast	—	—	355	355
Other Restricted Revenue from State Sources	850	850	4,712	3,862
	585,621	585,621	577,855	(7,766)
Federal Sources				
Food Service	100,000	100,000	55,857	(44,143)
Title I	68,776	68,776	101,086	32,310
Title IV	10,000	10,000	—	(10,000)
Special Education	171,577	171,577	203,615	32,038
Title III	10,000	10,000	—	(10,000)
Title II	16,638	16,638	24,329	7,691
Medicaid Matching Funds - Administrative Outreach	15,000	15,000	10,737	(4,263)
Medicaid Matching Funds - Fee-for-Service Program	—	—	9,045	9,045
	391,991	391,991	404,669	12,678
Total Direct Revenues	15,012,625	15,012,625	15,320,096	307,471
On-Behalf Payments - State of Illinois	—	—	4,619,708	4,619,708
Total Revenues	15,012,625	15,012,625	19,939,804	4,927,179

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Expenditures				
Instruction				
Regular Programs				
Salaries	\$ 4,874,482	4,874,482	4,787,329	(87,153)
Employee Benefits	1,124,076	1,124,076	1,121,189	(2,887)
Purchased Services	40,200	40,200	46,230	6,030
Supplies and Materials	168,248	168,248	212,665	44,417
Other Objects	1,400	1,400	2,593	1,193
Non-Capitalized Equipment	7,500	7,500	5,692	(1,808)
	6,215,906	6,215,906	6,175,698	(40,208)
Pre-K Programs				
Salaries	175,000	175,000	179,083	4,083
Employee Benefits	40,150	40,150	36,780	(3,370)
Purchased Services	250	250	—	(250)
Supplies and Materials	6,800	6,800	2,201	(4,599)
	222,200	222,200	218,064	(4,136)
Special Education Programs				
Salaries	1,728,145	1,728,145	1,659,253	(68,892)
Employee Benefits	484,750	484,750	441,475	(43,275)
Purchased Services	36,000	36,000	54,410	18,410
Supplies and Materials	18,500	18,500	37,704	19,204
Other Objects	5,000	5,000	3,644	(1,356)
	2,272,395	2,272,395	2,196,486	(75,909)
Interscholastic Programs				
Salaries	554,000	554,000	530,638	(23,362)
Employee Benefits	64,300	64,300	55,860	(8,440)
Purchased Services	5,300	5,300	5,115	(185)
Supplies and Materials	21,250	21,250	17,738	(3,512)
Other Objects	500	500	—	(500)
	645,350	645,350	609,351	(35,999)
Summer School Programs				
Salaries	95,000	95,000	84,216	(10,784)
Employee Benefits	5,300	5,300	7,021	1,721
Supplies and Materials	5,600	5,600	5,799	199
	105,900	105,900	97,036	(8,864)

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Expenditures - Continued				
Instruction - Continued				
Gifted Programs				
Salaries	\$ 92,829	92,829	92,829	—
Employee Benefits	10,070	10,070	10,519	449
Supplies and Materials	800	800	498	(302)
	103,699	103,699	103,846	147
Bilingual Programs				
Purchased Services	6,000	6,000	3,038	(2,962)
Supplies and Materials	4,000	4,000	389	(3,611)
	10,000	10,000	3,427	(6,573)
Private Tuition				
Special Education Programs K-12	205,000	205,000	168,676	(36,324)
Student Activity Fund				
Other Objects	—	—	110,429	110,429
Total Instruction	9,780,450	9,780,450	9,683,013	(97,437)
Support Services				
Pupils				
Attendance and Social Work Services				
Salaries	120,088	120,088	123,102	3,014
Employee Benefits	23,440	23,440	30,035	6,595
Supplies and Materials	2,500	2,500	2,281	(219)
	146,028	146,028	155,418	9,390
Health Services				
Salaries	130,264	130,264	122,316	(7,948)
Employee Benefits	41,210	41,210	34,576	(6,634)
Purchased Services	100	100	77	(23)
Supplies and Materials	4,000	4,000	3,870	(130)
	175,574	175,574	160,839	(14,735)
Total Pupils	321,602	321,602	316,257	(5,345)

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Expenditures - Continued				
Support Services - Continued				
Instructional Staff				
Improvement of Instruction Services				
Salaries	\$ 341,767	341,767	342,295	528
Employee Benefits	92,846	92,846	78,460	(14,386)
Purchased Services	80,500	80,500	73,149	(7,351)
Supplies and Materials	90,000	90,000	69,004	(20,996)
Other Objects	1,500	1,500	488	(1,012)
	606,613	606,613	563,396	(43,217)
Educational Media Services				
Salaries	537,645	537,645	555,356	17,711
Employee Benefits	127,990	127,990	116,887	(11,103)
Purchased Services	84,000	84,000	62,284	(21,716)
Supplies and Materials	416,950	416,950	281,936	(135,014)
Other Objects	6,000	6,000	558	(5,442)
Non-Capitalized Equipment	8,000	8,000	—	(8,000)
	1,180,585	1,180,585	1,017,021	(163,564)
Total Instructional Staff	1,787,198	1,787,198	1,580,417	(206,781)
General Administration				
Board of Education Services				
Purchased Services	73,000	73,000	60,796	(12,204)
Supplies and Materials	23,000	23,000	24,659	1,659
Other Objects	2,000	2,000	6,084	4,084
	98,000	98,000	91,539	(6,461)
Executive Administration Services				
Salaries	246,595	246,595	261,799	15,204
Employee Benefits	77,600	77,600	81,153	3,553
Purchased Services	12,000	12,000	11,984	(16)
Supplies and Materials	10,000	10,000	15,533	5,533
Other Objects	—	—	8,269	8,269
	346,195	346,195	378,738	32,543
Total General Administration	444,195	444,195	470,277	26,082

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Expenditures - Continued				
Support Services - Continued				
School Administration				
Office of the Principal Services				
Salaries	\$ 487,000	487,000	495,263	8,263
Employee Benefits	171,220	171,220	186,343	15,123
Purchased Services	8,075	8,075	6,207	(1,868)
Supplies and Materials	35,500	35,500	29,083	(6,417)
Other Objects	2,425	2,425	1,682	(743)
	704,220	704,220	718,578	14,358
Total School Administration	704,220	704,220	718,578	14,358
Business				
Fiscal Services				
Salaries	292,000	292,000	266,519	(25,481)
Employee Benefits	52,500	52,500	55,115	2,615
Purchased Services	123,600	123,600	181,240	57,640
Supplies and Materials	5,500	5,500	14,888	9,388
Other Objects	1,500	1,500	1,755	255
	475,100	475,100	519,517	44,417
Food Services				
Salaries	36,000	36,000	36,445	445
Employee Benefits	—	—	78	78
Supplies and Materials	200,000	200,000	171,924	(28,076)
	236,000	236,000	208,447	(27,553)
Operations and Maintenance of Plant Services				
Purchased Services	4,000	4,000	5,250	1,250
Total Business	715,100	715,100	733,214	18,114
Total Support Services	3,972,315	3,972,315	3,818,743	(153,572)
Payments to Other Districts and Governmental Units				
Special Education Programs	853,000	853,000	841,548	(11,452)

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Expenditures - Continued				
Capital Outlay	\$ 59,639	59,639	45,061	(14,578)
Total Direct Expenditures	14,665,404	14,665,404	14,388,365	(277,039)
On-Behalf Payments - State of Illinois	—	—	4,619,708	4,619,708
Total Expenditures	14,665,404	14,665,404	19,008,073	4,342,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	347,221	347,221	931,731	584,510
Other Financing Sources				
Other Sources and Uses Not Classified Elsewhere	65,000	65,000	—	(65,000)
Net Change in Fund Balance	412,221	412,221	931,731	519,510
Fund Balance - Beginning			12,366,960	
Fund Balances - Ending			13,298,691	

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Tort Immunity Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes				
General Levy	\$ 180,911	180,911	178,604	(2,307)
Earnings on Investments	2,000	2,000	4,802	2,802
Total Revenues	182,911	182,911	183,406	495
Expenditures				
Support Services				
Risk Management and Claims Services Payments				
Purchased Services	127,991	127,991	127,991	—
Net Change in Fund Balance	54,920	54,920	55,415	495
Fund Balance - Beginning			164,342	
Fund Balances - Ending			219,757	

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS**Working Cash Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes				
General Levy	\$ 336,136	336,136	319,000	(17,136)
Earnings on Investments	25,000	25,000	28,090	3,090
Total Revenues	361,136	361,136	347,090	(14,046)
Expenditures	—	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	361,136	361,136	347,090	(14,046)
Other Financing (Uses)				
Transfers Out	(500,000)	(500,000)	(500,000)	—
Net Change in Fund Balance	<u>(138,864)</u>	<u>(138,864)</u>	(152,910)	<u>(14,046)</u>
Fund Balance - Beginning			<u>1,052,537</u>	
Fund Balances - Ending			<u>899,627</u>	

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS**Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes				
General Levy	\$ 403,751	403,751	387,947	(15,804)
Earnings on Investments	3,000	3,000	7,391	4,391
Total Revenues	406,751	406,751	395,338	(11,413)
Expenditures				
Debt Service				
Principal Retirement	344,193	344,193	310,000	(34,193)
Interest and Fiscal Charges	29,822	29,822	64,789	34,967
Total Expenditures	374,015	374,015	374,789	774
Net Change in Fund Balance	32,736	32,736	20,549	(12,187)
Fund Balance - Beginning			170,309	
Fund Balances - Ending			190,858	

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Capital Projects - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes				
Earnings on Investments	\$ 10,000	10,000	8,354	(1,646)
Expenditures				
Capital Outlay	2,478,097	2,478,097	2,422,655	(55,442)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,468,097)	(2,468,097)	(2,414,301)	53,796
Other Financing Sources				
Transfers In	1,100,000	1,100,000	1,100,000	—
Net Change in Fund Balance	<u>(1,368,097)</u>	<u>(1,368,097)</u>	(1,314,301)	<u>53,796</u>
Fund Balance - Beginning			<u>1,314,301</u>	
Fund Balances - Ending			<u>—</u>	

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Fire Prevention and Safety - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Local Sources				
Property Taxes				
General Levy	\$ 1,034	1,034	1,022	(12)
Personal Property Replacement Taxes	75,000	75,000	—	(75,000)
Earnings on Investments	10,000	10,000	12,889	2,889
Total Revenues	86,034	86,034	13,911	(72,123)
Expenditures				
Support Services				
Business				
Facilities Acquisition and Construction Services				
Purchased Services	115,000	115,000	8,969	(106,031)
Net Change in Fund Balance	(28,966)	(28,966)	4,942	33,908
Fund Balance - Beginning			384,595	
Fund Balances - Ending			389,537	

SUPPLEMENTAL SCHEDULE

PLEASANTDALE SCHOOL DISTRICT NO. 107, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax School Bonds of 2022

June 30, 2025

Date of Issue	September 13, 2022
Date of Maturity	December 1, 2030
Authorized Issue	\$2,700,000
Interest Rate	2.82%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	JP Morgan

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2026	\$ 325,000	55,060	380,060
2027	340,000	45,684	385,684
2028	360,000	35,814	395,814
2029	380,000	25,380	405,380
2030	395,000	14,452	409,452
2031	315,000	4,441	319,441
	<u>2,115,000</u>	<u>180,831</u>	<u>2,295,831</u>

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



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

January 8, 2026

Members of the Board of Education
Pleasantdale School District No. 107
Burr Ridge, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pleasantdale School District No. 107 (the District), Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pleasantdale School District No. 107, Illinois
January 8, 2026

Purpose of this Report

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP