

**PROSPECT HEIGHTS SCHOOL
DISTRICT 23**

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2021

AND

INDEPENDENT AUDITORS' REPORT

PROSPECT HEIGHTS SCHOOL DISTRICT 23

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PROSPECT HEIGHTS SCHOOL DISTRICT 23

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Independent Auditors' Report

To the Board of Education of
Prospect Heights School District 23

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Prospect Heights School District 23, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Prospect Heights School District 23's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Prospect Heights School District 23's preparation and fair presentation of the financial statements 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 Prospect Heights School District 23's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Prospect Heights School District 23 as of June 30, 2021 and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Emphasis of Matter

As discussed in Note 3, Prospect Heights School District 23 adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. Our opinions are not modified with respect to this matter.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Prospect Heights School District 23's basic financial statements. The other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2021 on our consideration of Prospect Heights School District 23's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Prospect Heights School District 23'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 Prospect Heights School District 23's internal control over financial reporting and compliance.



Oak Brook, Illinois
October 21, 2021

Prospect Heights School District 23

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2021

The discussion and analysis of Prospect Heights School District 23's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2021. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- In total, net position increased by \$1.0. This represents a 6% increase from 2020.
- General revenues accounted for \$22.0 in revenue or 60% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$14.5 or 40% of total revenues of \$36.5.
- The District had \$35.5 in expenses related to government activities. However, only \$14.5 of these expenses were offset by program specific charges and grants.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

Prospect Heights School District 23

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2021

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

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

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

Fund financial statements

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

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

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

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

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

Prospect Heights School District 23
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2021

Notes to basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the District's net pension and OPEB liabilities.

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2021, than it was the year before, increasing 6% to \$19.2.

Table 1		
Condensed Statements of Net Position		
(in millions of dollars)		
	<u>2020*</u>	<u>2021</u>
Assets:		
Current and other assets	\$ 9.6	\$ 12.8
Capital assets	<u>17.5</u>	<u>17.7</u>
Total assets	<u>27.1</u>	<u>30.5</u>
Liabilities:		
Current liabilities	0.1	0.1
Long-term debt outstanding	<u>8.9</u>	<u>11.2</u>
Total liabilities	<u>9.0</u>	<u>11.3</u>
Net position:		
Net investment in capital assets	10.3	10.3
Restricted	5.1	5.6
Unrestricted	<u>2.7</u>	<u>3.3</u>
Total net position	<u>\$ 18.1</u>	<u>\$ 19.2</u>

* Prior year information has not been updated for the District's implementation of GASB Statement No. 84 in fiscal year 2021.

Revenues in the governmental activities of the District of \$36.5 exceeded expenses by \$1.0.

Prospect Heights School District 23
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2021

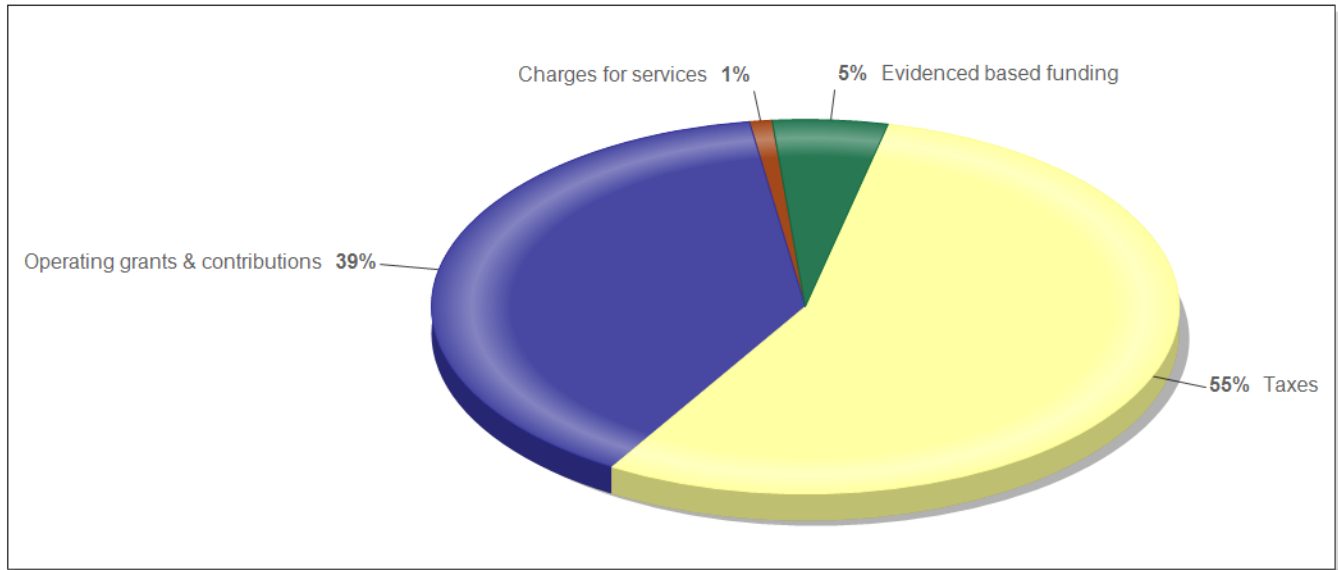
Table 2		
Changes in Net Position		
(in millions of dollars)		
	<u>2020*</u>	<u>2021</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 0.9	\$ 0.4
Operating grants & contributions	12.0	14.1
<i>General revenues:</i>		
Taxes	19.0	20.1
Evidenced based funding	1.8	1.8
Other	0.3	0.1
Total revenues	<u>34.0</u>	<u>36.5</u>
Expenses:		
Instruction	21.7	23.2
Pupil & instructional staff services	4.3	4.1
Administration & business	2.9	3.8
Transportation	1.3	0.9
Operations & maintenance	3.0	1.8
Interest & fees	0.4	0.4
Other	0.7	1.3
Total expenses	<u>34.3</u>	<u>35.5</u>
Increase (decrease) in net position	0.3)	1.0
Net position, beginning of year (as restated)	<u>18.4</u>	<u>18.2</u>
Net position, end of year	<u>\$ 18.1</u>	<u>\$ 19.2</u>

* Prior year information has not been updated for the District's implementation of GASB Statement No. 84 in fiscal year 2021.

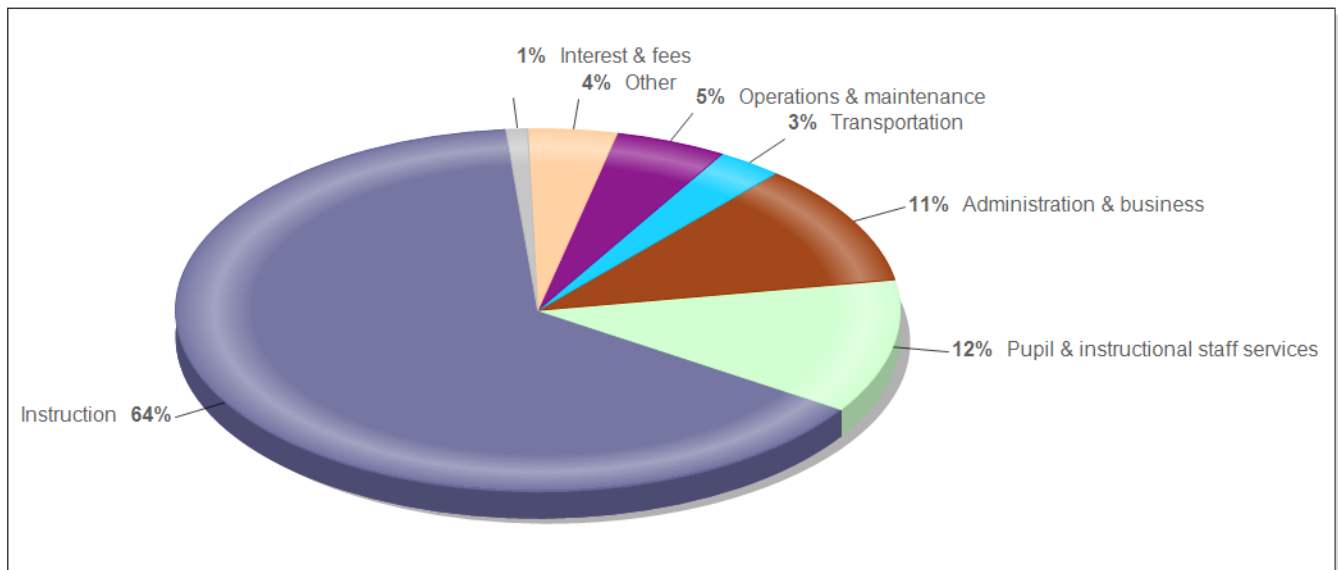
Property taxes accounted for the largest portion of the District's revenues, contributing 55%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$35.5, mainly related to instructing and caring for the students and student transportation at 79%.

Prospect Heights School District 23
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2021

District-Wide Revenues by Source



District-Wide Expenses by Function



Prospect Heights School District 23

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2021

Financial Analysis of the District's Funds

In terms of expenditures, the District continues to use budgetary controls put in place over the last few years by the Board of Education and Administration. The District uses staffing allocation formulas and enrollment projections as a means to control budget expenses. Per Board Policy, the District will expand budgetary controls over expenditures so as to maintain a positive fund balance. Overall the District's Governmental Funds balance increased from \$9.5 to \$12.6, largely due to the \$3.0 Working Cash bond issuance for capital projects. The sale of the bonds closed on June 9, 2021 and funds are to be spent within three years. These proceeds were transferred to the Capital Projects Fund and have been allocated for upcoming work.

General Fund Budgetary Highlights

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. Such information is useful in assessing the District's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's new resources available for spending at the end of the fiscal year.

Of note during FY2021 are the increased revenues due to the Summer Food Service Program which repaid the District for all meals served, at an increased rate of reimbursement. Additionally, due to the remote nature of much of the school year, contracted service expenditures were under budget in both the General Fund (Educational Accounts) and Transportation Fund.

Capital Assets and Debt Administration

Capital assets

By the end of 2021, the District had compiled a total investment of \$26.7 (\$17.7 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$0.9. More detailed information about capital assets can be found in Note 6 of the basic financial statements.

Table 3		
Capital Assets (net of depreciation)		
(in millions of dollars)		
	<u>2020</u>	<u>2021</u>
Land	\$ 0.4	\$ 0.4
Construction in progress	-	0.1
Buildings	15.9	15.7
Equipment	0.8	0.8
Land improvements	0.4	0.7
Total	<u>\$ 17.5</u>	<u>\$ 17.7</u>

Prospect Heights School District 23
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2021

Long-term debt

The District retired \$0.9 in bonds and issued \$3.2 in bonds in 2021. Capital leases and other were reduced by \$(0.9). At the end of fiscal 2021, the District had a debt margin of \$30.7. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

Table 4		
Outstanding Long-Term Debt		
(in millions of dollars)		
	<u>2020</u>	<u>2021</u>
General obligation bonds	\$ 8.7	\$ 10.5
Capital leases and other	0.2	0.1
Unamortized premium	-	0.6
Total	<u>\$ 8.9</u>	<u>\$ 11.2</u>

Factors Bearing on the District's Future

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

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

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

Going into the new school year, District 23 was again forced to make significant changes in its operations due to the COVID-19 pandemic. Schools continued educating students both remotely and in-person. The District worked to meet the needs of its students with some Federal Assistance. The District was approved for funding under the ESSER II and ESSER III Programs. ESSER II funds total \$467,000 and ESSER III funds total \$1,093,000. The District has chosen to focus on five areas of need: Technology, Space Modification, Curriculum & Programming, Mitigation Supplies & Equipment, and Personnel.

Prospect Heights School District 23

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2021

As students and families were still facing a “new normal” of remote learning and tightening budgets at home, public schools in Illinois were again asked by the Illinois State Board of Education to assist with the provision of meals for all children under the age of 18 for the school year. Waivers for District participation were extended, making full reimbursement of distributed meals, a reality. Through volunteer assistance and the ongoing partnership with its food service providers, District 23 was able to continue this valuable service and even realize a profit through the operation of this program.

Moving forward into FY2021, the District had been successful in negotiating a two-year extension with First Student allowing for minimal increases of 4.5% in 2020-21 and 3% in 2021-22 over the daily route cost with First Student. Through the implementation of community stops, and the continued review and consolidation of routes, we had hoped to see expenditures level out in FY2021. However, building closures and remote learning still allowed the District to realize an overall savings in its contracted services for transportation, even with the increase in actual route cost. The District is currently in negotiations with First Student for a one year extension of their existing agreement.

While most of the anticipated property tax revenue came in prior to the close of the fiscal year, property tax revenue receipts were indeed delayed. Some minimal funding was received after June 30, 2021. Rental revenue from district partners was less than anticipated due to COVID closures. For FY2021, Evidence Based Funding and State categorical funding remained flat. As such, the District’s finances will continue to work towards a balanced budget for FY2022 with a slight surplus in the major operating funds. However, in order to remain on a sustainable financial path with a consistent, quality educational program, the responsible budgeting and spending must continue along with the settlement of a sustainable collective bargaining agreement.

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

Lastly, Prospect Heights School District 23 is still involved in construction litigation against its former architect firm, Studio GC, and is seeking to recover the cost of retrofitting its HVAC systems to address humidity issues in District 23 buildings. Administration will continue to keep the Board updated as the litigation progresses throughout the year.

Requests for Information

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

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 AS OF JUNE 30, 2021

	<u>GOVERNMENTAL ACTIVITIES</u>
Assets	
Cash and investments	\$ 12,738,111
Student activity cash	21,126
Capital assets:	
Land	405,938
Construction in progress	137,606
Capital assets being depreciated, net of accumulated depreciation	<u>17,176,904</u>
Total assets	<u>30,479,685</u>
Liabilities	
Accounts payable	(50)
Payroll deductions payable	110,034
Long-term liabilities:	
Other long-term liabilities - due within one year	959,770
Other long-term liabilities - due after one year	<u>10,210,116</u>
Total liabilities	<u>11,279,870</u>
Net position	
Net investment in capital assets	10,322,820
Restricted for:	
Tort immunity	221,402
Operations and maintenance	1,269,990
Student transportation	2,163,246
Retirement benefits	238,795
Debt service	719,894
Capital projects	750,518
Food service	191,960
Unrestricted	<u>3,321,190</u>
Total net position	<u>\$ 19,199,815</u>

See Notes to Basic Financial Statements

PROSPECT HEIGHTS SCHOOL DISTRICT 23

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
Governmental activities				
Instruction:				
Regular programs	\$ 7,143,033	\$ 347,317	\$ 254,917	\$ (6,540,799)
Special programs	4,061,856	-	725,093	(3,336,763)
Other instructional programs	1,075,355	11,140	34,048	(1,030,167)
Student activities	33,462	17,574	-	(15,888)
State retirement contributions	10,920,439	-	10,920,439	-
Support Services:				
Pupils	2,262,842	-	25,195	(2,237,647)
Instructional staff	1,826,495	-	31,139	(1,795,356)
General administration	626,038	-	-	(626,038)
School administration	1,209,874	-	-	(1,209,874)
Business	1,920,216	(2,315)	1,638,594	(283,937)
Transportation	856,050	-	506,528	(349,522)
Operations and maintenance	1,790,945	18,606	-	(1,772,339)
Central	337,652	-	-	(337,652)
Other supporting services	7,153	-	-	(7,153)
Community services	90,718	-	-	(90,718)
Interest and fees	393,577	-	-	(393,577)
Unallocated depreciation	922,922	-	-	(922,922)
Total governmental activities	\$ 35,478,627	\$ 392,322	\$ 14,135,953	(20,950,352)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	14,569,332
Real estate taxes, levied for specific purposes	4,132,172
Real estate taxes, levied for debt service	1,252,954
Personal property replacement taxes	104,620
State aid-formula grants	1,805,832
Investment income	105,477
Miscellaneous	8,646
Total general revenues	21,979,033
Change in net position	1,028,681
Net position, beginning of year (as restated)	18,171,134
Net position, end of year	\$ 19,199,815

See Notes to Basic Financial Statements

PROSPECT HEIGHTS SCHOOL DISTRICT 23

GOVERNMENTAL FUNDS

BALANCE SHEET - MODIFIED CASH BASIS

AS OF JUNE 30, 2021

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 4,521,367	\$ 1,298,191	\$ 2,180,292	\$ 241,147
Student activity cash	<u>21,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 4,542,493</u>	<u>\$ 1,298,191</u>	<u>\$ 2,180,292</u>	<u>\$ 241,147</u>
Liabilities				
Accounts payable	\$ (50)	\$ -	\$ -	\$ -
Payroll deductions payable	<u>110,098</u>	<u>(100)</u>	<u>36</u>	<u>-</u>
Total liabilities	<u>110,048</u>	<u>(100)</u>	<u>36</u>	<u>-</u>
Fund balance				
Restricted	413,362	1,269,990	2,163,246	238,795
Assigned	21,126	28,301	17,010	2,352
Unassigned	<u>3,997,957</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>4,432,445</u>	<u>1,298,291</u>	<u>2,180,256</u>	<u>241,147</u>
Total liabilities and fund balance	<u>\$ 4,542,493</u>	<u>\$ 1,298,191</u>	<u>\$ 2,180,292</u>	<u>\$ 241,147</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
\$ 724,856	\$ 3,772,258	\$ 12,738,111
<u>-</u>	<u>-</u>	<u>21,126</u>
<u>\$ 724,856</u>	<u>\$ 3,772,258</u>	<u>\$ 12,759,237</u>
\$ -	\$ -	\$ (50)
<u>-</u>	<u>-</u>	<u>110,034</u>
<u>-</u>	<u>-</u>	<u>109,984</u>
719,894	750,518	5,555,805
4,962	3,021,740	3,095,491
<u>-</u>	<u>-</u>	<u>3,997,957</u>
<u>724,856</u>	<u>3,772,258</u>	<u>12,649,253</u>
<u>\$ 724,856</u>	<u>\$ 3,772,258</u>	<u>\$ 12,759,237</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET - MODIFIED CASH BASIS TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
AS OF JUNE 30, 2021

Total fund balances - governmental funds - modified cash basis		\$ 12,649,253
Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position - Modified Cash Basis do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet - Modified Cash Basis.		
		17,720,448
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position - Modified Cash Basis.		
Balances at June 30, 2021 are:		
Bonds payable	\$ (10,500,000)	
Unamortized bond premium	(553,815)	
Capital leases	<u>(116,071)</u>	
		<u>(11,169,886)</u>
Net position of governmental activities - modified cash basis		<u>\$ 19,199,815</u>

See Notes to Basic Financial Statements

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 14,968,158	\$ 1,768,341	\$ 1,152,959	\$ 812,046
Corporate personal property replacement taxes	98,097	-	-	6,523
State aid	7,016,527	50,000	506,528	-
Federal aid	2,568,505	44,520	-	-
Investment income	56,518	9,695	17,010	2,352
Student activities	17,574	-	-	-
Other	364,788	18,606	-	-
Total revenues	<u>25,090,167</u>	<u>1,891,162</u>	<u>1,676,497</u>	<u>820,921</u>
Expenditures				
Current:				
Instruction:				
Regular programs	7,067,402	-	-	79,213
Special programs	3,254,111	-	-	177,954
Other instructional programs	1,051,295	-	-	24,060
Student activities	33,462	-	-	-
State retirement contributions	5,164,734	-	-	-
Support Services:				
Pupils	2,141,613	-	-	121,229
Instructional staff	1,775,687	-	-	50,808
General administration	614,592	-	-	11,446
School administration	1,150,445	-	-	59,429
Business	1,894,443	-	-	25,773
Transportation	-	-	855,543	507
Operations and maintenance	33,721	1,601,676	-	155,548
Central	320,512	-	-	17,140
Other supporting services	5,394	-	1,650	109
Community services	80,543	-	-	10,175
Payments to other districts and gov't units	543,723	-	86,068	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	163,995	57,418	-	-
Total expenditures	<u>25,295,672</u>	<u>1,659,094</u>	<u>943,261</u>	<u>733,391</u>
Excess (deficiency) of revenues over expenditures	<u>(205,505)</u>	<u>232,068</u>	<u>733,236</u>	<u>87,530</u>
Other financing sources (uses)				
Transfers in	-	3,006,800	-	-
Transfers (out)	(3,056,655)	(3,006,800)	-	-
Principal on bonds sold	2,452,985	-	-	-
Premium on bonds sold	553,815	-	-	-
Total other financing sources (uses)	<u>(49,855)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(255,360)	232,068	733,236	87,530
Fund balance, beginning of year (as restated)	<u>4,687,805</u>	<u>1,066,223</u>	<u>1,447,020</u>	<u>153,617</u>
Fund balance, end of year	<u>\$ 4,432,445</u>	<u>\$ 1,298,291</u>	<u>\$ 2,180,256</u>	<u>\$ 241,147</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
\$ 1,252,954	\$ -	\$ 19,954,458
-	-	104,620
-	-	7,573,055
-	-	2,613,025
4,962	14,940	105,477
-	-	17,574
-	-	383,394
<u>1,257,916</u>	<u>14,940</u>	<u>30,751,603</u>
-	-	7,146,615
-	-	3,432,065
-	-	1,075,355
-	-	33,462
-	-	5,164,734
-	-	2,262,842
-	-	1,826,495
-	-	626,038
-	-	1,209,874
-	-	1,920,216
-	-	856,050
-	-	1,790,945
-	-	337,652
-	-	7,153
-	-	90,718
-	-	629,791
907,678	-	907,678
393,577	-	393,577
-	931,535	1,152,948
<u>1,301,255</u>	<u>931,535</u>	<u>30,864,208</u>
<u>(43,339)</u>	<u>(916,595)</u>	<u>(112,605)</u>
49,855	3,006,800	6,063,455
-	-	(6,063,455)
207,015	-	2,660,000
-	-	553,815
<u>256,870</u>	<u>3,006,800</u>	<u>3,213,815</u>
213,531	2,090,205	3,101,210
<u>511,325</u>	<u>1,682,053</u>	<u>9,548,043</u>
<u>\$ 724,856</u>	<u>\$ 3,772,258</u>	<u>\$ 12,649,253</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds - modified cash basis	\$ 3,101,210
Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities - Modified Cash Basis, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year net capital outlay exceeds depreciation expense in the current period.	230,026
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which proceeds from current year long-term financing arrangements exceeded current year principal repayments.	(1,748,740)
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities - Modified Cash Basis. This is the amount of the current year, net effect of these differences.	<u>(553,815)</u>
Change in net position of governmental activities - modified cash basis	<u><u>\$ 1,028,681</u></u>

See Notes to Basic Financial Statements

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Basis of Presentation

Government-wide Financial Statements

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

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

Governmental Funds Financial Statements

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

Separate financial statements are provided for all governmental funds.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Measurement Focus and Basis of Accounting

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

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

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

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

Major Governmental Funds

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

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

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

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

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

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

Capital Projects Fund - accounts for construction projects and renovations financed through bond issues.

Assets, Liabilities and Net Position or Equity

Deposits and Investments

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

Receivables and Payables

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

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2020 levy resolution was approved during the December 9, 2020 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

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

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2020 and 2019 tax levies were 2.3% and 1.9%, respectively.

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Personal Property Replacement Taxes

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

Capital Assets

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

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

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

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

Long-Term Obligations

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

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

Equity Classifications

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

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

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

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

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

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

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

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

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

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

The assigned fund balance in the General Fund of \$21,126 is for student activity purposes. The remaining assigned fund balances are for purpose of the respective funds as described above in the Major Governmental Funds section.

The restricted fund balance in the General Fund is comprised of \$221,402 for tort immunity and \$191,960 for the operation of the District's food service program. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Eliminations and Reclassifications

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

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

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

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

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

Budget Reconciliations

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

	Revenues	Expenditures
General Fund Budgetary Basis	\$ 19,925,433	\$ 20,130,938
To adjust for on-behalf payments received	-	5,164,734
To adjust for on-behalf payments made	<u>5,164,734</u>	<u>-</u>
General Fund GAAP Basis	<u>\$ 25,090,167</u>	<u>\$ 25,295,672</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Excess of Expenditures over Budget

For the year ended June 30, 2021, expenditures exceeded budget in the General Fund, Debt Service Fund, Municipal Retirement/Social Security Fund and Capital Projects Fund by by \$160,335, \$54,546, \$7,756 and \$61,650, respectively. These excesses was funded by available financial resources.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In January 2017, the Governmental Accounting Standards Board issued statement No. 84 - *Fiduciary Activities*. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This standard was implemented July 1, 2020.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash & Investments under the custody of the Township Treasurer

Under the Illinois Compiled Statutes, the District 214 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.

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 District 214 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 to maturity of all marketable pooled investments held by the Treasurer was 2.32 years. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2021, the fair value of all investments held by the Treasurer's office was \$405,786,710 and the fair value of the District's proportionate share of the pool was \$12,727,542.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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.

Cash & Investments in the custody of the District

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

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits with financial institutions	\$ 31,695	\$ 52,196
Total	<u>\$ 10,569</u>	<u>\$ 52,196</u>

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2021, the bank balance of the District's deposit with financial institutions totaled \$52,196; of this amount, all of which are collateralized and insured.

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

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

NOTE 5 - INTERFUND TRANSFERS

During the year, the District transferred \$49,855 from the General Fund (Education Accounts) to the Debt Service Fund for capital leases payments.

Also during the year, the Board of Education authorized the abatement of a portion of the General Fund (Working Cash Accounts), thereby transferring fund balance of \$3,006,800 to the Operations and Maintenance Fund. Subsequently, \$3,006,800 was transferred from the Operations and Maintenance Fund to the Capital Projects Fund.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2021 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Capital assets not being depreciated:</i>				
Land	\$ 405,938	\$ -	\$ -	\$ 405,938
Construction in progress	<u>-</u>	<u>137,606</u>	<u>-</u>	<u>137,606</u>
Total capital assets not being depreciated	<u>405,938</u>	<u>137,606</u>	<u>-</u>	<u>543,544</u>
<i>Capital assets being depreciated:</i>				
Land improvements	788,721	333,272	-	1,121,993
Buildings	21,628,628	503,521	-	22,132,149
Equipment	2,648,301	178,549	-	2,826,850
Transportation equipment	<u>88,962</u>	<u>-</u>	<u>-</u>	<u>88,962</u>
Total capital assets being depreciated	<u>25,154,612</u>	<u>1,015,342</u>	<u>-</u>	<u>26,169,954</u>
<i>Less Accumulated Depreciation for:</i>				
Land improvements	427,843	40,878	-	468,721
Buildings	5,732,069	668,643	-	6,400,712
Equipment	1,835,406	207,281	-	2,042,687
Transportation equipment	<u>74,810</u>	<u>6,120</u>	<u>-</u>	<u>80,930</u>
Total accumulated depreciation	<u>8,070,128</u>	<u>922,922</u>	<u>-</u>	<u>8,993,050</u>
Net capital assets being depreciated	<u>17,084,484</u>	<u>92,420</u>	<u>-</u>	<u>17,176,904</u>
Net governmental activities capital assets	<u>\$ 17,490,422</u>	<u>\$ 230,026</u>	<u>\$ -</u>	<u>\$ 17,720,448</u>

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

<i>Governmental Activities</i>	<i>Depreciation</i>
Unallocated	\$ <u>922,922</u>
Total depreciation expense - governmental activities	\$ <u>922,922</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2021:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	\$ 8,705,000	\$ 2,660,000	\$ 865,000	\$ 10,500,000	\$ 915,000
Unamortized premium	-	553,815	-	553,815	-
Total bonds payable	<u>8,705,000</u>	<u>3,213,815</u>	<u>865,000</u>	<u>11,053,815</u>	<u>915,000</u>
Capital leases	<u>162,331</u>	-	<u>46,260</u>	<u>116,071</u>	<u>44,770</u>
Total long-term liabilities - governmental activities	<u>\$ 8,867,331</u>	<u>\$ 3,213,815</u>	<u>\$ 911,260</u>	<u>\$ 11,169,886</u>	<u>\$ 959,770</u>

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

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series Series 2013 General Obligation Limited Tax Bonds dated February 7, 2013 are due in annual installments through December 15, 2023	4.00%	\$ 7,950,000	\$ 2,300,000
Series Series 2014 General Obligation Limited Tax Bonds dated January 28, 2014 are due in annual installments through December 15, 2024	4.00% - 4.25%	2,140,000	1,450,000
Series Series 2019A General Obligation Limited Tax Bonds dated December 15, 2030 are due in annual installments through December 15, 2026	4.00%	2,775,000	2,775,000
Series Series 2019B Taxable General Obligation Limited Tax Bonds dated are due in annual installments through	3.46% - 3.56%	1,315,000	1,315,000
Series Series 2021 General Obligation Limited Tax School Bonds dated June 9, 2021 are due in annual installments through December 15, 2031	4.00%	<u>2,660,000</u>	<u>2,660,000</u>
Total		<u>\$ 16,840,000</u>	<u>\$ 10,500,000</u>

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

	Principal	Interest	Total
2022	\$ 915,000	\$ 399,282	\$ 1,314,282
2023	970,000	359,809	1,329,809
2024	930,000	321,809	1,251,809
2025	960,000	282,809	1,242,809
2026	975,000	245,083	1,220,083
2027 - 2031	5,440,000	623,878	6,063,878
2032	<u>310,000</u>	<u>6,200</u>	<u>316,200</u>
Total	<u>\$ 10,500,000</u>	<u>\$ 2,238,870</u>	<u>\$ 12,738,870</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2021, the statutory debt limit for the District was \$41,822,674, providing a debt margin of \$30,652,788.

Capital Leases. The District has entered into a lease agreement as lessee for financing the acquisition of copier equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, are as follows:

	<i>Amount</i>
2022	\$ 49,856
2023	49,856
2024	<u>24,926</u>
Total minimum lease payments	124,638
Less: amount representing interest	<u>(8,567)</u>
Present value of minimum lease payments	<u>\$ 116,071</u>

NOTE 8 - RISK MANAGEMENT

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

NOTE 9 - JOINT AGREEMENTS

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

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

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2021. State of Illinois contributions of \$136,219 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$425,670 in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

Contributions. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.93% during the year ended June 30, 2021. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2021, the District paid \$101,066 to the THIS Fund, respectively, which was 100 percent of the required contribution for the year.

THIS Fiduciary Net Position. Detailed information about the THIS Fund's fiduciary net position as of June 30, 2020 is available in the separately issued THIS Annual Financial Report.

Net OPEB Liability. At June 30, 2021, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	\$ 11,501,561
State's proportionate share of the collective net OPEB liability associated with the District	<u>15,581,483</u>
Total	<u>\$ 27,083,044</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020 and 2019, the District's proportion was 0.043019% and 0.043286%, respectively.

Actuarial Assumptions. The net OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4% to 9.5%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates - Initial	8.25%
Healthcare Cost Trend Rates - Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2037

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Discount Rate. At June 30, 2020, the discount rate used to measure the total OPEB liability was a blended rate of 2.45%, which was a change from the June 30, 2019 rate of 3.13%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45%) or 1-percentage-point higher (3.45%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	<u>\$ 13,823,248</u>	<u>\$ 11,501,561</u>	<u>\$ 9,662,201</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.25% decreasing to an ultimate rate of 3.25%) for non-Medicare coverage and initial rate of 8.25% decreasing to an ultimate rate of 4.25% for Medicare coverage) or 1-percentage-point higher (initial rate of 9.25% decreasing to an ultimate rate of 5.25%) for non-Medicare coverage and initial rate of 9.25% decreasing to an ultimate rate of 5.25% for Medicare coverage) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	<u>\$ 9,250,759</u>	<u>\$ 11,501,561</u>	<u>\$ 14,544,223</u>

OPEB Expense. District OPEB expense, as part of the June 30, 2020 valuation, was \$347,330. For the year ended June 30, 2021, the District recognized on-behalf revenue and expenditures of \$425,670 for support provided by the state.

NOTE 11 - RETIREMENT SYSTEMS

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

Teachers' Retirement System

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

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

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

Essentially all *Tier 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. The earliest possible implementation date is July 1, 2019.

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, 2019 was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2021, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$10,494,769 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$5,028,515 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$63,714.

Federal and Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2021, the District pension contribution was 10.41 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2021, were \$5,820, which was equal to the District's required contribution.

TRS Fiduciary Net Position. Detailed information about the TRS's fiduciary net position as of June 30, 2020 is available in the separately issued TRS Comprehensive Annual Financial Report.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Net Pension Liability. At June 30, 2021, the District has a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount allocated to the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 1,258,111
State's proportionate share of the collective net pension liability associated with the District	<u>98,541,827</u>
Total	<u>\$ 99,799,938</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2020 and 2019, the District's proportion was 0.00145927 percent and 0.00158185 percent, respectively.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2020 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.50%.

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.00 %	6.70 %
U.S. equities small/mid cap	2.00 %	7.90 %
International equities developed	13.60 %	7.00 %
Emerging market equities	3.40 %	9.40 %
U.S. bonds core	8.00 %	2.20 %
International debt developed	2.20 %	1.30 %
Emerging international debt	2.60 %	4.50 %
Real estate	16.00 %	5.40 %
Commodities (real return)	4.00 %	1.80 %
Hedge funds (absolute return)	14.00 %	3.90 %
Private equity	15.00 %	10.20 %

Discount Rate. At June 30, 2020, the discount rate used to measure the total pension liability was a blended rate of 7.00 percent, which was the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2020 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	<u>\$ 1,527,118</u>	<u>\$ 1,258,111</u>	<u>\$ 1,036,641</u>

Pension Expense. District pension expense, as part of the June 30, 2020 valuation, was \$95,733. For the year ended June 30, 2021, the District recognized TRS-related on-behalf revenue and expense of \$10,494,769 for support provided by the state.

Illinois Municipal Retirement Fund

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

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

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Plan Membership. At December 31, 2020, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	85
Inactive, non-retired members	92
Active members	77
	<hr/>
Total	<u>254</u>

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2020 was 11.16 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

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

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

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00 %	6.35 %	5.00 %
International equities	18.00 %	7.65 %	6.00 %
Fixed income	28.00 %	1.40 %	1.30 %
Real estate	9.00 %	7.10 %	6.20 %
Alternatives	7.00 %		
Private equity		10.35 %	6.95 %
Hedge funds		N/A	N/A
Commodities		3.90 %	2.85 %
Cash equivalents	1.00 %	0.70 %	0.70 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.25%, the same rate as the prior valuation. The discount rate calculated using the December 31, 2019 measurement date was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 17,617,616	\$ 15,961,525	\$ 14,597,513
Plan fiduciary net position	<u>15,914,313</u>	<u>15,914,313</u>	<u>15,914,313</u>
Net pension liability/(asset)	<u>\$ 1,703,303</u>	<u>\$ 47,212</u>	<u>\$ (1,316,800)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2020 was as follows:

	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net Pension Liability/ (Asset) (a) - (b)</i>
Balances at December 31, 2019	\$ 15,337,357	\$ 14,152,624	\$ 1,184,733
Service cost	291,912	-	291,912
Interest on total pension liability	1,089,960	-	1,089,960
Differences between expected and actual experience of the total pension liability	250,623	-	250,623
Change of assumptions	(109,553)	-	(109,553)
Benefit payments, including refunds of employee contributions	(898,774)	(898,774)	-
Contributions - employer	-	333,289	(333,289)
Contributions - employee	-	134,390	(134,390)
Net investment income	-	2,062,985	(2,062,985)
Other (net transfer)	-	129,799	(129,799)
	<u>\$ 15,961,525</u>	<u>\$ 15,914,313</u>	<u>\$ 47,212</u>
Balances at December 31, 2020			

Pension Expense. District pension expense/(revenue), as part of the December 31, 2020 valuation, was \$(54,555). For the year ended June 30, 2021, the District recognized pension expense of \$344,687.

NOTE 12 - CONSTRUCTION COMMITMENTS

As of June 30, 2021, the District is committed to approximately \$920,695 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

NOTE 13 - CONTINGENT LIABILITIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

PROSPECT HEIGHTS SCHOOL DISTRICT 23

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 14 - RESTATEMENT

Net position and beginning fund balances have been restated due to the implementation of GASB Statement No. 84 - *Fiduciary Activities*. The restatement is necessary to present student activity amounts within the governmental activities and General Fund.

	Governmental Activities
Net position as previously reported, June 30, 2020	\$ 18,134,120
Adjustment to record student activity net position as of June 30, 2020	<u>37,014</u>
Net position as restated, June 30, 2020	<u>\$ 18,171,134</u>

	General Fund
Fund balance as previously reported, June 30, 2020	\$ 4,650,791
Adjustment to record student activity fund balances as of June 30, 2020	<u>37,014</u>
Fund balance as restated, June 30, 2020	<u>\$ 4,687,805</u>

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years.

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability			
Service cost	\$ 291,912	\$ 306,987	\$ 281,601
Interest	1,089,960	1,047,019	1,018,520
Differences between expected and actual experience	250,623	-	(1,066)
Changes of assumptions	(109,553)	155,134	369,609
Benefit payments, including refunds of member contributions	<u>(898,774)</u>	<u>(919,869)</u>	<u>(720,086)</u>
Net change in total pension liability	624,168	589,271	948,578
Total pension liability - beginning	<u>15,337,357</u>	<u>14,748,086</u>	<u>13,799,508</u>
Total pension liability - ending (a)	<u>\$ 15,961,525</u>	<u>\$ 15,337,357</u>	<u>\$ 14,748,086</u>
Plan fiduciary net position			
Employer contributions	\$ 333,289	\$ 282,379	\$ 308,750
Employee contributions	134,390	130,328	129,923
Net investment income	2,062,985	2,291,161	(733,240)
Benefit payments, including refunds of member contributions	(898,774)	(919,869)	(720,086)
Other (net transfer)	<u>129,799</u>	<u>106,104</u>	<u>133,554</u>
Net change in plan fiduciary net position	1,761,689	1,890,103	(881,099)
Plan fiduciary net position - beginning	<u>14,152,624</u>	<u>12,262,521</u>	<u>13,143,620</u>
Plan fiduciary net position - ending (b)	<u>\$ 15,914,313</u>	<u>\$ 14,152,624</u>	<u>\$ 12,262,521</u>
Employer's net pension liability - ending (a) - (b)	<u>\$ 47,212</u>	<u>\$ 1,184,733</u>	<u>\$ 2,485,565</u>
Plan fiduciary net position as a percentage of the total pension liability	99.70%	92.28%	83.15%
Covered payroll	\$ 2,986,463	\$ 2,896,199	\$ 2,850,579
Employer's net pension liability as a percentage of covered payroll	1.58%	40.91%	87.20%

Notes to Schedule:

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

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

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

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23

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

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

Notes to Schedule:

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

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

Other information:

There were no benefit changes during the year.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0014592678%	0.0015818509%	0.0012170000%
District's proportionate share of the net pension liability	\$ 1,258,111	\$ 1,283,010	\$ 948,773
State's proportionate share of the net pension liability	<u>98,541,827</u>	<u>91,310,441</u>	<u>64,994,909</u>
Total net pension liability	<u>\$ 99,799,938</u>	<u>\$ 92,593,451</u>	<u>\$ 65,943,682</u>
Covered payroll	\$ 10,985,442	\$ 10,645,787	\$ 10,446,581
District's proportionate share of the net pension liability as a percentage of covered payroll	11.45%	12.05%	9.08%
Plan fiduciary net position as a percentage of the total pension liability	37.80%	39.60%	40.00%
Contractually required contribution	\$ 69,712	\$ 71,916	\$ 63,768
Contributions in relation to the contractually required contribution	<u>(69,535)</u>	<u>(72,312)</u>	<u>(60,530)</u>
Contribution deficiency (excess)	<u>\$ 177</u>	<u>\$ (396)</u>	<u>\$ 3,238</u>
Contributions as a percentage of covered payroll	0.6330%	0.6793%	0.5794%

Notes to Schedule:

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

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

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.00%
Municipal bond index	2.21%	3.50%	3.87%
Single equivalent discount rate	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.50%	2.50%
Projected salary increases	4.00% to 9.50%	4.00% to 9.50%	4.00% to 9.50%
	varying by service	varying by service	varying by service

See Auditors' Report and Notes to Required Supplementary Information

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

See Auditors' Report and Notes to Required Supplementary Information

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

	2021
District's proportion of the net OPEB liability	0.0430190000%
District's proportionate share of the net OPEB liability	\$ 11,501,561
State's proportionate share of the net OPEB liability	15,581,483
Total net OPEB liability	\$ 27,083,044
Covered payroll	\$ 10,985,442
District's proportionate share of the net OPEB liability as a percentage of covered payroll	104.70%
Plan fiduciary net position as a percentage of the total pension liability	0.70%
Contractually required contribution	\$ 101,066
Contributions in relation to the contractually required contribution	(101,066)
Contribution deficiency (excess)	-
Contributions as a percentage of covered payroll	0.9200%

Notes to Schedule:

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

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

Key Assumptions:

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

See Auditors' Report and Notes to Required Supplementary Information

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 14,707,505	\$ 14,802,646	\$ 95,141
Tort immunity levy	241,581	165,512	(76,069)
Corporate personal property replacement taxes	90,000	98,097	8,097
Summer school tuition from pupils or parents (in state)	1,500	-	(1,500)
Investment income	185,000	56,518	(128,482)
Sales to pupils - lunch	195,000	(2,315)	(197,315)
Admissions - athletic	-	40	40
Fees	51,500	15,280	(36,220)
Book store sales	15,000	6,257	(8,743)
Other pupil activity revenue	-	249,056	249,056
Student activities	-	17,574	17,574
Rentals - regular textbook	248,000	-	(248,000)
Sales - other	13,000	11,140	(1,860)
Refund of prior years' expenditures	15,000	8,646	(6,354)
Other local fees	420,000	75,625	(344,375)
Other	<u>20,000</u>	<u>1,059</u>	<u>(18,941)</u>
Total local sources	<u>16,203,086</u>	<u>15,505,135</u>	<u>(697,951)</u>
State sources			
Evidence based funding	1,969,992	1,805,832	(164,160)
Special education - private facility tuition	35,000	41,910	6,910
CTE - Secondary program improvement	1,321	930	(391)
State free lunch & breakfast	4,500	965	(3,535)
Other restricted revenue from state sources	<u>8,000</u>	<u>2,156</u>	<u>(5,844)</u>
Total state sources	<u>2,018,813</u>	<u>1,851,793</u>	<u>(167,020)</u>
Federal sources			
Breakfast start-up	250	-	(250)
National school lunch program	165,000	2,076	(162,924)
School breakfast program	30,000	1,314	(28,686)
Summer food service admin/program	250,000	1,606,017	1,356,017
Fresh fruits & vegetables	-	28,222	28,222
Title I - Low income	157,081	123,817	(33,264)
Title IV - Safe & drug free schools - formula	15,000	25,195	10,195
Federal - special education - preschool flow-through	19,000	16,381	(2,619)
Federal - special education - IDEA - flow-through/low incident	325,768	331,222	5,454
Federal - special education - IDEA - room & board	110,000	56,681	(53,319)
Title III - English language acquisition	51,000	33,118	(17,882)
Title II - Teacher quality	36,856	31,139	(5,717)
Medicaid matching funds - administrative outreach	160,000	84,893	(75,107)
Medicaid matching funds - fee-for-service program	-	70,189	70,189
Other restricted revenue from federal sources	<u>125,000</u>	<u>158,241</u>	<u>33,241</u>
Total federal sources	<u>1,444,955</u>	<u>2,568,505</u>	<u>1,123,550</u>
Total revenues	<u>19,666,854</u>	<u>19,925,433</u>	<u>258,579</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures			
Instruction			
Regular programs			
Salaries	\$ 5,719,270	\$ 5,599,413	\$ 119,857
Employee benefits	1,071,549	1,076,069	(4,520)
Purchased services	42,050	76,316	(34,266)
Supplies and materials	441,141	314,970	126,171
Capital outlay	5,834	51,057	(45,223)
Other objects	<u>3,680</u>	<u>634</u>	<u>3,046</u>
Total	<u>7,283,524</u>	<u>7,118,459</u>	<u>165,065</u>
Tuition payment to charter schools			
Purchased services	<u>5,950</u>	<u>-</u>	<u>5,950</u>
Total	<u>5,950</u>	<u>-</u>	<u>5,950</u>
Special education programs			
Salaries	2,050,079	2,013,921	36,158
Employee benefits	660,890	640,500	20,390
Purchased services	39,900	28,542	11,358
Supplies and materials	26,500	28,464	(1,964)
Capital outlay	18,000	-	18,000
Other objects	<u>1,400</u>	<u>450</u>	<u>950</u>
Total	<u>2,796,769</u>	<u>2,711,877</u>	<u>84,892</u>
Special education programs Pre-K			
Salaries	247,261	247,261	-
Employee benefits	47,187	50,236	(3,049)
Purchased services	1,000	270	730
Supplies and materials	6,500	995	5,505
Capital outlay	8,000	-	8,000
Other objects	<u>150</u>	<u>-</u>	<u>150</u>
Total	<u>310,098</u>	<u>298,762</u>	<u>11,336</u>
Remedial and supplemental programs K - 12			
Salaries	73,500	68,089	5,411
Purchased services	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total	<u>83,500</u>	<u>68,089</u>	<u>15,411</u>
CTE programs			
Salaries	105,246	105,246	-
Employee benefits	17,953	17,871	82
Purchased services	1,400	-	1,400
Supplies and materials	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total	<u>128,599</u>	<u>123,117</u>	<u>5,482</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Interscholastic programs			
Salaries	\$ 151,559	\$ 95,295	\$ 56,264
Purchased services	6,000	925	5,075
Supplies and materials	1,000	-	1,000
Other objects	<u>2,000</u>	<u>580</u>	<u>1,420</u>
Total	<u>160,559</u>	<u>96,800</u>	<u>63,759</u>
Summer school programs			
Salaries	4,500	138,823	(134,323)
Purchased services	10,000	3,836	6,164
Supplies and materials	<u>1,000</u>	<u>658</u>	<u>342</u>
Total	<u>15,500</u>	<u>143,317</u>	<u>(127,817)</u>
Bilingual programs			
Salaries	605,305	577,843	27,462
Employee benefits	109,428	110,005	(577)
Supplies and materials	<u>5,750</u>	<u>213</u>	<u>5,537</u>
Total	<u>720,483</u>	<u>688,061</u>	<u>32,422</u>
Special education programs K -12 - private tuition			
Other objects	<u>290,000</u>	<u>175,383</u>	<u>114,617</u>
Total	<u>290,000</u>	<u>175,383</u>	<u>114,617</u>
Student activities			
Other objects	<u>-</u>	<u>33,462</u>	<u>(33,462)</u>
Total	<u>-</u>	<u>33,462</u>	<u>(33,462)</u>
Total instruction	<u>11,794,982</u>	<u>11,457,327</u>	<u>337,655</u>
Support services			
Pupils			
Attendance and social work services			
Salaries	332,278	330,407	1,871
Employee benefits	55,851	46,550	9,301
Purchased services	37,800	28,823	8,977
Supplies and materials	2,000	232	1,768
Other objects	<u>200</u>	<u>-</u>	<u>200</u>
Total	<u>428,129</u>	<u>406,012</u>	<u>22,117</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Health services			
Salaries	\$ 575,082	\$ 571,071	\$ 4,011
Employee benefits	139,990	141,806	(1,816)
Purchased services	17,350	1,321	16,029
Supplies and materials	20,000	6,898	13,102
Capital outlay	8,000	4,156	3,844
Other objects	<u>850</u>	<u>-</u>	<u>850</u>
Total	<u>761,272</u>	<u>725,252</u>	<u>36,020</u>
Psychological services			
Salaries	384,808	365,822	18,986
Employee benefits	90,119	89,852	267
Purchased services	3,400	805	2,595
Supplies and materials	900	-	900
Other objects	<u>750</u>	<u>815</u>	<u>(65)</u>
Total	<u>479,977</u>	<u>457,294</u>	<u>22,683</u>
Speech pathology and audiology services			
Salaries	360,988	360,989	(1)
Employee benefits	66,576	46,372	20,204
Purchased services	68,769	97,730	(28,961)
Supplies and materials	11,500	512	10,988
Capital outlay	10,000	-	10,000
Other objects	<u>1,725</u>	<u>50</u>	<u>1,675</u>
Total	<u>519,558</u>	<u>505,653</u>	<u>13,905</u>
Other support services - pupils			
Purchased services	30,000	26,009	3,991
Supplies and materials	<u>20,000</u>	<u>25,549</u>	<u>(5,549)</u>
Total	<u>50,000</u>	<u>51,558</u>	<u>(1,558)</u>
Total pupils	<u>2,238,936</u>	<u>2,145,769</u>	<u>93,167</u>
Instructional staff			
Improvement of instructional services			
Salaries	352,397	432,358	(79,961)
Employee benefits	65,939	66,964	(1,025)
Purchased services	50,328	19,417	30,911
Supplies and materials	3,356	4,583	(1,227)
Other objects	<u>2,500</u>	<u>2,558</u>	<u>(58)</u>
Total	<u>474,520</u>	<u>525,880</u>	<u>(51,360)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Educational media services			
Salaries	\$ 833,126	\$ 808,168	\$ 24,958
Employee benefits	163,229	145,490	17,739
Purchased services	115,750	112,124	3,626
Supplies and materials	294,200	170,066	124,134
Capital outlay	38,000	100,585	(62,585)
Other objects	<u>2,000</u>	<u>514</u>	<u>1,486</u>
Total	<u>1,446,305</u>	<u>1,336,947</u>	<u>109,358</u>
Assessment and testing			
Supplies and materials	<u>15,000</u>	<u>13,445</u>	<u>1,555</u>
Total	<u>15,000</u>	<u>13,445</u>	<u>1,555</u>
Total instructional staff	<u>1,935,825</u>	<u>1,876,272</u>	<u>59,553</u>
General administration			
Board of education services			
Salaries	-	4,500	(4,500)
Employee benefits	-	451	(451)
Purchased services	54,000	23,493	30,507
Supplies and materials	4,500	2,612	1,888
Other objects	<u>9,000</u>	<u>8,417</u>	<u>583</u>
Total	<u>67,500</u>	<u>39,473</u>	<u>28,027</u>
Executive administration services			
Salaries	265,789	265,789	-
Employee benefits	76,624	76,598	26
Purchased services	7,000	5,462	1,538
Supplies and materials	17,000	14,477	2,523
Other objects	<u>3,000</u>	<u>2,301</u>	<u>699</u>
Total	<u>369,413</u>	<u>364,627</u>	<u>4,786</u>
Tort immunity services			
Employee benefits	-	5,758	(5,758)
Purchased services	<u>145,000</u>	<u>204,734</u>	<u>(59,734)</u>
Total	<u>145,000</u>	<u>210,492</u>	<u>(65,492)</u>
Total general administration	<u>581,913</u>	<u>614,592</u>	<u>(32,679)</u>
School administration			
Office of the principal services			
Salaries	887,024	889,474	(2,450)
Employee benefits	231,868	223,853	8,015
Purchased services	6,060	1,159	4,901
Supplies and materials	41,774	34,532	7,242
Other objects	<u>4,450</u>	<u>1,427</u>	<u>3,023</u>
Total	<u>1,171,176</u>	<u>1,150,445</u>	<u>20,731</u>
Total school administration	<u>1,171,176</u>	<u>1,150,445</u>	<u>20,731</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Business			
Direction of business support services			
Salaries	\$ 130,375	\$ 130,375	\$ -
Employee benefits	41,676	42,198	(522)
Purchased services	3,750	4,743	(993)
Other objects	<u>2,000</u>	<u>680</u>	<u>1,320</u>
Total	<u>177,801</u>	<u>177,996</u>	<u>(195)</u>
Fiscal services			
Salaries	115,447	115,447	-
Employee benefits	69,397	49,397	20,000
Purchased services	36,100	24,087	12,013
Supplies and materials	2,500	4,945	(2,445)
Other objects	<u>250</u>	<u>150</u>	<u>100</u>
Total	<u>223,694</u>	<u>194,026</u>	<u>29,668</u>
Operation and maintenance of plant services			
Purchased services	-	23,695	(23,695)
Supplies and materials	<u>-</u>	<u>10,026</u>	<u>(10,026)</u>
Total	<u>-</u>	<u>33,721</u>	<u>(33,721)</u>
Food services			
Salaries	85,126	34,901	50,225
Purchased services	355,750	1,425,596	(1,069,846)
Supplies and materials	153,200	33,904	119,296
Capital outlay	<u>15,000</u>	<u>8,197</u>	<u>6,803</u>
Total	<u>609,076</u>	<u>1,502,598</u>	<u>(893,522)</u>
Internal services			
Purchased services	29,000	28,020	980
Supplies and materials	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total	<u>31,500</u>	<u>28,020</u>	<u>3,480</u>
Total business	<u>1,042,071</u>	<u>1,936,361</u>	<u>(894,290)</u>
Central			
Planning, research, development and evaluation services			
Purchased services	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Information services			
Purchased services	96,450	117,587	(21,137)
Supplies and materials	<u>1,000</u>	<u>924</u>	<u>76</u>
Total	<u>97,450</u>	<u>118,511</u>	<u>(21,061)</u>

**PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Staff services			
Salaries	\$ 95,514	\$ 91,678	\$ 3,836
Employee benefits	22,629	22,629	-
Purchased services	20,750	20,523	227
Supplies and materials	17,500	18,037	(537)
Other objects	<u>2,000</u>	<u>615</u>	<u>1,385</u>
Total	<u>158,393</u>	<u>153,482</u>	<u>4,911</u>
Data processing services			
Purchased services	<u>30,500</u>	<u>23,519</u>	<u>6,981</u>
Total	<u>30,500</u>	<u>23,519</u>	<u>6,981</u>
Total central	<u>311,343</u>	<u>320,512</u>	<u>(9,169)</u>
Other supporting services			
Salaries	5,000	653	4,347
Purchased services	7,000	4,741	2,259
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>12,500</u>	<u>5,394</u>	<u>7,106</u>
Total support services	<u>7,293,764</u>	<u>8,049,345</u>	<u>(755,581)</u>
Community services			
Salaries	171,128	66,114	105,014
Employee benefits	9,864	9,863	1
Purchased services	41,500	285	41,215
Supplies and materials	<u>13,500</u>	<u>4,281</u>	<u>9,219</u>
Total community services	<u>235,992</u>	<u>80,543</u>	<u>155,449</u>
Payments to other districts and governmental units			
Payments for special education programs			
Purchased services	<u>248,865</u>	<u>184,463</u>	<u>64,402</u>
Total	<u>248,865</u>	<u>184,463</u>	<u>64,402</u>
Payments for special education programs - tuition			
Other objects	<u>397,000</u>	<u>359,260</u>	<u>37,740</u>
Total	<u>397,000</u>	<u>359,260</u>	<u>37,740</u>
Total payments to other districts and governmental units	<u>645,865</u>	<u>543,723</u>	<u>102,142</u>
Total expenditures	<u>19,970,603</u>	<u>20,130,938</u>	<u>(160,335)</u>
Excess (deficiency) of revenues over expenditures	<u>(303,749)</u>	<u>(205,505)</u>	<u>98,244</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Other financing sources (uses)			
Principal on bonds sold	\$ -	\$ 2,452,985	\$ 2,452,985
Premium on bonds sold	-	553,815	553,815
Permanent transfer from working cash fund - abatement	-	(3,006,800)	(3,006,800)
Transfer for principal on capital leases	-	(42,678)	(42,678)
Transfer for interest on capital leases	-	(7,177)	(7,177)
Total other financing sources (uses)	<u>-</u>	<u>(49,855)</u>	<u>(49,855)</u>
Net change in fund balance	<u>\$ (303,749)</u>	<u>(255,360)</u>	<u>\$ 48,389</u>
Fund balance, beginning of year (as restated)		<u>4,687,805</u>	
Fund balance, end of year		<u>\$ 4,432,445</u>	

PROSPECT HEIGHTS SCHOOL DISTRICT 23
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 1,768,364	\$ 1,768,341	\$ (23)
Investment income	20,000	9,695	(10,305)
Rentals	145,000	18,606	(126,394)
Impact fees from municipal or county governments	2,500	-	(2,500)
Other	500	-	(500)
Total local sources	<u>1,936,364</u>	<u>1,796,642</u>	<u>(139,722)</u>
State sources			
Other restricted revenue from state sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total state sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Federal sources			
Other restricted revenue from federal sources	<u>70,000</u>	<u>44,520</u>	<u>(25,480)</u>
Total federal sources	<u>70,000</u>	<u>44,520</u>	<u>(25,480)</u>
Total revenues	<u>2,056,364</u>	<u>1,891,162</u>	<u>(165,202)</u>
Expenditures			
Support services			
Business			
Operation and maintenance of plant services			
Salaries	875,087	843,145	31,942
Employee benefits	163,860	171,166	(7,306)
Purchased services	359,028	334,198	24,830
Supplies and materials	238,340	252,942	(14,602)
Capital outlay	142,250	54,777	87,473
Other objects	300	225	75
Total	<u>1,778,865</u>	<u>1,656,453</u>	<u>122,412</u>
Food services			
Capital outlay	<u>15,000</u>	<u>2,641</u>	<u>12,359</u>
Total	<u>15,000</u>	<u>2,641</u>	<u>12,359</u>
Total business	<u>1,793,865</u>	<u>1,659,094</u>	<u>134,771</u>
Total support services	<u>1,793,865</u>	<u>1,659,094</u>	<u>134,771</u>
Total expenditures	<u>1,793,865</u>	<u>1,659,094</u>	<u>134,771</u>
Excess (deficiency) of revenues over expenditures	<u>262,499</u>	<u>232,068</u>	<u>(30,431)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Other financing sources (uses)			
Permanent transfer from working cash fund - abatement	\$ -	\$ 3,006,800	\$ 3,006,800
Transfer to capital projects fund	<u>-</u>	<u>(3,006,800)</u>	<u>(3,006,800)</u>
Net change in fund balance	<u>\$ 262,499</u>	232,068	<u>\$ (30,431)</u>
Fund balance, beginning of year		<u>1,066,223</u>	
Fund balance, end of year		<u>\$ 1,298,291</u>	

**PROSPECT HEIGHTS SCHOOL DISTRICT 23
TRANSPORTATION FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 1,348,991	\$ 1,152,959	\$ (196,032)
Regular transportation fees from other LEAs (in state)	7,500	-	(7,500)
Investment income	<u>30,000</u>	<u>17,010</u>	<u>(12,990)</u>
Total local sources	<u>1,386,491</u>	<u>1,169,969</u>	<u>(216,522)</u>
State sources			
Transportation - regular/vocational	350,000	360,058	10,058
Transportation - special education	<u>150,000</u>	<u>146,470</u>	<u>(3,530)</u>
Total state sources	<u>500,000</u>	<u>506,528</u>	<u>6,528</u>
Total revenues	<u>1,886,491</u>	<u>1,676,497</u>	<u>(209,994)</u>
Expenditures			
Support Services			
Business			
Pupil transportation services			
Salaries	28,000	12,012	15,988
Purchased services	1,565,636	805,710	759,926
Supplies and materials	<u>82,500</u>	<u>37,821</u>	<u>44,679</u>
Total	<u>1,676,136</u>	<u>855,543</u>	<u>820,593</u>
Total business	<u>1,676,136</u>	<u>855,543</u>	<u>820,593</u>
Other supporting services			
Purchased services	<u>5,000</u>	<u>1,650</u>	<u>3,350</u>
Total	<u>5,000</u>	<u>1,650</u>	<u>3,350</u>
Total support services	<u>1,681,136</u>	<u>857,193</u>	<u>823,943</u>
Payments to other districts and government units			
Payments for special education programs			
Purchased services	<u>100,000</u>	<u>86,068</u>	<u>13,932</u>
Total	<u>100,000</u>	<u>86,068</u>	<u>13,932</u>
Total payments to other districts and government units	<u>100,000</u>	<u>86,068</u>	<u>13,932</u>
Total expenditures	<u>1,781,136</u>	<u>943,261</u>	<u>837,875</u>
Excess (deficiency) of revenues over expenditures	<u>105,355</u>	<u>733,236</u>	<u>627,881</u>
Net change in fund balance	<u>\$ 105,355</u>	733,236	<u>\$ 627,881</u>
Fund balance, beginning of year		<u>1,447,020</u>	
Fund balance, end of year		<u>\$ 2,180,256</u>	

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 402,962	\$ 406,023	\$ 3,061
Social security/Medicare only levy	402,962	406,023	3,061
Corporate personal property replacement taxes	-	6,523	6,523
Investment income	<u>3,000</u>	<u>2,352</u>	<u>(648)</u>
Total local sources	<u>808,924</u>	<u>820,921</u>	<u>11,997</u>
Total revenues	<u>808,924</u>	<u>820,921</u>	<u>11,997</u>
Expenditures			
Instruction			
Regular programs	79,971	79,213	758
Special education programs	173,659	165,304	8,355
Special education programs Pre-K	8,023	7,466	557
Remedial and supplemental programs K - 12	-	5,184	(5,184)
CTE programs	1,526	1,507	19
Interscholastic programs	-	1,623	(1,623)
Summer school programs	-	6,885	(6,885)
Bilingual programs	<u>13,880</u>	<u>14,045</u>	<u>(165)</u>
Total instruction	<u>277,059</u>	<u>281,227</u>	<u>(4,168)</u>
Support services			
Pupils			
Attendance and social work services	14,627	5,279	9,348
Health services	99,056	105,787	(6,731)
Psychological services	5,580	4,970	610
Speech pathology and audiology services	<u>6,172</u>	<u>5,193</u>	<u>979</u>
Total pupils	<u>125,435</u>	<u>121,229</u>	<u>4,206</u>
Instructional staff			
Improvement of instructional staff	6,134	11,856	(5,722)
Educational media services	<u>43,645</u>	<u>38,952</u>	<u>4,693</u>
Total instructional staff	<u>49,779</u>	<u>50,808</u>	<u>(1,029)</u>
General administration			
Board of education services	-	237	(237)
Executive administration services	<u>11,282</u>	<u>11,209</u>	<u>73</u>
Total general administration	<u>11,282</u>	<u>11,446</u>	<u>(164)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
School administration			
Office of the principal services	\$ 60,125	\$ 59,429	\$ 696
Total school administration	<u>60,125</u>	<u>59,429</u>	<u>696</u>
Business			
Direction of business support services	1,890	1,874	16
Fiscal services	21,716	21,491	225
Operations and maintenance of plant services	152,694	155,548	(2,854)
Pupil transportation services	-	507	(507)
Food services	-	2,408	(2,408)
Total business	<u>176,300</u>	<u>181,828</u>	<u>(5,528)</u>
Central			
Staff services	<u>17,261</u>	<u>17,140</u>	<u>121</u>
Total central	<u>17,261</u>	<u>17,140</u>	<u>121</u>
Other supporting services			
Total support services	<u>-</u>	<u>109</u>	<u>(109)</u>
Community services			
Total expenditures	<u>8,394</u>	<u>10,175</u>	<u>(1,781)</u>
Total expenditures	<u>725,635</u>	<u>733,391</u>	<u>(7,756)</u>
Excess (deficiency) of revenues over expenditures	<u>83,289</u>	<u>87,530</u>	<u>4,241</u>
Net change in fund balance	<u>\$ 83,289</u>	<u>87,530</u>	<u>\$ 4,241</u>
Fund balance, beginning of year		<u>153,617</u>	
Fund balance, end of year		<u>\$ 241,147</u>	

PROSPECT HEIGHTS SCHOOL DISTRICT 23
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 1,261,149	\$ 1,252,954	\$ (8,195)
Investment income	<u>9,000</u>	<u>4,962</u>	<u>(4,038)</u>
Total local sources	<u>1,270,149</u>	<u>1,257,916</u>	<u>(12,233)</u>
Total revenues	<u>1,270,149</u>	<u>1,257,916</u>	<u>(12,233)</u>
Expenditures			
Debt services			
Payments on long term debt			
Interest on long term debt	326,709	333,886	(7,177)
Principal payments on long term debt	<u>920,000</u>	<u>907,678</u>	<u>12,322</u>
Total	<u>1,246,709</u>	<u>1,241,564</u>	<u>5,145</u>
Other debt service			
Other objects	<u>-</u>	<u>59,691</u>	<u>(59,691)</u>
Total	<u>-</u>	<u>59,691</u>	<u>(59,691)</u>
Total debt services	<u>1,246,709</u>	<u>1,301,255</u>	<u>(54,546)</u>
Total expenditures	<u>1,246,709</u>	<u>1,301,255</u>	<u>(54,546)</u>
Excess (deficiency) of revenues over expenditures	<u>23,440</u>	<u>(43,339)</u>	<u>(66,779)</u>
Other financing sources (uses)			
Principal on bonds sold	-	207,015	207,015
Transfer for principal on capital leases	-	42,678	42,678
Transfer for interest on capital leases	<u>-</u>	<u>7,177</u>	<u>7,177</u>
Total other financing sources (uses)	<u>-</u>	<u>256,870</u>	<u>256,870</u>
Net change in fund balance	<u>\$ 23,440</u>	213,531	<u>\$ 190,091</u>
Fund balance, beginning of year		<u>511,325</u>	
Fund balance, end of year		<u>\$ 724,856</u>	

PROSPECT HEIGHTS SCHOOL DISTRICT 23
CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
Investment income	\$ 38,000	\$ 14,940	\$ (23,060)
Total local sources	<u>38,000</u>	<u>14,940</u>	<u>(23,060)</u>
State sources			
Other restricted revenue from state sources	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Total state sources	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Total revenues	<u>138,000</u>	<u>14,940</u>	<u>(123,060)</u>
Expenditures			
Support services			
Business			
Facilities acquisition and construction service			
Purchased services	92,963	-	92,963
Capital outlay	<u>776,922</u>	<u>931,535</u>	<u>(154,613)</u>
Total	<u>869,885</u>	<u>931,535</u>	<u>(61,650)</u>
Total business	<u>869,885</u>	<u>931,535</u>	<u>(61,650)</u>
Total support services	<u>869,885</u>	<u>931,535</u>	<u>(61,650)</u>
Total expenditures	<u>869,885</u>	<u>931,535</u>	<u>(61,650)</u>
Excess (deficiency) of revenues over expenditures	<u>(731,885)</u>	<u>(916,595)</u>	<u>(184,710)</u>
Other financing sources (uses)			
Transfer to capital projects fund	<u>-</u>	<u>3,006,800</u>	<u>3,006,800</u>
Total other financing sources (uses)	<u>-</u>	<u>3,006,800</u>	<u>3,006,800</u>
Net change in fund balance	<u>\$ (731,885)</u>	2,090,205	<u>\$ 2,822,090</u>
Fund balance, beginning of year		<u>1,682,053</u>	
Fund balance, end of year		<u>\$ 3,772,258</u>	

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 AS OF JUNE 30, 2021

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets				
Cash	\$ 3,630,787	\$ 221,402	\$ 669,178	\$ 4,521,367
Student activity cash and investments	<u>21,126</u>	<u>-</u>	<u>-</u>	<u>21,126</u>
Total assets	<u>\$ 3,651,913</u>	<u>\$ 221,402</u>	<u>\$ 669,178</u>	<u>\$ 4,542,493</u>
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ (50)	\$ -	\$ -	\$ (50)
Payroll deductions payable	<u>110,098</u>	<u>-</u>	<u>-</u>	<u>110,098</u>
Total liabilities	<u>110,048</u>	<u>-</u>	<u>-</u>	<u>110,048</u>
Fund balance				
Restricted	191,960	221,402	-	413,362
Assigned	21,126	-	-	21,126
Unassigned	<u>3,328,779</u>	<u>-</u>	<u>669,178</u>	<u>3,997,957</u>
Total fund balance	<u>3,541,865</u>	<u>221,402</u>	<u>669,178</u>	<u>4,432,445</u>
Total liabilities and fund balance	<u>\$ 3,651,913</u>	<u>\$ 221,402</u>	<u>\$ 669,178</u>	<u>\$ 4,542,493</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH
BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues				
Property taxes	\$ 14,569,332	\$ 165,512	\$ 233,314	\$ 14,968,158
Corporate personal property replacement taxes	98,097	-	-	98,097
State aid	7,016,527	-	-	7,016,527
Federal aid	2,568,505	-	-	2,568,505
Investment income	50,048	1,870	4,600	56,518
Student activities	17,574	-	-	17,574
Other	364,788	-	-	364,788
Total revenues	<u>24,684,871</u>	<u>167,382</u>	<u>237,914</u>	<u>25,090,167</u>
Expenditures				
Current:				
Instruction:				
Regular programs	7,067,402	-	-	7,067,402
Special programs	3,254,111	-	-	3,254,111
Other instructional programs	1,051,295	-	-	1,051,295
Student activities	33,462	-	-	33,462
State retirement contributions	5,164,734	-	-	5,164,734
Support Services:				
Pupils	2,141,613	-	-	2,141,613
Instructional staff	1,775,687	-	-	1,775,687
General administration	457,276	157,316	-	614,592
School administration	1,150,445	-	-	1,150,445
Business	1,894,443	-	-	1,894,443
Operations and maintenance	33,721	-	-	33,721
Central	320,512	-	-	320,512
Other supporting services	5,394	-	-	5,394
Community services	80,543	-	-	80,543
Payments to other districts and gov't units	543,723	-	-	543,723
Capital outlay	163,995	-	-	163,995
Total expenditures	<u>25,138,356</u>	<u>157,316</u>	<u>-</u>	<u>25,295,672</u>
Excess (deficiency) of revenues over expenditures	<u>(453,485)</u>	<u>10,066</u>	<u>237,914</u>	<u>(205,505)</u>
Other financing sources (uses)				
Transfers (out)	(49,855)	-	(3,006,800)	(3,056,655)
Principal on bonds sold	-	-	2,452,985	2,452,985
Premium on bonds sold	-	-	553,815	553,815
Total other financing sources (uses)	<u>(49,855)</u>	<u>-</u>	<u>-</u>	<u>(49,855)</u>
Net change in fund balance	(503,340)	10,066	237,914	(255,360)
Fund balance, beginning of year (as restated)	<u>4,045,205</u>	<u>211,336</u>	<u>431,264</u>	<u>4,687,805</u>
Fund balance, end of year	<u>\$ 3,541,865</u>	<u>\$ 221,402</u>	<u>\$ 669,178</u>	<u>\$ 4,432,445</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 14,429,817	\$ 14,569,332	\$ 139,515
Corporate personal property replacement taxes	90,000	98,097	8,097
Summer school tuition from pupils or parents (in state)	1,500	-	(1,500)
Investment income	175,000	50,048	(124,952)
Sales to pupils - lunch	195,000	(2,315)	(197,315)
Admissions - athletic	-	40	40
Fees	51,500	15,280	(36,220)
Book store sales	15,000	6,257	(8,743)
Other pupil activity revenue	-	249,056	249,056
Student activities	-	17,574	17,574
Rentals - regular textbook	248,000	-	(248,000)
Sales - other	13,000	11,140	(1,860)
Refund of prior years' expenditures	15,000	8,646	(6,354)
Other local fees	420,000	75,625	(344,375)
Other	20,000	1,059	(18,941)
Total local sources	<u>15,673,817</u>	<u>15,099,839</u>	<u>(573,978)</u>
State sources			
Evidence based funding	1,969,992	1,805,832	(164,160)
Special education - private facility tuition	35,000	41,910	6,910
CTE - Secondary program improvement	1,321	930	(391)
State free lunch & breakfast	4,500	965	(3,535)
Other restricted revenue from state sources	8,000	2,156	(5,844)
Total state sources	<u>2,018,813</u>	<u>1,851,793</u>	<u>(167,020)</u>
Federal sources			
Breakfast start-up	250	-	(250)
National school lunch program	165,000	2,076	(162,924)
School breakfast program	30,000	1,314	(28,686)
Summer food service admin/program	250,000	1,606,017	1,356,017
Fresh fruits & vegetables	-	28,222	28,222
Title I - Low income	157,081	123,817	(33,264)
Title IV - Safe & drug free schools - formula	15,000	25,195	10,195
Federal - special education - preschool flow-through	19,000	16,381	(2,619)
Federal - special education - IDEA - flow-through/low incident	325,768	331,222	5,454
Federal - special education - IDEA - room & board	110,000	56,681	(53,319)
Title III - English language acquisition	51,000	33,118	(17,882)
Title II - Teacher quality	36,856	31,139	(5,717)
Medicaid matching funds - administrative outreach	160,000	84,893	(75,107)
Medicaid matching funds - fee-for-service program	-	70,189	70,189
Other restricted revenue from federal sources	125,000	158,241	33,241
Total federal sources	<u>1,444,955</u>	<u>2,568,505</u>	<u>1,123,550</u>
Total revenues	<u>19,137,585</u>	<u>19,520,137</u>	<u>382,552</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures			
Instruction			
Regular programs			
Salaries	\$ 5,719,270	\$ 5,599,413	\$ 119,857
Employee benefits	1,071,549	1,076,069	(4,520)
Purchased services	42,050	76,316	(34,266)
Supplies and materials	441,141	314,970	126,171
Capital outlay	5,834	51,057	(45,223)
Other objects	<u>3,680</u>	<u>634</u>	<u>3,046</u>
Total	<u>7,283,524</u>	<u>7,118,459</u>	<u>165,065</u>
Tuition payment to charter schools			
Purchased services	<u>5,950</u>	<u>-</u>	<u>5,950</u>
Total	<u>5,950</u>	<u>-</u>	<u>5,950</u>
Special education programs			
Salaries	2,050,079	2,013,921	36,158
Employee benefits	660,890	640,500	20,390
Purchased services	39,900	28,542	11,358
Supplies and materials	26,500	28,464	(1,964)
Capital outlay	18,000	-	18,000
Other objects	<u>1,400</u>	<u>450</u>	<u>950</u>
Total	<u>2,796,769</u>	<u>2,711,877</u>	<u>84,892</u>
Special education programs Pre-K			
Salaries	247,261	247,261	-
Employee benefits	47,187	50,236	(3,049)
Purchased services	1,000	270	730
Supplies and materials	6,500	995	5,505
Capital outlay	8,000	-	8,000
Other objects	<u>150</u>	<u>-</u>	<u>150</u>
Total	<u>310,098</u>	<u>298,762</u>	<u>11,336</u>
Remedial and supplemental programs K - 12			
Salaries	73,500	68,089	5,411
Purchased services	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total	<u>83,500</u>	<u>68,089</u>	<u>15,411</u>
CTE programs			
Salaries	105,246	105,246	-
Employee benefits	17,953	17,871	82
Purchased services	1,400	-	1,400
Supplies and materials	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total	<u>128,599</u>	<u>123,117</u>	<u>5,482</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Interscholastic programs			
Salaries	\$ 151,559	\$ 95,295	\$ 56,264
Purchased services	6,000	925	5,075
Supplies and materials	1,000	-	1,000
Other objects	<u>2,000</u>	<u>580</u>	<u>1,420</u>
Total	<u>160,559</u>	<u>96,800</u>	<u>63,759</u>
Summer school programs			
Salaries	4,500	138,823	(134,323)
Purchased services	10,000	3,836	6,164
Supplies and materials	<u>1,000</u>	<u>658</u>	<u>342</u>
Total	<u>15,500</u>	<u>143,317</u>	<u>(127,817)</u>
Bilingual programs			
Salaries	605,305	577,843	27,462
Employee benefits	109,428	110,005	(577)
Supplies and materials	<u>5,750</u>	<u>213</u>	<u>5,537</u>
Total	<u>720,483</u>	<u>688,061</u>	<u>32,422</u>
Special education programs K -12 - private tuition			
Other objects	<u>290,000</u>	<u>175,383</u>	<u>114,617</u>
Total	<u>290,000</u>	<u>175,383</u>	<u>114,617</u>
Student activities			
Other objects	<u>-</u>	<u>33,462</u>	<u>(33,462)</u>
Total	<u>-</u>	<u>33,462</u>	<u>(33,462)</u>
Total instruction	<u>11,794,982</u>	<u>11,457,327</u>	<u>337,655</u>
Support services			
Pupils			
Attendance and social work services			
Salaries	332,278	330,407	1,871
Employee benefits	55,851	46,550	9,301
Purchased services	37,800	28,823	8,977
Supplies and materials	2,000	232	1,768
Other objects	<u>200</u>	<u>-</u>	<u>200</u>
Total	<u>428,129</u>	<u>406,012</u>	<u>22,117</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Health services			
Salaries	\$ 575,082	\$ 571,071	\$ 4,011
Employee benefits	139,990	141,806	(1,816)
Purchased services	17,350	1,321	16,029
Supplies and materials	20,000	6,898	13,102
Capital outlay	8,000	4,156	3,844
Other objects	<u>850</u>	<u>-</u>	<u>850</u>
Total	<u>761,272</u>	<u>725,252</u>	<u>36,020</u>
Psychological services			
Salaries	384,808	365,822	18,986
Employee benefits	90,119	89,852	267
Purchased services	3,400	805	2,595
Supplies and materials	900	-	900
Other objects	<u>750</u>	<u>815</u>	<u>(65)</u>
Total	<u>479,977</u>	<u>457,294</u>	<u>22,683</u>
Speech pathology and audiology services			
Salaries	360,988	360,989	(1)
Employee benefits	66,576	46,372	20,204
Purchased services	68,769	97,730	(28,961)
Supplies and materials	11,500	512	10,988
Capital outlay	10,000	-	10,000
Other objects	<u>1,725</u>	<u>50</u>	<u>1,675</u>
Total	<u>519,558</u>	<u>505,653</u>	<u>13,905</u>
Other support services - pupils			
Purchased services	30,000	26,009	3,991
Supplies and materials	<u>20,000</u>	<u>25,549</u>	<u>(5,549)</u>
Total	<u>50,000</u>	<u>51,558</u>	<u>(1,558)</u>
Total pupils	<u>2,238,936</u>	<u>2,145,769</u>	<u>93,167</u>
Instructional staff			
Improvement of instructional services			
Salaries	352,397	432,358	(79,961)
Employee benefits	65,939	66,964	(1,025)
Purchased services	50,328	19,417	30,911
Supplies and materials	3,356	4,583	(1,227)
Other objects	<u>2,500</u>	<u>2,558</u>	<u>(58)</u>
Total	<u>474,520</u>	<u>525,880</u>	<u>(51,360)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Educational media services			
Salaries	\$ 833,126	\$ 808,168	\$ 24,958
Employee benefits	163,229	145,490	17,739
Purchased services	115,750	112,124	3,626
Supplies and materials	294,200	170,066	124,134
Capital outlay	38,000	100,585	(62,585)
Other objects	<u>2,000</u>	<u>514</u>	<u>1,486</u>
Total	<u>1,446,305</u>	<u>1,336,947</u>	<u>109,358</u>
Assessment and testing			
Supplies and materials	<u>15,000</u>	<u>13,445</u>	<u>1,555</u>
Total	<u>15,000</u>	<u>13,445</u>	<u>1,555</u>
Total instructional staff	<u>1,935,825</u>	<u>1,876,272</u>	<u>59,553</u>
General administration			
Board of education services			
Salaries	-	4,500	(4,500)
Employee benefits	-	451	(451)
Purchased services	54,000	23,493	30,507
Supplies and materials	4,500	2,612	1,888
Other objects	<u>9,000</u>	<u>8,417</u>	<u>583</u>
Total	<u>67,500</u>	<u>39,473</u>	<u>28,027</u>
Executive administration services			
Salaries	265,789	265,789	-
Employee benefits	76,624	76,598	26
Purchased services	7,000	5,462	1,538
Supplies and materials	17,000	14,477	2,523
Other objects	<u>3,000</u>	<u>2,301</u>	<u>699</u>
Total	<u>369,413</u>	<u>364,627</u>	<u>4,786</u>
Tort immunity services			
Purchased services	<u>145,000</u>	<u>53,176</u>	<u>91,824</u>
Total	<u>145,000</u>	<u>53,176</u>	<u>91,824</u>
Total general administration	<u>581,913</u>	<u>457,276</u>	<u>124,637</u>
School administration			
Office of the principal services			
Salaries	887,024	889,474	(2,450)
Employee benefits	231,868	223,853	8,015
Purchased services	6,060	1,159	4,901
Supplies and materials	41,774	34,532	7,242
Other objects	<u>4,450</u>	<u>1,427</u>	<u>3,023</u>
Total	<u>1,171,176</u>	<u>1,150,445</u>	<u>20,731</u>
Total school administration	<u>1,171,176</u>	<u>1,150,445</u>	<u>20,731</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Business			
Direction of business support services			
Salaries	\$ 130,375	\$ 130,375	\$ -
Employee benefits	41,676	42,198	(522)
Purchased services	3,750	4,743	(993)
Other objects	<u>2,000</u>	<u>680</u>	<u>1,320</u>
Total	<u>177,801</u>	<u>177,996</u>	<u>(195)</u>
Fiscal services			
Salaries	115,447	115,447	-
Employee benefits	69,397	49,397	20,000
Purchased services	36,100	24,087	12,013
Supplies and materials	2,500	4,945	(2,445)
Other objects	<u>250</u>	<u>150</u>	<u>100</u>
Total	<u>223,694</u>	<u>194,026</u>	<u>29,668</u>
Operation and maintenance of plant services			
Purchased services	-	23,695	(23,695)
Supplies and materials	<u>-</u>	<u>10,026</u>	<u>(10,026)</u>
Total	<u>-</u>	<u>33,721</u>	<u>(33,721)</u>
Food services			
Salaries	85,126	34,901	50,225
Purchased services	355,750	1,425,596	(1,069,846)
Supplies and materials	153,200	33,904	119,296
Capital outlay	<u>15,000</u>	<u>8,197</u>	<u>6,803</u>
Total	<u>609,076</u>	<u>1,502,598</u>	<u>(893,522)</u>
Internal services			
Purchased services	29,000	28,020	980
Supplies and materials	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total	<u>31,500</u>	<u>28,020</u>	<u>3,480</u>
Total business	<u>1,042,071</u>	<u>1,936,361</u>	<u>(894,290)</u>
Central			
Planning, research, development and evaluation services			
Purchased services	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Information services			
Purchased services	96,450	117,587	(21,137)
Supplies and materials	<u>1,000</u>	<u>924</u>	<u>76</u>
Total	<u>97,450</u>	<u>118,511</u>	<u>(21,061)</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Staff services			
Salaries	\$ 95,514	\$ 91,678	\$ 3,836
Employee benefits	22,629	22,629	-
Purchased services	20,750	20,523	227
Supplies and materials	17,500	18,037	(537)
Other objects	<u>2,000</u>	<u>615</u>	<u>1,385</u>
Total	<u>158,393</u>	<u>153,482</u>	<u>4,911</u>
Data processing services			
Purchased services	<u>30,500</u>	<u>23,519</u>	<u>6,981</u>
Total	<u>30,500</u>	<u>23,519</u>	<u>6,981</u>
Total central	<u>311,343</u>	<u>320,512</u>	<u>(9,169)</u>
Other supporting services			
Salaries	5,000	653	4,347
Purchased services	7,000	4,741	2,259
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>12,500</u>	<u>5,394</u>	<u>7,106</u>
Total support services	<u>7,293,764</u>	<u>7,892,029</u>	<u>(598,265)</u>
Community services			
Salaries	171,128	66,114	105,014
Employee benefits	9,864	9,863	1
Purchased services	41,500	285	41,215
Supplies and materials	<u>13,500</u>	<u>4,281</u>	<u>9,219</u>
Total community services	<u>235,992</u>	<u>80,543</u>	<u>155,449</u>
Payments to other districts and governmental units			
Payments for special education programs			
Purchased services	<u>248,865</u>	<u>184,463</u>	<u>64,402</u>
Total	<u>248,865</u>	<u>184,463</u>	<u>64,402</u>
Payments for special education programs - tuition			
Other objects	<u>397,000</u>	<u>359,260</u>	<u>37,740</u>
Total	<u>397,000</u>	<u>359,260</u>	<u>37,740</u>
Total payments to other districts and governmental units	<u>645,865</u>	<u>543,723</u>	<u>102,142</u>
Total expenditures	<u>19,970,603</u>	<u>19,973,622</u>	<u>(3,019)</u>
Excess (deficiency) of revenues over expenditures	<u>(833,018)</u>	<u>(453,485)</u>	<u>379,533</u>

PROSPECT HEIGHTS SCHOOL DISTRICT 23
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Other financing sources (uses)			
Transfer for principal on capital leases	\$ -	\$ (42,678)	\$ (42,678)
Transfer for interest on capital leases	<u>-</u>	<u>(7,177)</u>	<u>(7,177)</u>
Total other financing sources (uses)	<u>-</u>	<u>(49,855)</u>	<u>(49,855)</u>
Net change in fund balance	<u>\$ (833,018)</u>	(503,340)	<u>\$ 329,678</u>
Fund balance, beginning of year (as restated)		<u>4,045,205</u>	
Fund balance, end of year		<u>\$ 3,541,865</u>	

PROSPECT HEIGHTS SCHOOL DISTRICT 23
TORT IMMUNITY AND JUDGMENT ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
Tort immunity levy	\$ 241,581	\$ 165,512	\$ (76,069)
Investment income	<u>3,000</u>	<u>1,870</u>	<u>(1,130)</u>
Total local sources	<u>244,581</u>	<u>167,382</u>	<u>(77,199)</u>
Total revenues	<u>244,581</u>	<u>167,382</u>	<u>(77,199)</u>
Expenditures			
Support Services			
General administration			
Risk management and claims services payments			
Employee benefits	-	5,758	(5,758)
Purchased services	<u>-</u>	<u>151,558</u>	<u>(151,558)</u>
Total	<u>-</u>	<u>157,316</u>	<u>(157,316)</u>
Total general administration	<u>-</u>	<u>157,316</u>	<u>(157,316)</u>
Total expenditures	<u>-</u>	<u>157,316</u>	<u>(157,316)</u>
Excess (deficiency) of revenues over expenditures	<u>244,581</u>	<u>10,066</u>	<u>(234,515)</u>
Net change in fund balance	<u>\$ 244,581</u>	10,066	<u>\$ (234,515)</u>
Fund balance, beginning of year		<u>211,336</u>	
Fund balance, end of year		<u>\$ 221,402</u>	

PROSPECT HEIGHTS SCHOOL DISTRICT 23
WORKING CASH ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues			
Local sources			
General levy	\$ 277,688	\$ 233,314	\$ (44,374)
Investment income	<u>7,000</u>	<u>4,600</u>	<u>(2,400)</u>
Total local sources	<u>284,688</u>	<u>237,914</u>	<u>(46,774)</u>
Total revenues	<u>284,688</u>	<u>237,914</u>	<u>(46,774)</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>284,688</u>	<u>237,914</u>	<u>(46,774)</u>
Other financing sources (uses)			
Principal on bonds sold	-	2,452,985	2,452,985
Premium on bonds sold	-	553,815	553,815
Permanent transfer from working cash fund - abatement	<u>-</u>	<u>(3,006,800)</u>	<u>(3,006,800)</u>
Net change in fund balance	<u>\$ 284,688</u>	237,914	<u>\$ (46,774)</u>
Fund balance, beginning of year		<u>431,264</u>	
Fund balance, end of year		<u>\$ 669,178</u>	