

Taft School District 90  
Lockport, Illinois  
Annual Financial Report  
June 30, 2024

TAFT SCHOOL DISTRICT 90

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**Independent Auditors' Report**

To The Board of Education  
Taft School District 90  
Lockport, Illinois

We have audited the accompanying basic financial statements of Taft School District 90 (District), Lockport, Illinois, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of the District as of June 30, 2024, its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note #1.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2024, or changes in net position for the year then ended.

**Basis for Opinions**

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

### **Basis Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note #1, the financial statements are prepared by the District on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note #1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Illinois State Board of Education. 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed in the table of contents as “Supplemental Information” are presented for purposes of additional analysis and are not a required part of the financial statements. The “Supplementary Information” is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued a report dated September 1, 2024, on our consideration of the District’s internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



Gassensmith & Michalesko, Ltd.  
Certified Public Accountants

September 1, 2024

Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with Government Auditing Standards

To the Board of Education  
Taft School District 90  
Lockport, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of Taft School District 90 (District) as of and for the year ended June 30, 2024, and have issued our report thereon dated September 1, 2024. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a

material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



Gassensmith & Michalesko, Ltd.  
Certified Public Accountants

September 1, 2024

TAFT SCHOOL DISTRICT 90

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS  
JUNE 30, 2024

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>
<u>ASSETS</u>					
Cash	2,678,310	245,348	29,910	192,940	156,241
Student Activity Fund - Cash	19,085	-	-	-	-
General Fixed Assets					
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-
Other Assets	-	-	-	-	-
Amount Available In Debt Service Fund	-	-	-	-	-
Amount To Be Provided For					
Payment Of Bonds	-	-	-	-	-
Payment Of Other Long-Term Debt	-	-	-	-	-
 Total Assets And Other Debits	<u>2,697,395</u>	<u>245,348</u>	<u>29,910</u>	<u>192,940</u>	<u>156,241</u>
<u>LIABILITIES AND FUND EQUITY AND OTHER CREDITS</u>					
Liabilities					
General Obligation Bonds Payable	-	-	-	-	-
Other Noncurrent Liabilities	-	-	-	-	-
 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved	19,085	-	-	-	-
Unreserved	2,678,310	245,348	29,910	192,940	156,241
Investment In General Fixed Assets	-	-	-	-	-
 Total Fund Balances	<u>2,697,395</u>	<u>245,348</u>	<u>29,910</u>	<u>192,940</u>	<u>156,241</u>
 Total Liabilities and Fund Balances	<u>2,697,395</u>	<u>245,348</u>	<u>29,910</u>	<u>192,940</u>	<u>156,241</u>

The accompanying notes are an integral part of these financial statements.

Statement 1

Capital Projects	Working Cash	Tort	Fire Prevention and Safety	General Fixed Assets	General Long Term Debt	Total (Memorandum Only)
44,913	48,886	52,175	114	-	-	3,448,837
-	-	-	-	-	-	19,085
-	-	-	-	12,500	-	12,500
-	-	-	-	8,360,278	-	8,360,278
-	-	-	-	840,830	-	840,830
-	-	-	-	-	-	-
-	-	-	-	-	29,910	29,910
-	-	-	-	-	2,790,090	2,790,090
-	-	-	-	-	-	-
<u>44,913</u>	<u>48,886</u>	<u>52,175</u>	<u>114</u>	<u>9,213,608</u>	<u>2,820,000</u>	<u>15,501,530</u>
-	-	-	-	-	2,820,000	2,820,000
-	-	-	-	-	-	-
-	-	-	-	-	2,820,000	2,820,000
-	-	-	-	-	-	-
44,913	48,886	52,175	114	-	-	3,448,837
-	-	-	-	9,213,608	-	9,213,608
<u>44,913</u>	<u>48,886</u>	<u>52,175</u>	<u>114</u>	<u>9,213,608</u>	<u>-</u>	<u>12,681,530</u>
<u>44,913</u>	<u>48,886</u>	<u>52,175</u>	<u>114</u>	<u>9,213,608</u>	<u>2,820,000</u>	<u>15,501,530</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED,  
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES -  
ALL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Educational	Operations and Maintenance	Debt Services	Transportation
<b>RECEIPTS</b>				
Local Sources	1,914,817	326,588	375,946	192,721
State Sources	1,372,664	150,000	-	310,553
Federal Sources	404,772	-	-	-
State On-Behalf Of Payments	838,216	-	-	-
<b>Total Receipts</b>	<u>4,530,469</u>	<u>476,588</u>	<u>375,946</u>	<u>503,274</u>
<b>DISBURSEMENTS</b>				
Current:				
Instruction	1,503,313	-	-	-
Support Services	723,413	417,882	-	483,052
Payments To Other Governments	971,486	-	-	-
Debt Service:				
Interest And Fees	-	-	66,634	-
Principal	-	-	300,000	-
Intergovernmental:				
State On-Behalf Of Payments	838,216	-	-	-
<b>Total Disbursements</b>	<u>4,036,428</u>	<u>417,882</u>	<u>366,634</u>	<u>483,052</u>
Excess (Deficiency) Of Receipts Over Disbursements	<u>494,041</u>	<u>58,706</u>	<u>9,312</u>	<u>20,222</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Permanent Transfer In	-	-	-	-
Permanent Transfer Out	-	-	-	-
Other uses	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Of Receipts And Other Financing Sources Over Disbursements And Other Financing Uses	494,041	58,706	9,312	20,222
<b>Fund Balance, Beginning Of Year</b>	<u>2,203,354</u>	<u>186,642</u>	<u>20,598</u>	<u>172,718</u>
<b>Fund Balance, End Of Year</b>	<u>2,697,395</u>	<u>245,348</u>	<u>29,910</u>	<u>192,940</u>

The accompanying notes are an integral part of these financial statements.

Statement 2

Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
71,583	-	2,631	96,885	-	2,981,171
-	-	-	-	-	1,833,217
-	-	-	-	-	404,772
-	-	-	-	-	838,216
<u>71,583</u>	<u>-</u>	<u>2,631</u>	<u>96,885</u>	<u>-</u>	<u>6,057,376</u>
18,042	-	-	-	-	1,521,355
25,496	-	-	130,572	-	1,780,415
-	-	-	-	-	971,486
-	-	-	-	-	66,634
-	-	-	-	-	300,000
-	-	-	-	-	838,216
<u>43,538</u>	<u>-</u>	<u>-</u>	<u>130,572</u>	<u>-</u>	<u>5,478,106</u>
<u>28,045</u>	<u>-</u>	<u>2,631</u>	<u>(33,687)</u>	<u>-</u>	<u>579,270</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,045	-	2,631	(33,687)	-	579,270
<u>128,196</u>	<u>44,913</u>	<u>46,255</u>	<u>85,862</u>	<u>114</u>	<u>2,888,652</u>
<u>156,241</u>	<u>44,913</u>	<u>48,886</u>	<u>52,175</u>	<u>114</u>	<u>3,467,922</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

STATEMENT OF REVENUE RECEIVED - ALL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Revenue Received:			
Ad Valorem Taxes Levied By Local Education Agency			
General Levy	1,563,834	238,588	375,946
Tort Immunity Levy	-	-	-
Leasing Levy	8,345	-	-
Special Education Levy	40,859	-	-
Social Security/Medicare Only Levy	-	-	-
Payments In Lieu Of Taxes			
Corporate Personal Property Replacement Taxes	29,561	-	-
Earnings On Investments			
Interest On Investments	162,812	-	-
Food Service			
Sales To Pupils - Lunch	20,030	-	-
Sales To Pupils - Adults	-	-	-
Other Food Service	13	-	-
District/School Activity Income			
Admissions - Athletic	8,037	-	-
Admissions - Other	-	-	-
Fees	24,913	-	-
Book Store Sales	4,920	-	-
School Activity Revenue	27,743	-	-
Textbook Income			
Rentals - Regular Textbook	-	-	-
Other Revenue From Local Sources			
Rentals	15,000	30,000	-
Contributions And Donations From Private Sources	-	58,000	-
Payments of Surplus Moneys from TIF Districts	971	-	-
Refund Prior Years' Expenditures	-	-	-
Other Local Fees	-	-	-
Other Local Revenues	7,779	-	-
Total Receipts From Local Sources	<u>1,914,817</u>	<u>326,588</u>	<u>375,946</u>
Flow-Through Receipts/Revenues from one LEA to Another LEA			
Flow-Through Revenue From State Sources	-	-	-
Flow-Through Revenue From Federal Sources	-	-	-
Total Flow-Through Receipts/Revenues from one LEA to Another LEA	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

Statement 3

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
181,256	29,229	-	2,631	-	-	2,391,484
-	-	-	-	96,885	-	96,885
-	-	-	-	-	-	8,345
-	-	-	-	-	-	40,859
-	39,249	-	-	-	-	39,249
-	-	-	-	-	-	29,561
-	-	-	-	-	-	162,812
-	-	-	-	-	-	20,030
-	-	-	-	-	-	-
-	-	-	-	-	-	13
-	-	-	-	-	-	8,037
-	-	-	-	-	-	-
-	-	-	-	-	-	24,913
-	-	-	-	-	-	4,920
-	-	-	-	-	-	27,743
-	-	-	-	-	-	-
-	-	-	-	-	-	45,000
-	-	-	-	-	-	58,000
-	-	-	-	-	-	971
-	3,105	-	-	-	-	3,105
-	-	-	-	-	-	-
11,465	-	-	-	-	-	19,244
<u>192,721</u>	<u>71,583</u>	<u>-</u>	<u>2,631</u>	<u>96,885</u>	<u>-</u>	<u>2,981,171</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

(Continued)

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

STATEMENT OF REVENUE RECEIVED - ALL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Educational	Operations and Maintenance	Debt Services
Receipts From State Sources			
Unrestricted Grants-In-Aid			
Evidence Based Funding Formula (Sec. 18-8.15)	1,304,159	-	-
Restricted Grants-In-Aid			
Special Education - Private Facility Tuition	67,005	-	-
Special Education - Summer School	-	-	-
State Free Lunch And Breakfast	650	-	-
Transportation - Regular/Vocational	-	-	-
Transportation - Special Education	-	-	-
School Infrastructure - Maintenance	-	150,000	-
Other Restricted Revenue From State Sources	850	-	-
Total Receipts From State Sources	<u>1,372,664</u>	<u>150,000</u>	<u>-</u>
Receipts From Federal Sources			
Restricted Grants-In-Aid Received From Federal Government			
Thru The State			
National School Lunch Program	45,316	-	-
Title I - Low Income	79,821	-	-
Federal - Special Education - Preschool Flow - Through	7,137	-	-
Federal - Special Education - IDEA - Flow Through /			
Low Incidence	111,062	-	-
Title II - Teacher Quality	5,162	-	-
Medicaid Matching Funds - Administrative Outreach	4,199	-	-
Medicaid Matching Funds - Fee-For-Service Program	3,265	-	-
Other Restricted Revenue From Federal Sources	148,810	-	-
Total Receipts From Federal Sources	<u>404,772</u>	<u>-</u>	<u>-</u>
 Total Direct Receipts	 <u>3,692,253</u>	 <u>476,588</u>	 <u>375,946</u>

The accompanying notes are an integral part of these financial statements.

## Statement 3

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
-	-	-	-	-	-	1,304,159
-	-	-	-	-	-	67,005
-	-	-	-	-	-	-
-	-	-	-	-	-	650
-	-	-	-	-	-	-
310,553	-	-	-	-	-	310,553
-	-	-	-	-	-	150,000
-	-	-	-	-	-	850
<u>310,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,833,217</u>
-	-	-	-	-	-	45,316
-	-	-	-	-	-	79,821
-	-	-	-	-	-	7,137
-	-	-	-	-	-	111,062
-	-	-	-	-	-	5,162
-	-	-	-	-	-	4,199
-	-	-	-	-	-	3,265
-	-	-	-	-	-	148,810
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>404,772</u>
<u>503,274</u>	<u>71,583</u>	<u>-</u>	<u>2,631</u>	<u>96,885</u>	<u>-</u>	<u>5,219,160</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

Statement 4

STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Actual	Budget	Unexpended Budget
Expenditures Disbursed:			
Instruction			
Regular Programs			
Salaries	1,024,897	1,035,163	10,266
Employee Benefits	227,559	236,400	8,841
Purchased Services	7,461	6,360	(1,101)
Supplies And Materials	101,611	55,500	(46,111)
Capital Outlay	15,106	-	(15,106)
Total Regular Programs	<u>1,376,634</u>	<u>1,333,423</u>	<u>(43,211)</u>
Special Education Programs			
Salaries	35,368	37,500	2,132
Purchased Services	-	-	-
Total Special Education Programs	<u>35,368</u>	<u>37,500</u>	<u>2,132</u>
Interscholastic Programs			
Salaries	45,095	46,000	905
Employee Benefits	468	1,000	532
Purchased Services	9,990	10,000	10
Supplies And Materials	2,090	2,300	210
Other Objects	5,069	5,200	131
Total Interscholastic Programs	<u>62,712</u>	<u>64,500</u>	<u>1,788</u>
Truant Alternative And Optional Programs			
Purchased Services	-	-	-
Total Truant Alternative And Optional Programs	<u>-</u>	<u>-</u>	<u>-</u>
Student Activity Fund Expenditures			
Purchased Services	28,599	-	(28,599)
Total Student Activity Fund Expenditures	<u>28,599</u>	<u>-</u>	<u>(28,599)</u>
Total Instruction	<u>1,503,313</u>	<u>1,435,423</u>	<u>(67,890)</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Statement 4  
(continued)

	Actual	Budget	Unexpended Budget
Expenditures Disbursed:			
Support Services			
Support Services - Pupils			
Attendance And Social Work Services			
Capital Outlay	540	630	90
Total Social Work Services	<u>540</u>	<u>630</u>	<u>90</u>
Health Services			
Salaries	34,813	37,500	2,687
Supplies And Materials	<u>2,722</u>	<u>3,000</u>	<u>278</u>
Total Health Services	<u>37,535</u>	<u>40,500</u>	<u>2,965</u>
Speech Pathology & Audiology			
Salaries	82,898	83,561	663
Employee Benefits	10,916	12,850	1,934
Purchased Services	458	458	-
Supplies and Materials	-	888	888
Capital Outlay	<u>2,598</u>	<u>2,798</u>	<u>200</u>
Total Speech Pathology & Audiology	<u>96,870</u>	<u>100,555</u>	<u>3,685</u>
Other Support Services - Pupils			
Salaries	30,734	32,000	1,266
Employee Benefits	<u>366</u>	<u>1,000</u>	<u>634</u>
Total Other Support Services - Pupils	<u>31,100</u>	<u>33,000</u>	<u>1,900</u>
Total Support Services - Pupils	<u>166,045</u>	<u>174,685</u>	<u>8,640</u>
Improvement Of Instruction Services			
Salaries	4,015	4,015	-
Employee Benefits	96	485	389
Purchased Services	<u>5,280</u>	<u>5,750</u>	<u>470</u>
Total Improvement Of Instruction Services	<u>9,391</u>	<u>10,250</u>	<u>859</u>
Educational Media Services			
Salaries	27,338	27,500	162
Purchased Services	16,980	17,810	830
Supplies And Materials	<u>22,570</u>	<u>24,000</u>	<u>1,430</u>
Total Educational Media Services	<u>66,888</u>	<u>69,310</u>	<u>2,422</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Statement 4  
(continued)

	Actual	Budget	Unexpended Budget
Expenditures Disbursed:			
Assessment And Testing			
Purchased Services	10,250	10,250	-
Total Assessment And Testing	<u>10,250</u>	<u>10,250</u>	<u>-</u>
Total Support Services - Instructional Staff	<u>86,529</u>	<u>89,810</u>	<u>3,281</u>
Board Of Education Services			
Salaries	1,200	1,250	50
Purchased Services	13,329	14,300	971
Supplies And Materials	34	250	216
Other Objects	7,088	8,500	1,412
Total Board Of Education Services	<u>21,651</u>	<u>24,300</u>	<u>2,649</u>
Executive Administration Services			
Salaries	236,150	236,455	305
Employee Benefits	32,123	33,500	1,377
Purchased Services	1,000	1,000	-
Supplies And Materials	4,881	6,500	1,619
Capital Outlay	-	-	-
Other Objects	1,556	1,750	194
Total Executive Administration Services	<u>275,710</u>	<u>279,205</u>	<u>3,495</u>
Total Support Services - Instructional Staff	<u>297,361</u>	<u>303,505</u>	<u>6,144</u>
Support Services - School Administration			
Office Of The Principal Services			
Salaries	56,749	58,500	1,751
Employee Benefits	3,196	4,450	1,254
Supplies And Materials	2,608	3,000	392
Capital Outlay	-	-	-
Other Objects	-	-	-
Total Office Of The Principal Services	<u>62,553</u>	<u>65,950</u>	<u>3,397</u>
Total Support Services - School Administration	<u>62,553</u>	<u>65,950</u>	<u>3,397</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Statement 4  
(continued)

	Actual	Budget	Unexpended Budget
Expenditures Disbursed:			
Support Services - Business:			
Fiscal Services			
Salaries	28,485	31,500	3,015
Employee Benefits	-	-	-
Purchased Services	9,038	12,041	3,003
Supplies And Materials	42	100	58
Capital Outlay	-	-	-
Other Objects	229	600	371
Total Fiscal Services	<u>37,794</u>	<u>44,241</u>	<u>6,447</u>
Food Services			
Purchased Services	73,104	75,000	1,896
Supplies And Materials	27	400	373
Total Food Services	<u>73,131</u>	<u>75,400</u>	<u>2,269</u>
Total Food Services	<u>110,925</u>	<u>119,641</u>	<u>8,716</u>
Total Support Services	<u>723,413</u>	<u>753,591</u>	<u>30,178</u>
Community Services			
Purchased Services	-	13,500	13,500
Other Objects	-	7,431	7,431
Total Community Services	<u>-</u>	<u>20,931</u>	<u>20,931</u>
Payments To Other Governments			
Payments for Regular Programs			
Purchased Services	13,500	-	(13,500)
Payments For Special Education Programs			
Purchased Services	483,471	515,000	31,529
Other Objects	474,515	500,000	25,485
Total Payments To Other Governments	<u>971,486</u>	<u>1,015,000</u>	<u>43,514</u>
Total Disbursements	<u>3,198,212</u>	<u>3,224,945</u>	<u>26,733</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

Statement 5

STATEMENT OF EXPENDITURES DISBURSED  
 (AND COMPARISON WITH BUDGET)  
 OPERATIONS AND MAINTENANCE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services - Business			
Operation and Maintenance of			
Plant Services:			
Salaries	68,442	72,500	4,058
Purchased Services	85,193	70,600	(14,593)
Supplies and Materials	67,288	71,500	4,212
Capital Outlay	<u>196,959</u>	<u>215,000</u>	<u>18,041</u>
Total Operation and Maintenance of			
Plant Services:	<u>417,882</u>	<u>429,600</u>	<u>11,718</u>
Total Support Services - Business	<u>417,882</u>	<u>429,600</u>	<u>11,718</u>
Total Expenditures	<u><u>417,882</u></u>	<u><u>429,600</u></u>	<u><u>11,718</u></u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

Statement 6

STATEMENT OF EXPENDITURES DISBURSED  
 (AND COMPARISON WITH BUDGET)  
 DEBT SERVICES FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Debt Services:			
Debt Service - Interest	65,859	65,860	1
Debt Service - Bond Principal	300,000	300,000	-
Debt Service - Other	<u>775</u>	<u>775</u>	<u>-</u>
Total Debt Services	<u>366,634</u>	<u>366,635</u>	<u>1</u>
Total Expenditures	<u>366,634</u>	<u>366,635</u>	<u>1</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

Statement 7

STATEMENT OF EXPENDITURES DISBURSED  
 (AND COMPARISON WITH BUDGET)  
 TRANSPORTATION FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services - Business			
Pupil Transportation Services:			
Purchased Services	483,052	492,300	9,248
Supplies and Materials	-	-	-
Total Pupil Transportation Services	<u>483,052</u>	<u>492,300</u>	<u>9,248</u>
Other Support Services:			
Purchased Services	-	-	-
Total Supporting Services	<u>483,052</u>	<u>492,300</u>	<u>9,248</u>
 Total Expenditures	 <u><u>483,052</u></u>	 <u><u>492,300</u></u>	 <u><u>9,248</u></u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

Statement 8  
(continued)

STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	13,958	15,700	1,742
Special Education Programs:			
Employee Benefits	303	3,750	3,447
Remedial Programs:			
Employee Benefits	-	-	-
Interscholastic Programs:			
Employee Benefits	3,781	2,600	(1,181)
Gifted Programs:			
Employee Benefits	-	-	-
Total Instruction	<u>18,042</u>	<u>22,050</u>	<u>4,008</u>
Supporting Services:			
Support Services - Pupils			
Health Services:			
Employee Benefits	4,907	3,750	(1,157)
Speech Pathology & Audiology Services:			
Employee Benefits	-	1,250	1,250
Other Support Services - Pupils:			
Employee Benefits	-	925	925
Total Support Services - Pupils	<u>4,907</u>	<u>5,925</u>	<u>1,018</u>
Support Services - Instructional Staff:			
Educational Media Services:			
Employee Benefits	2,091	3,650	1,559
Assessment and Testing:			
Employee Benefits	-	-	-
Total Support Services - Instructional Staff	<u>2,091</u>	<u>3,650</u>	<u>1,559</u>
Support Services - General Administration:			
Board of Education Services:			
Employee Benefits	92	225	133
Executive Administration Services:			
Employee Benefits	7,491	9,050	1,559
Special Area Administrative Services:			
Employee Benefits	-	-	-
Total Support Services - General Admin.	<u>7,583</u>	<u>9,275</u>	<u>1,692</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

Statement 8  
(continued)

STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Actual	Budget	Unexpended Budget
Support Services - School Administration:			
Office of the Principal Services:			
Employee Benefits	2,671	5,250	2,579
Other Support Services:			
Employee Benefits	-	-	-
Total Support Services - School Admin	<u>2,671</u>	<u>5,250</u>	<u>2,579</u>
Support Services - Business			
Fiscal Services:			
Employee Benefits	2,423	6,250	3,827
Operation and Maintenance of Plant Services:			
Employee Benefits	5,821	6,250	429
Total Support Services - Business	<u>8,244</u>	<u>12,500</u>	<u>4,256</u>
Total Support Services	<u>25,496</u>	<u>36,600</u>	<u>11,104</u>
Total Expenditures	<u><u>43,538</u></u>	<u><u>58,650</u></u>	<u><u>15,112</u></u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

Statement 9

STATEMENT OF EXPENDITURES DISBURSED  
 (AND COMPARISON WITH BUDGET)  
 CAPITAL PROJECTS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Support Services:			
Facilities Acquisition and Construction Services			
Purchased Services	-	-	-
Supplies and materials	-	-	-
Other Objects	-	-	-
Non-capitalized equipment	-	-	-
Total Expenditures	- <u>                    </u>	- <u>                    </u>	- <u>                    </u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

Statement 10

STATEMENT OF EXPENDITURES DISBURSED  
 (AND COMPARISON WITH BUDGET)  
 TORT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services - General Administration:			
Board of Education Services			
Purchased Services	75,693	82,000	6,307
Insurance			
Purchased Services	52,879	54,000	1,121
Risk Management and Claims Services Payments			
Purchased Services	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Support Services - General Administration	<u>130,572</u>	<u>138,000</u>	<u>7,428</u>
Total Expenditures	<u><u>130,572</u></u>	<u><u>138,000</u></u>	<u><u>7,428</u></u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

Statement 11

STATEMENT OF EXPENDITURES DISBURSED  
 (AND COMPARISON WITH BUDGET)  
 FIRE PREVENTION & SAFETY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services - Business:			
Operation & Maintenance of Plant:			
Purchased Services	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #1 Summary of Significant Accounting Policies

The District's accounting policies conform to the modified cash basis of accounting as defined by the Illinois State Board of Education Audit Guide. The following is a summary of the more significant accounting policies of the District.

*Principles Used to Determine Scope of the Reporting Entity*

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board, the financial reporting entity consists of all funds and functions of the primary government, the District as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

The District does not currently have any external component units that meet the above requirements for inclusion in this report. Also, the District is not included as a component unit in any other governmental reporting entity's defined by GASB pronouncements.

*Basis of Presentation - Fund Accounting*

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities, fund balance, cash receipts and cash disbursements. The District maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #1 Summary of Significant Accounting Policies (continued)

*Governmental Fund Types*

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds.

The General Fund, which consists of the Educational Fund, the Operations and Maintenance Fund, the Working Cash Fund and the Tort Fund, is the general operating fund of the District. It is used to account for all financial resources not accounted for in another fund. Special Education is included in the Educational Fund.

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to other funds. Money loaned by the Working Cash Fund to other funds must be repaid upon the collection of property taxes. As allowed by the School Code of Illinois, the Board of Education may permanently abolish this fund and transfer its balances to the Education Fund.

Special Revenue Funds, which include the Transportation Fund and the Municipal Retirement/Social Security Fund, are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The Capital Project Funds, which includes the Capital Projects Fund and the Fire Prevention and Safety Fund, is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #1 Summary of Significant Accounting Policies (continued)

*Fiduciary Fund Types*

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

The Agency Funds (Activity Funds) account for assets held by the District as an agent for the students and teachers. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets.

*Governmental Funds - Measurement Focus*

The financial statements of all funds focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

*General Fixed Assets and General Long-term Debt Account Groups*

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund is determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from government funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not “funds”. They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

TAFT SCHOOL DISTRICT 90  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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Note #1 Summary of Significant Accounting Policies (continued)

*Basis of Accounting*

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the modified cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

*Budgets and Budgetary Accounting*

The budget for all Governmental Funds was prepared on the modified cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with 105 ILCS 5/17-1 of the Illinois Compiled Statutes. The budget was passed on September 28, 2023 and amended on June 27, 2024.

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected on the financial statements:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed disbursements and the means of financing them.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #1 Summary of Significant Accounting Policies (continued)

*Budgets and Budgetary Accounting (continued)*

2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted by the Board of Education through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption

*Investments*

Investments are stated at cost. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

*General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. At the time of payment, assets are recorded as disbursements in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. The District capitalizes assets with an initial individual cost of more than \$500.

No depreciation has been provided on fixed assets in these financial statements. Current depreciation of \$186,978 has been utilized for the calculation of the per capita tuition charge and accumulated depreciation totaling \$4,621,720 has been reported on the Illinois Local Education Agency annual financial report (ISBE Form 50-35). Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

Buildings	50 years
Improvements	20 years
Transportation Equipment	5 years
Other Equipment	3 - 10 years

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #1 Summary of Significant Accounting Policies (continued)

*Interfund Transactions*

Quasi-external transactions between funds are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Temporary interfund loans that exist at year end are reported as "loans to/from other funds".

*Restricted Resources Policy*

When expenditures are incurred for purposes for which both restricted and unrestricted resources are available, it is the District's policy to apply restricted resources first, the unrestricted resources as needed.

*Total Memorandum Only*

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund type and account group. No consolidations or other eliminations were made in arriving at the totals; thus they do not present consolidated information. These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #2 Property Taxes

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2023 levy ordinance was approved during the December 14, 2023 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 property on January 1 of that year.

The District has statutory tax rate limits in various operating funds subject to change only by approval of the voters in the District. Certain bond issue levies and referendum increases are exempt from this limitation.

Property taxes are collected by the Will County 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 June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment date.

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100 of assessed valuation:

	Maximum	Actual	Actual
	<u>Rate</u>	2023	2022
		<u>Rate</u>	<u>Rate</u>
Educational	As needed	1.7811	1.8267
Operations & Maintenance	0.5500	0.2837	0.2680
Bond and Interest	As needed	0.4240	0.4456
Transportation	As needed	0.2260	0.1930
Municipal Retirement	As needed	0.0250	0.0427
Social Security	As needed	0.0431	0.0477
Working Cash	0.4000	0.0018	0.0043
Special Education	0.0500	0.0470	0.0475
Lease/Purchase	0.1000	0.0096	0.0097
Tort Immunity	As needed	0.1096	0.1145
PA 102 0519 ADJ	As needed	<u>0.0067</u>	<u>0.0025</u>
Total		<u>2.9576</u>	<u>3.0022</u>

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #3 Fund Balance Reporting

The District's fund balances for Governmental Fund are classified as follows:

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the district all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2024, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2024 amounted to \$185,455, resulting in committed fund balance for this purpose.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #3 Fund Balance Reporting (continued)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the governments' intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the financial committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

The District has \$19,085 of fund balances assigned for Student Activity Funds.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, Transportation and Working Cash Funds.

F. Regulatory - Fund Balance Definitions

Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #3 Fund Balance Reporting (continued)

G. Reconciliation of Fund Balance Reporting

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	<u>Nonspend- able</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	Financial Statements - <u>Reserved</u>	Financial Statements - <u>Unreserved</u>
Educational Operations & Maintenance	-	-	185,455	19,085	2,492,855	19,085	2,678,310
Debt Service	-	245,348	-	-	-	-	245,348
Transportation	-	29,910	-	-	-	-	29,910
Municipal Retirement	-	192,940	-	-	-	-	192,940
Capital Projects	-	156,241	-	-	-	-	156,241
Working Cash	-	44,913	-	-	-	-	44,913
Tort Liability	-	-	-	-	48,886	-	48,886
Fire Prevention & Safety	-	52,175	-	-	-	-	52,175
	-	114	-	-	-	-	114

Note #4 Cash and Investments

*Common Bank Account*

Separate bank accounts are not maintained for all District funds; instead, the individual funds maintain their cash balances in the common checking account, 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.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #4 Cash and Investments (continued)

*Deposits*

Cash deposits consisted of checking accounts which were carried at cost. At June 30, 2024, the carrying amount of the District's deposits was \$36,251, (including \$19,085 of activity funds) and the bank balance was \$341,065 (including \$20,171 of activity funds). Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that all deposits be fully insured or collateralized. As of June 30, 2024, all of the bank balances are insured or collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

*Investments*

Credit Risk – The District is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235) and 105 ILCS 5/8-7 of the School Code. The District's investment policy does not further limit its investment choices.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. The District requires all investments be fully insured and collateralized. The investments held in external investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk – The District places no limit on the amount it may invest in any one issuer. The investment portfolio may be in interest-bearing accounts with a bank, short-term discount obligations of the Federal National Mortgage Association and repurchase agreements of government securities. At year end, the District did not violate these restrictions.

The Illinois School District Liquid Asset Fund Plus is an external investment pool created by the Illinois General Assembly. The fund invests in U.S. Treasury bills and notes, in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements and in treasury mutual funds that invest in U.S.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note #4 Cash and Investments (continued)

*Investments (continued)*

Treasury obligations and collateralized repurchase agreements. The fair value of the position in the Illinois School District Liquid Asset Fund Plus is the same as the value of the pool shares. The Illinois State Treasurer's Investment Advisory Board has oversight responsibility over the Illinois School District Liquid Asset Fund Plus.

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The following schedule reports the fair value and maturities (using the segmented time distribution method) for the District's investments at June 30, 2024, the percent of each investment type to the total, and credit ratings for the District's investment in debt securities as described by Standard & Poor's rating agency.

Investment Description	Carrying Value 6/30/2024	Investment Maturities Less Than One Year	Percent Of Total Investments	Credit Ratings
ISDLAF+	3,431,670	3,431,670	100%	AAAm
Total	<u>3,431,670</u>	<u>3,431,670</u>	<u>100%</u>	

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2024:

- ISDLAF+ of \$3,431,670 are valued using quoted market prices (Level 1 inputs)

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #4 Cash and Investments (continued)

A reconciliation of the District's cash and investments balances as reported on the Statement of Assets, Liabilities, and Fund Balances- Arising from Cash Transactions and the deposits and investments presented in this note is as follows:

Carrying Amount of Cash Per Note Above	\$	36,251
Investments Per Note Above		<u>3,431,670</u>
Total	\$	<u><u>3,467,921</u></u>
Cash and Cash Equivalents Per Financial Statements	\$	<u><u>3,467,921</u></u>

Note #5 Changes in General Fixed Assets

The following are the changes in the balances of the District's fixed assets for the year ended June 30, 2024:

	Balance <u>7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2024</u>
Non-depreciable fixed assets:				
Land	12,500	-	-	12,500
Depreciable fixed assets:				
Buildings	7,076,720	-	-	7,076,720
Improvements	1,087,148	196,410	-	1,283,558
Transportation Equipment	9,104	-	-	9,104
Equipment	<u>812,933</u>	<u>18,793</u>	-	<u>831,726</u>
Total Fixed Assets	8,998,405	215,203	-	9,213,608
Accumulated Depreciation:				
Buildings	3,017,376	141,535	-	3,158,911
Improvements	604,606	42,014	-	646,620
Transportation Equipment	9,104	-	-	9,104
Equipment	<u>803,656</u>	<u>3,429</u>	-	<u>807,085</u>
Total Accumulated Depreciation	<u>4,434,742</u>	<u>186,978</u>	-	<u>4,621,720</u>
Fixed Assets, Net	<u><u>4,563,663</u></u>	<u><u>28,225</u></u>	<u><u>-</u></u>	<u><u>4,591,888</u></u>

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #6 Retirement Fund Commitments

The District contributes to two defined benefit pension plans: the Teachers Retirement System (TRS), and the Illinois Municipal Retirement Fund (IMRF). TRS is administered by the TRS board of trustees and is a cost sharing multiple employer plan. IMRF is administered by IMRF board of trustees and is an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The aggregate employer recognized pension expense on a cash basis for the year ended June 30, 2024, was \$16,044.

A. Teachers' Retirement System of the State of Illinois

**General Information about the Pension Plan**

**Plan description**

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2023>; by writing to TRS at 2815 West Washington Street, P O Box 19253, Springfield, IL 62794 or by calling (888) 678-3675, option 2.

**Benefits provided**

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

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #6 Retirement Fund Commitments (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

### Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2023, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #6 Retirement Fund Commitments (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

**On behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2024, state of Illinois contributions recognized by the employer were based on the state's proportionate share of with the pension expense associated with the employer, and the employer recognized revenue and expenditures of \$825,275 in pension contributions from the state of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2024 were \$8,340, of which \$8,340 was actually paid toward this obligation during the fiscal year.

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

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

For the year ended June 30, 2024, the employer pension contribution was 10.60 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2024, salaries totaling \$71,678 were paid from federal and special trust funds that required employer contributions of \$7,598 and \$8,453 was actually paid toward this obligation during the fiscal year.

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

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

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #6 Retirement Fund Commitments (continued)

A. Teachers' Retirement System of the State of Illinois (continued)

Pension Expense

For the year ended June 30, 2024, the District recognized TRS pension expense of \$13,714 on a cash basis under this plan.

B. THIS Fund:

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 State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

**On behalf contributions to the THIS Fund.**

The State of Illinois makes employer retiree health insurance contributions on behalf of the district. State contributions are intended to match contributions to the THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2024. State of Illinois contributions were \$12,941, and the district recognized revenue and expenditures of this amount during the year.

**Employer contributions to the THIS Fund.**

The district also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2024. For the year ended June 30, 2024, the district paid \$9,634 to the THIS Fund, which was 100 percent of the required contribution.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #6 Retirement Fund Commitments: (continued)

C. Illinois Municipal Retirement Fund:

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

**Benefits Provided**

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

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

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #6 Retirement Fund Commitments: (continued)

C. Illinois Municipal Retirement Fund (continued)

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

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

**Employees Covered by Benefit Terms**

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

Number of	
Retirees and Beneficiaries	22
Inactive, Non-Retired Members	37
Active Members	9
Total	68
Covered Valuation Payroll	\$ 270,932

**Contributions**

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2023 was 0.86%. For the calendar year ended 2023, the District contributed \$2,330 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #7 Other Postemployment Benefits

The District is legally required to provide postemployment healthcare benefits to former employees and retirees. Former employees, who are not retirees, are provided healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Former employees, who are qualified under COBRA, may apply for coverage by the District's health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon the actual cost of the health plan for the chosen level of coverage.

Illinois Statutes mandate that a municipal government must offer its retirees a health insurance plan equivalent to that offered to active employees. Illinois statutes enable a government to make the health plan benefits supplemental to Medicare and to offer these supplemental benefits at a different retiree contribution rate than regular benefits provided by the group plan. State statutes do not presently require the government to pay any portion of the cost of the plan for retired employees. Retired employees covered under the District's plan are required to pay 100% of the cost of their insurance based on the rates paid by the District. Retired employees must be covered under the District's health insurance plan at the time of retirement to receive this benefit and must continue coverage with the District's plan to maintain this benefit. Although the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, based on historical turnover rates, number of active employees, age of active employees and participation rate, management of the District does not consider the effects of implementing Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and calculating the actuarial determined liability to be material to the June 30, 2024 financial statements.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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Note #8 General Long-Term Debt

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

	<u>Balance</u> <u>June 30, 2023</u>	<u>Debt Issued</u>	<u>Debt Retired</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Alt Revenue Series 2012B	-	-	100,000	975,000	105,000
General Obligation Refunding Series 2020	<u>2,045,000</u>	-	<u>200,000</u>	<u>1,845,000</u>	<u>205,000</u>
Total Long-Term Debt	<u><u>3,120,000</u></u>	<u><u>-</u></u>	<u><u>300,000</u></u>	<u><u>2,820,000</u></u>	<u><u>310,000</u></u>

At June 30, 2024, the annual cash flow requirements of principal and interest were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2025	310,000	60,360
2026	320,000	54,365
2027	330,000	48,685
2028	345,000	41,935
2029	360,000	34,660
2030-2032	<u>1,155,000</u>	<u>54,925</u>
	<u><u>2,820,000</u></u>	<u><u>294,930</u></u>

TAFT SCHOOL DISTRICT 90  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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Note #8 General Long-Term Debt (continued)

*General Obligation Alternate Revenue 2012B Series Bonds*

On May 23, 2012, the District issued \$1,960,000 in general obligation alternate revenue school bonds to finance certain capital projects relating to asbestos removal, new boiler, HVAC system, and other remodeling projects. The bonds bear interest ranging from 2.0% to 4.0%. Interest is paid each February 1 and August 1. The principal matures each February 1 beginning in 2014 through 2032. Principal and interest on the bonds will be paid at Amalgamated Bank of Chicago, Illinois. The bonds due on or after February 1, 2022, are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after February 1, 2022.

On December 21, 2020, the District issued \$2,270,000 in taxable general obligation refunding bonds. The bonds were issued to advance refund \$2,125,000 of Series 2012A bonds. The 2020 bonds are payable in varying amounts beginning August 1, 2021 with interest rates varying from 1.00 percent to 1.55 percent.

There is \$29,910 available in the Debt Service Fund for the retirement of long-term debt.

*Legal Debt Margin*

As of June 30, 2024, the legal debt limit of the District was \$6,027,852 based upon 6.9 percent of its 2023 equalized assessed valuation of \$87,360,169. The District's general obligation bonds and leases are subject to the debt limit. The debt limit less outstanding debt of \$2,820,000 results in a legal debt margin of \$3,207,852 as of June 30, 2024.

TAFT SCHOOL DISTRICT 90

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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Note #9 Commitments and Contingencies

*Litigation*

From time to time, the District is involved in legal and administrative proceedings with respect to employment, civil rights, property tax protests and other matters. During the fiscal year ended June 30, 2024, the District is named in litigation with the potential exposure to be up to \$100,000, not covered under insurance.

Settled claims have not exceeded insurance coverage for each of the past three years.

*Grant Programs*

The District has received funding from state and federal grants in the current and prior years which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from these audits will be insignificant to District operations.

Note #10 Risk Management

The District is exposed to various risks of loss related to worker's compensation risks, torts; professional liability; theft of, damage to and destruction of assets and natural disasters. To protect the District from such risks, the District has purchased insurance coverage and participates in the Educational School Insurance Cooperative. The District pays annual premiums for insurance coverage.

There were no reductions in insurance coverage during the year. Settled claims have not exceeded the insurance coverage in the last three years.

Note #11 Joint Agreement

The Lockport Area Special Education Co-op is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the school districts. The governing board consists of the superintendents of the school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. Financial information can be obtained by writing to Lockport Area Special Education Co-op, 1343 East 7<sup>th</sup> Street, Lockport, IL 60441.

TAFT SCHOOL DISTRICT 90

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
Teachers' Retirement System of the State of Illinois  
(Dollar amounts in thousands)

	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
Employer's proportion of the net pension liability	0.00013%	0.00013%	0.00011%	0.00005%	0.00005%	0.00046%	0.00014%	0.00020%	0.00118%
Employer's proportionate share of the net pension liability	\$ 113,492	\$ 109,874	\$ 84,016	\$ 824	\$ 39,104	\$ 359,547	\$ 103,418	\$ 165,820	\$ 728,947
State's proportionate share of the net pension liability associated with the employer	9,794,437	9,530,801	7,041,467	64,579	2,782,990	24,630,455	7,119,484	11,133,481	8,897,363
<b>Total</b>	<b>\$ 9,907,929</b>	<b>\$ 9,640,675</b>	<b>\$ 7,125,483</b>	<b>\$ 65,403</b>	<b>\$ 2,822,094</b>	<b>\$ 24,990,002</b>	<b>\$ 7,222,902</b>	<b>\$ 11,299,301</b>	<b>\$ 9,626,310</b>
Employer's covered-employee payroll	1,437,902	1,429,555	1,312,149	959,685	1,242,438	1,067,721	1,188,791	896,486	1,358,587
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	7.9%	7.7%	6.4%	0.1%	3.1%	33.7%	8.7%	18.5%	53.7%
Plan fiduciary net position as a percentage of the total pension liability	43.9%	42.8%	45.1%	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Teachers' Retirement System of the State of Illinois  
(Dollar amounts in thousands)

	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
Statutorily-required contribution	16,793	16,105	9,252	16,630	7,206	7,167	28,186	8,135	6,776
Contributions in relation to the statutorily-required contributions	(16,793)	(16,105)	(9,252)	(16,630)	(7,206)	(7,167)	(28,186)	(8,135)	(6,776)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	1,437,902	1,429,555	1,312,149	959,685	1,242,438	1,067,721	1,188,791	896,486	3,107,054
Contributions as a percentage of covered-employee payroll	1.17%	1.13%	0.71%	1.73%	0.58%	0.67%	2.37%	0.91%	0.22%

Notes to other Information

Changes of assumptions

For the 2023 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. These actuarial assumptions were based on an experience study dated 9-30-2021. For the 2022-2018 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively. For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

TAFT SCHOOL DISTRICT 90

SCHEDULES OF OTHER INFORMATION - IMRF  
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years

Calendar year ending December 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>										
Service Cost	20,585	20,900	24,037	17,737	23,478	29,574	29,024	25,105	30,449	25,358
Interest on the Total Pension Liability	85,529	81,678	80,044	75,355	74,286	68,971	64,322	60,700	56,732	48,856
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	56,133	17,904	(25,757)	16,657	(37,441)	12,371	20,092	(7,507)	(10,086)	17,551
Assumption Changes	(3,670)	-	-	(1,496)	-	28,781	(21,201)	-	-	26,676
Benefit Payments and Refunds	<u>(72,521)</u>	<u>(61,900)</u>	<u>(46,510)</u>	<u>(46,949)</u>	<u>(38,465)</u>	<u>(24,793)</u>	<u>(36,254)</u>	<u>(27,678)</u>	<u>(15,363)</u>	<u>(16,591)</u>
<b>Net Change in Total Pension Liability</b>	86,056	58,582	31,814	61,304	21,858	114,904	55,983	50,620	61,732	101,850
<b>Total Pension Liability - Beginning</b>	<u>1,205,681</u>	<u>1,147,099</u>	<u>1,115,285</u>	<u>1,053,981</u>	<u>1,032,123</u>	<u>917,219</u>	<u>861,236</u>	<u>810,616</u>	<u>748,884</u>	<u>647,034</u>
<b>Total Pension Liability - Ending (a)</b>	<u>1,291,737</u>	<u>1,205,681</u>	<u>1,147,099</u>	<u>1,115,285</u>	<u>1,053,981</u>	<u>1,032,123</u>	<u>917,219</u>	<u>861,236</u>	<u>810,616</u>	<u>748,884</u>
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	2,330	7,336	9,631	13,785	10,802	17,604	17,782	15,022	14,777	13,680
Employee Contributions	12,192	10,414	11,435	9,894	18,823	11,269	11,052	9,854	10,374	10,027
Pension Plan Net Investment Income	144,038	(203,473)	224,846	166,581	190,066	(55,825)	153,071	54,506	4,261	48,462
Benefit payments and Refunds	(72,521)	(61,900)	(46,510)	(46,949)	(38,465)	(24,793)	(36,254)	(27,678)	(15,363)	(16,591)
Other	<u>42,593</u>	<u>8,049</u>	<u>2,840</u>	<u>4,552</u>	<u>(812)</u>	<u>22,069</u>	<u>(6,752)</u>	<u>8,867</u>	<u>(40,425)</u>	<u>729</u>
<b>Net Change in Plan Fiduciary Net Position</b>	128,632	(239,574)	202,242	147,863	180,414	(29,676)	138,899	60,571	(26,376)	56,307
<b>Plan Fiduciary Net Position - Beginning</b>	<u>1,281,577</u>	<u>1,521,151</u>	<u>1,318,909</u>	<u>1,171,046</u>	<u>990,632</u>	<u>1,020,308</u>	<u>881,409</u>	<u>820,838</u>	<u>847,214</u>	<u>790,907</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>1,410,209</u>	<u>1,281,577</u>	<u>1,521,151</u>	<u>1,318,909</u>	<u>1,171,046</u>	<u>990,632</u>	<u>1,020,308</u>	<u>881,409</u>	<u>820,838</u>	<u>847,214</u>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	(118,472)	(75,896)	(374,052)	(203,624)	(117,065)	41,491	(103,089)	(20,173)	(10,222)	(98,330)
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	109.17%	106.29%	132.61%	118.26%	111.11%	95.98%	111.24%	102.34%	101.26%	86.49%
<b>Current Valuation Payroll</b>	270,932	231,430	254,110	219,863	193,597	250,413	245,610	218,968	230,526	222,812
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-43.73%	-32.79%	-147.20%	-92.61%	-60.47%	16.57%	-41.97%	-9.21%	-4.43%	-44.13%

Taft School District 90

MULTIYEAR SCHEDULE OF EMPLOYER CONTRIBUTIONS - IMRF

LAST 10 CALENDAR YEARS

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2014	15,977	13,680	2,297	260,209	5.26%
2015	14,777	14,777	-	230,526	6.41%
2016	15,021	15,022	(1)	218,968	6.86%
2017	17,782	17,782	-	245,610	7.24%
2018	17,604	17,604	-	250,413	7.03%
2019	10,803	10,802	1	193,597	5.58%
2020	13,785	13,785	-	193,597	7.12%
2021	9,631	9,631	-	254,110	3.79%
2022	7,336	7,336	-	231,430	3.17%
2023	2,330	2,330	-	270,932	0.86%

TAFT SCHOOL DISTRICT 90

NOTES TO SCHEDULE OF CONTRIBUTIONS - IMRF

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS  
USED IN THE CALCULATION OF THE 2023 CONTRIBUTION RATE\*

<b>Valuation Date</b>	
Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
<b>Methods and Assumptions Used to Determine 2023 Contribution Rates:</b>	
Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	Non-taxing bodies: 10- year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 20-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	2.75%
Price Inflation	2.25%
Salary Increases	2.75% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
<b>Other Information</b>	
Notes	There were no benefit changes during the year.

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

TAFT SCHOOL DISTRICT 90

SCHEDULE OF TAXES EXTENDED AND COLLECTED

Last Two Levy Years

	<u>2023</u>	<u>2022</u>
<b>Assessed Valuation</b>	\$ <u>87,360,169</u>	\$ <u>82,119,351</u>
<b>Tax Rates Per \$100 Of Assessed Valuation</b>		
Educational	1.7811	1.8267
Operations and Maintenance	0.2837	0.2680
Bond and Interest	0.4240	0.4456
Transportation	0.2260	0.1930
Municipal Retirement	0.0250	0.0427
Social Security	0.0431	0.0477
Working Cash	0.0018	0.0043
Tort Immunity	0.1096	0.1145
Lease/Purchase	0.0096	0.0097
Special Education	0.0470	0.0475
PA 102 0519 ADJ	0.0067	0.0025
	<u>2.9576</u>	<u>3.0022</u>
<b>Tax Extensions</b>		
Educational	\$ 1,555,972	\$ 1,500,074
Operations and Maintenance	247,841	220,080
Bond and Interest	370,407	365,924
Transportation	197,434	158,490
Municipal Retirement	21,840	35,065
Social Security	37,652	39,171
Working Cash	1,572	3,531
Tort Immunity	95,747	94,027
Lease/Purchase	8,387	7,965
Special Education	41,059	39,007
PA 102 0519 ADJ	5,853	2,053
	<u>2,583,764</u>	<u>2,465,387</u>
<b>Total Collections Through June 30, 2024</b>	\$ <u>1,286,514</u>	\$ <u>2,459,953</u>
<b>Percentage Of Extensions Collected</b>	<u>49.8%</u>	<u>99.8%</u>

TAFT SCHOOL DISTRICT 90

SCHEDULE OF LEGAL DEBT MARGIN

JUNE 30, 2024

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Assessed Valuation as of January 1, 2023	87,360,169
Debt Limitation Percentage	6.9%
Debt Limitation	<u>6,027,852</u>
Total Bonded Indebtedness Subject to Debt Limitation Provisions	2,820,000
Other Indebtedness Subject to Debt Limitation Provisions	<u>-</u>
Total Indebtedness Subject to Debt Limitation Provisions	<u>2,820,000</u>
Legal Debt Margin	<u><u>3,207,852</u></u>