

**State of Illinois
North Cook
Intermediate
Service Center #1**

**FINANCIAL AUDIT
Performed as Special
Assistant Auditors for
the Auditor General,
State of Illinois**

**FOR THE YEAR ENDED
JUNE 30, 2024**

North Cook Intermediate Service Center #1
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June 30, 2024

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North Cook Intermediate Service Center #1
Officials
June 30, 2024

Executive Director
(Current, Effective July 1, 2024)

Dr. April Jordan

Executive Director
(During the Audit Period, through June 30, 2024)

Dr. Kevin Jauch

Assistant Executive Director
(Current, Effective July 1, 2024)

Dr. Allison Slade

Assistant Executive Director
(During the Audit Period, through June 30, 2024)

Dr. April Jordan

Office Manager
(Current and During the Audit Period)

Ms. Gina Shalzi

Business Manager
(Current and During the Audit Period)

Ms. Terrie Simmons

Office is located at:
1001 East Touhy Avenue, Suite 200
Des Plaines, Illinois 60018

NORTH COOK INTERMEDIATE SERVICE CENTER #1

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2024

The financial audit testing performed during this audit was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

AUDITOR'S REPORT

The auditor's reports do not contain scope limitations, disclaimers or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	0	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	0

Details of audit findings are presented in a separate report section.

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

None

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None

EXIT CONFERENCE

The North Cook Intermediate Service Center #1 did not request an exit conference to discuss the audit for the year ended June 30, 2024.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2024

The audit of the accompanying basic financial statements of the North Cook Intermediate Service Center #1 was performed by GW & Associates PC.

Based on their audit, the auditors expressed an unmodified opinion on the North Cook Intermediate Service Center's basic financial statements.

INDEPENDENT AUDITOR’S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
North Cook Intermediate Service Center #1

Report on the Audit of the Financial Statements

Opinions

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the North Cook Intermediate Service Center #1, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the North Cook Intermediate Service Center #1’s basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the North Cook Intermediate Service Center #1, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Cook Intermediate Service Center #1, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Cook Intermediate Service Center #1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement 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 purpose of expressing an opinion on the effectiveness of the North Cook Intermediate Service Center #1'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Cook Intermediate Service Center #1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

In addition, accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios – Illinois Municipal Retirement Fund, the Schedule of Employer Contributions – Illinois Municipal Retirement Fund, the Schedule of the Employer's Proportionate Share of the Net Pension Liability – Teachers' Retirement System of the State of Illinois, the Schedule of Employer Contributions – Teachers' Retirement System of the State of Illinois, the Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability – Teachers' Health Insurance Security Fund, the Schedule of Employer Contributions – Teachers' Health Insurance Security Fund, and the Schedule of Changes in the Total OPEB Liability and Related Ratios – Health Insurance Plan be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements. The combining schedules of accounts, the budgetary comparison schedule, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 combining schedules of accounts, the budgetary comparison schedule, and the combining fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025, on our consideration of the North Cook Intermediate Service Center #1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Cook Intermediate Service Center #1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Cook Intermediate Service Center #1's internal control over financial reporting and compliance.

[Firm Signature on file]

Hillside, Illinois
March 13, 2025



**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***

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
North Cook Intermediate Service Center #1

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Cook Intermediate Service Center #1, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the North Cook Intermediate Service Center #1’s basic financial statements, and we have issued our report thereon dated March 13, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Cook Intermediate Service Center #1’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Cook Intermediate Service Center #1’s internal control. Accordingly, we do not express an opinion on the effectiveness of the North Cook Intermediate Service Center #1’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 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 North Cook Intermediate Service Center #1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 North Cook Intermediate Service Center #1'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 North Cook Intermediate Service Center #1's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

[Firm Signature on file]

Hillside, Illinois
March 13, 2025

NORTH COOK INTERMEDIATE SERVICE CENTER #1

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements in Accordance with GAAP

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None reported
• Noncompliance material to financial statements noted?	No

NORTH COOK INTERMEDIATE SERVICE CENTER #1

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2024

Section II - Financial Statement Findings

No findings were noted for the year ended June 30, 2024.

NORTH COOK INTERMEDIATE SERVICE CENTER #1
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2024

Corrective Action Plan

No findings were noted for the year ended June 30, 2024.

NORTH COOK INTERMEDIATE SERVICE CENTER #1
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2024

No prior year audit findings were reported.

NORTH COOK INTERMEDIATE SERVICE CENTER #1
STATEMENT OF NET POSITION
JUNE 30, 2024

EXHIBIT A

	Primary Government		Total
	Government Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 915,191	\$ 294,007	\$ 1,209,198
Investments	3,558,284	1,100,000	4,658,284
Due from other governments	172,193	75,479	247,672
Due from other funds	499	(499)	-
Prepaid expenses	25,461	-	25,461
Security deposits	31,866	-	31,866
Total current assets	<u>4,703,494</u>	<u>1,468,987</u>	<u>6,172,481</u>
Noncurrent asset:			
Capital assets, net	1,386,806	-	1,386,806
TOTAL ASSETS	<u>6,090,300</u>	<u>1,468,987</u>	<u>7,559,287</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	375,082	-	375,082
Deferred outflows related to OPEB	20,960	-	20,960
Total deferred outflows of resources	<u>396,042</u>	<u>-</u>	<u>396,042</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	106,034	1,791	107,825
Interest payable	6,576	-	6,576
Employee related payable	24,300	-	24,300
Unearned revenue	4,342	23,795	28,137
Lease payable - current portion	158,153	-	158,153
Subscription liability - current portion	5,301	-	5,301
Total current liabilities	<u>304,706</u>	<u>25,586</u>	<u>330,292</u>
Noncurrent liabilities:			
Accrued compensated absences	43,678	-	43,678
Lease payable	1,048,124	-	1,048,124
Subscription liability	5,948	-	5,948
Net pension liability	298,495	-	298,495
OPEB liability	255,739	-	255,739
Total noncurrent liabilities	<u>1,651,984</u>	<u>-</u>	<u>1,651,984</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	75,773	-	75,773
Deferred inflows related to OPEB	626,915	-	626,915
Total deferred inflows of resources	<u>702,688</u>	<u>-</u>	<u>702,688</u>
NET POSITION			
Net investment in capital assets	180,529	-	180,529
Restricted - other	1,635,090	-	1,635,090
Unrestricted	2,011,345	1,443,401	3,454,746
TOTAL NET POSITION	<u>\$ 3,826,964</u>	<u>\$ 1,443,401</u>	<u>\$ 5,270,365</u>

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

NORTH COOK INTERMEDIATE SERVICE CENTER #1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT B

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 4,074,122	\$ 1,114,845	\$ 3,420,387	\$ 461,110	\$ -	\$ 461,110
Pension expense	(26,013)	57,353	20,960	104,326	-	104,326
OPEB expense (benefit)	102,398	10,286	5,386	(86,726)	-	(86,726)
Purchased services	613,185	298,499	465,951	151,265	-	151,265
Supplies and materials	246,046	102,735	184,320	41,009	-	41,009
Other objects	18,777	26,042	1,841	9,106	-	9,106
Depreciation and amortization	241,028	-	-	(241,028)	-	(241,028)
Administrative:						
On-behalf payments	726,169	-	726,169	-	-	-
Debt service:						
Interest on leases	71,325	55,201	35,848	19,724	-	19,724
Total governmental activities	<u>6,067,037</u>	<u>1,664,961</u>	<u>4,860,862</u>	<u>458,786</u>	<u>-</u>	<u>458,786</u>
Business-type activities:						
Instructional	460,832	668,048	-	-	207,216	207,216
Total business-type activities	<u>460,832</u>	<u>668,048</u>	<u>-</u>	<u>-</u>	<u>207,216</u>	<u>207,216</u>
Total primary government	<u>\$ 6,527,869</u>	<u>\$ 2,333,009</u>	<u>\$ 4,860,862</u>	<u>458,786</u>	<u>207,216</u>	<u>666,002</u>
General revenues:						
Interest				107,977	36,078	144,055
Total general revenues				<u>107,977</u>	<u>36,078</u>	<u>144,055</u>
Change in net position				566,763	243,294	810,057
Net position, beginning of year				3,260,201	1,200,107	4,460,308
Net position, end of year				<u>\$ 3,826,964</u>	<u>\$ 1,443,401</u>	<u>\$ 5,270,365</u>

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

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

EXHIBIT C

	General Fund	Education Fund	Institute	Bus Driver	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 819,998	\$ 24,300	\$ 7,180	\$ 63,713	\$ 915,191
Investments	1,985,645	-	872,639	700,000	3,558,284
Due from other funds	-	-	499	-	499
Due from other governments	161,212	-	6,823	4,158	172,193
Prepaid expenses	13,920	-	11,541	-	25,461
Security deposits	31,866	-	-	-	31,866
TOTAL ASSETS	3,012,641	24,300	898,682	767,871	4,703,494
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	90,454	-	14,717	863	106,034
Employee related payable	-	24,300	-	-	24,300
Unearned revenue	-	-	-	4,342	4,342
Total liabilities	90,454	24,300	14,717	5,205	134,676
FUND BALANCES					
Nonspendable	45,786	-	11,541	-	57,327
Restricted	-	-	872,424	762,666	1,635,090
Assigned	300,000	-	-	-	300,000
Unassigned	2,576,401	-	-	-	2,576,401
Total fund balances	2,922,187	-	883,965	762,666	4,568,818
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,012,641	\$ 24,300	\$ 898,682	\$ 767,871	\$ 4,703,494

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

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

EXHIBIT D

Total fund balances - governmental funds		\$ 4,568,818
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		1,386,806
Pension & OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 375,082	
Deferred inflows of resources related to pensions	(75,773)	
Deferred outflows of resources related to OPEB	20,960	
Deferred inflows of resources related to OPEB	<u>(626,915)</u>	(306,646)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Interest payable on leases	(6,576)	
Lease payable	(1,206,277)	
Subscription liability	(11,249)	
Compensated absences	(43,678)	
IMRF net pension liability	(224,361)	
TRS net pension liability	(74,134)	
OPEB liability	<u>(255,739)</u>	(1,822,014)
Net position of governmental activities		<u>\$ 3,826,964</u>

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

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

EXHIBIT E

	General Fund	Education Fund	Institute	Bus Driver	Total Governmental Funds
REVENUES					
Local sources	\$ 1,280,507	\$ -	\$ 353,064	\$ 90,090	\$ 1,723,661
State sources	1,586,510	2,492,353	-	55,829	4,134,692
On-behalf payments - State	321,053	-	-	-	321,053
Interest	53,361	-	32,370	22,246	107,977
Total revenues	<u>3,241,431</u>	<u>2,492,353</u>	<u>385,434</u>	<u>168,165</u>	<u>6,287,383</u>
EXPENDITURES					
Instructional services:					
Salaries and benefits	1,540,627	1,958,857	482,050	67,905	4,049,439
Pension expense	18,611	20,358	18,803	-	57,772
OPEB expense	6,140	5,231	570	-	11,941
Purchased services	114,924	351,431	152,955	27,987	647,297
Supplies and materials	145,127	51,305	49,576	38	246,046
Other objects	2,032	-	11,244	5,501	18,777
Administrative:					
On-behalf payments - State	321,053	-	-	-	321,053
Debt service:					
Repayment of long-term lease and subscription payable	71,920	77,526	7,508	-	156,954
Interest on leases	34,288	34,819	1,722	-	70,829
Capital outlay	213,546	24,944	17,002	-	255,492
Total expenditures	<u>2,468,268</u>	<u>2,524,471</u>	<u>741,430</u>	<u>101,431</u>	<u>5,835,600</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>773,163</u>	<u>(32,118)</u>	<u>(355,996)</u>	<u>66,734</u>	<u>451,783</u>
OTHER FINANCING SOURCES					
Issuance of subscription liabilities	-	15,438	-	-	15,438
Issuance of lease liabilities	16,656	16,680	776	-	34,112
Total other financing sources	<u>16,656</u>	<u>32,118</u>	<u>776</u>	<u>-</u>	<u>49,550</u>
NET CHANGE IN FUND BALANCES	789,819	-	(355,220)	66,734	501,333
FUND BALANCES, BEGINNING OF YEAR	<u>2,132,368</u>	<u>-</u>	<u>1,239,185</u>	<u>695,932</u>	<u>4,067,485</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,922,187</u>	<u>\$ -</u>	<u>\$ 883,965</u>	<u>\$ 762,666</u>	<u>\$ 4,568,818</u>

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

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

EXHIBIT F

Net change in fund balance \$ 501,333

Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay	\$ 230,548	
Right-to-use leased assets	34,112	
Subscription based IT arrangement	24,944	
Depreciation and amortization	<u>(241,028)</u>	48,576

Some receivables will not be collected for several months after fiscal year end, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred inflows of resources. They are however, recorded as revenues in the Statement of Activities.

Prior year unavailable revenue	(58,699)
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The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Lease liabilities from lease modification	(34,112)	
Principal payments on lease payable	152,765	
Interest payable on leases	<u>(496)</u>	118,157

Governmental funds report pension/OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employer contributions is reported as pension/OPEB expense (benefit).

Pension:		
Employer contributions	57,772	
Cost of benefits, earned	<u>26,013</u>	83,785
OPEB:		
Employer contributions	11,941	
Cost of benefits, earned	<u>(102,398)</u>	(90,457)

Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(24,683)
Subscription liability	<u>(11,249)</u>

Change in net position of governmental activities	<u><u>\$ 566,763</u></u>
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The accompanying notes are an integral part of the financial statements.

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2024**

EXHIBIT G

	Business-Type Activities - Enterprise Fund		
	Workshops	Nonmajor Proprietary Funds	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 137,108	\$ 156,899	\$ 294,007
Investments	1,000,000	100,000	1,100,000
Due from other governments	55,903	19,576	75,479
TOTAL ASSETS	1,193,011	276,475	1,469,486
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	1,711	80	1,791
Due to other funds	-	499	499
Unearned revenue	23,795	-	23,795
TOTAL LIABILITIES	25,506	579	26,085
NET POSITION			
Unrestricted	\$ 1,167,505	\$ 275,896	\$ 1,443,401

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

NORTH COOK INTERMEDIATE SERVICE CENTER #1

EXHIBIT H

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Workshops</u>	<u>Nonmajor Proprietary Funds</u>	<u>Total</u>
OPERATING REVENUE			
Charges for services	\$ 531,607	\$ 136,441	\$ 668,048
Total operating revenues	<u>531,607</u>	<u>136,441</u>	<u>668,048</u>
OPERATING EXPENSES			
Purchased services	331,410	96,664	428,074
Supplies and materials	20,960	1,203	22,163
Other	10,580	15	10,595
Total operating expenses	<u>362,950</u>	<u>97,882</u>	<u>460,832</u>
OPERATING INCOME	168,657	38,559	207,216
OTHER FINANCING SOURCE			
Interest	<u>32,656</u>	<u>3,422</u>	<u>36,078</u>
CHANGE IN NET POSITION	201,313	41,981	243,294
NET POSITION, BEGINNING OF YEAR	<u>966,192</u>	<u>233,915</u>	<u>1,200,107</u>
NET POSITION, END OF YEAR	<u>\$ 1,167,505</u>	<u>\$ 275,896</u>	<u>\$ 1,443,401</u>

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

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2024**

EXHIBIT I

	Business-Type Activities - Enterprise Fund		
	Workshops	Nonmajor Proprietary Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts for workshops and services	\$ 509,324	\$ 124,457	\$ 633,781
Payments to suppliers and providers of goods and services	(340,988)	(97,802)	(438,790)
Net cash provided by operating activities	<u>168,336</u>	<u>26,655</u>	<u>194,991</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:			
Interfund loans	-	499	499
Net cash provided by noncapital financing activity	<u>-</u>	<u>499</u>	<u>499</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	32,656	3,422	36,078
Acquisition of investments	(100,000)	-	(100,000)
Net cash provided by (used in) investing activities	<u>(67,344)</u>	<u>3,422</u>	<u>(63,922)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	100,992	30,576	131,568
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>36,116</u>	<u>126,323</u>	<u>162,439</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 137,108</u>	<u>\$ 156,899</u>	<u>\$ 294,007</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 168,657	\$ 38,559	\$ 207,216
Adjustments to reconcile operating income to net cash provided by operating activities:			
Effects of changes in assets and liabilities:			
Due from other governments	(24,953)	(11,984)	(36,937)
Prepaid expenses	34,850	-	34,850
Accounts payable and accrued expenses	(12,888)	80	(12,808)
Unearned revenue	2,670	-	2,670
Net cash provided by operating activities	<u>\$ 168,336</u>	<u>\$ 26,655</u>	<u>\$ 194,991</u>

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

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The North Cook Intermediate Service Center #1 (ISC #1 or Center) was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2024, the North Cook Intermediate Service Center #1 implemented applicable sections of Governmental Accounting Standards Board (GASB) Statement No. 99, *Omnibus 2022* and GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62.

The portion of GASB Statement No. 99 pertains to paragraphs 4-10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53. GASB Statement No. 100 clarifies and modernizes the guidance on accounting changes and error corrections, building on pre-GASB GAAP. The statement distinguishes between changes in accounting principle, changes in accounting estimates, and changes in financial reporting entity. It also provides clear note disclosure requirements for each category.

The implementation of GASB Statement Nos. 99 and 100 does not have a significant impact on the North Cook Intermediate Service Center #1's financial statements.

A. FINANCIAL REPORTING ENTITY

The portion of Cook County, Illinois, outside of the City of Chicago, constitutes a Regional Office of Education established pursuant to Section 3A-4 of the Illinois School Code (105 ILCS 5/3A-4) and has an oversight board responsible for the duties and programs specified in Section 3A-17 of the Illinois School Code administered through three (3) Intermediate Service Centers (North Cook, West Cook, and South Cook).

The purpose of North Cook Intermediate Service Center #1 is to provide services designed to be responsive to the needs of the schools in North Cook County, Illinois. This area includes the districts within the territorial boundaries of the following high school districts:

Evanston Township H.S. District 202
Maine Township H.S. District 207
Township H.S. District 214
Northfield Township H.S. District 225

New Trier Township H.S. District 203
Township H.S. District 211
Niles H.S. District 219

North Cook Intermediate Service Center #1 is governed by a board of directors. The administrative agent designated for this Center is Des Plaines School District #62.

More specifically, North Cook Intermediate Service Center #1 incorporates the following activities into its overall plan of services:

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Provide a variety of in-service training and staff development opportunities to improve the knowledge and skill of educators.
- Coordinate the communication and data reporting requirements from local and regional programs and services to the State Board of Education and the State Superintendent of Education as needed.
- Serve as a clearinghouse for educational information and research.
- Serve as the primary regional delivery system for federal and/or state supported programs and services in education as authorized in section 2-3.62 of the Illinois school code or as directed by the state superintendent of education.
- Provide other services as set out in section 500.50 of the emergency rules of the State Board of Education.

B. SCOPE OF THE REPORTING ENTITY

The North Cook Intermediate Service Center #1's reporting entity includes all related organizations for which they exercise oversight responsibility.

The North Cook Intermediate Service Center #1 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the North Cook Intermediate Service Center #1 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the North Cook Intermediate Service Center #1 does not control the assets, operations, or management of the districts or joint agreements. In addition, the North Cook Intermediate Service Center #1 is not aware of any entity, which would exercise such oversight as to result in the North Cook Intermediate Service Center #1 being considered a component unit of the entity.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The North Cook Intermediate Service Center #1's government-wide financial statements include a Statement of Net Position and a Statement of Activities and report information on all of the non-fiduciary activities of the North Cook Intermediate Service Center #1. These statements present a summary of governmental and business-type activities for the North Cook Intermediate Service Center #1 accompanied by a total column and are presented on an "economic resources" measurement focus as

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

prescribed by GASB Statement No. 34. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The North Cook Intermediate Service Center #1 also has business-type activities that rely on fees and charges for support.

All of the North Cook Intermediate Service Center #1's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and any fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and reported in a single column.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other sources and other uses on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, if applicable. In the Statement of Activities those transactions between governmental and business-type activities, if applicable, have not been eliminated.

D. GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both “measurable and available.” “Measurable” means that the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. All revenues are considered “available” if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

E. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets plus deferred outflows of resources and liabilities plus deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues, if any, are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses, if any, are reported as non-operating expenses.

F. MEASUREMENT FOCUS AND BASIS OF PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The governmental funds financial statements 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 plus deferred outflows of resources and current liabilities plus deferred inflows of resources are generally included on their balance sheets. The reported fund balance (net current position) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the North Cook Intermediate Service Center #1; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, North Cook Intermediate Service Center #1 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is North Cook Intermediate Service Center #1’s policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

G. FUND ACCOUNTING

The North Cook Intermediate Service Center #1 uses funds to maintain its financial records during the year. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The North Cook Intermediate Service Center #1 uses governmental and proprietary funds.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions typically are reported. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as a fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets (including deferred outflows of resources), liabilities (including deferred inflows of resources), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets (including deferred outflows of resources), liabilities (including deferred inflows of resources), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The North Cook Intermediate Service Center #1 has presented all major funds that met the above qualifications.

The North Cook Intermediate Service Center #1 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the North Cook Intermediate Service Center #1 and is used to account for all financial resources within the territorial boundaries of the Center except those required to be accounted for and reported in another fund. The General Fund includes the following accounts:

General Operations -This fund is the general operating fund of the North Cook Intermediate Service Center #1. It is used to account for all financial resources except those required to be accounted for in another fund.

General State Aid - Safe Schools - This program is for students placed in Regional Safe Schools. Districts give up their general State aid claim for the students while placed in the Regional Safe Schools program.

Student Advocate Alternative Learning Opportunities Program (ALOP) - This program offers a broader range of academic, behavioral, and social/emotional interventions designed to increase the academic achievement levels of the students.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. Major special revenue funds include the following:

Education - This fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:

Regional Safe Schools - Alternative program created through State legislation for students in grades 6 through 12 that have multiple suspensions or that have been expelled from their district. Eligible students are administratively transferred from their district to this program.

Regional Safe Schools Cooperative (CTE) - This program provides activities for disruptive students who are eligible for suspension or expulsion. The activities provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.

ROE/ISC Operations - Program monies for ROE/ISC administrative operations. Program funding is used to keep offices open in order to provide and support continuous school improvement programs and services.

Institute Fund - Accounts for fees collected for the registration and renewal of teaching licenses. These fees are used to defray administrative expenses incidental to teachers' institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers or to defray the expense of any general or special meeting of teachers or school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

Bus Driver - Accounts for revenue from the issuance of school bus driver permits to sponsor instructional training courses for school bus drivers.

Nonmajor Special Revenue Funds - The North Cook Intermediate Service Center #1 does not have any nonmajor special revenue funds for the year ended June 30, 2024.

Proprietary Funds

Proprietary funds are those which account for resources from fees charged directly to those entities or individuals that use its services.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Proprietary Funds - The North Cook Intermediate Service Center #1 reports the following proprietary fund as a major fund:

Workshops - Accounts for revenues and expenses associated with workshops conducted by the North Cook Intermediate Service Center #1.

Nonmajor Proprietary Funds - The North Cook Intermediate Service Center #1 reports the following nonmajor proprietary funds:

Fingerprinting - Accounts for the administration of the Fingerprinting Program.

Non-Public School Inspections - The purpose of this fund is to perform inspections for the Illinois State Board of Education, in accordance with the School Code, in order to provide for the voluntary registration and recognition of nonpublic elementary and secondary schools.

Local Mentoring - Accounts for programs that support, train, and retain quality administrators in their new leadership roles.

Homeless/At-Risk Youth - Accounts for programs that stabilize homeless families and at-risk youth with assistance for emergency needs.

Leadership Coaching - Accounts for programs that offer leadership coaching and training to educational administrators.

H. GOVERNMENTAL FUND BALANCES

Fund balance is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable fund balance - The portion of a governmental fund's net position that is not available to be spent, either short term or long term, in either its form or through legal restrictions. The Center has nonspendable fund balances in the General Fund's General Operations, General State Aid - Safe Schools, and Student Advocate ALOP Accounts, and in the Institute Fund.

Restricted fund balance - The portion of a governmental fund's net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by Illinois Statute: Institute and Bus Driver.

Committed fund balance - The portion of a governmental fund's net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Center has no committed fund balances.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned fund balance - The portion of a governmental fund's net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Executive Director. The Center has an assigned fund balance in the General Fund's General State Aid - Safe Schools Account.

Unassigned fund balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The Center has unassigned fund balance in the General Fund's General Operations, General State Aid - Safe Schools, and Student Advocate ALOP Accounts.

I. NET POSITION

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital and right-to-use assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position - The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

J. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit. The North Cook Intermediate Service Center #1 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

K. INVESTMENTS

State statutes authorize North Cook Intermediate Service Center #1 to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. CAPITAL ASSETS

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment	5-15 years
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Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

M. INTERFUND RECEIVABLES AND PAYABLES

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

N. UNEARNED REVENUE

The North Cook Intermediate Service Center #1 reports unearned revenue, if any, in the Statement of Net Position and the Governmental Funds Balance Sheet or Proprietary Fund's Statement of Net Position. Unearned revenue arises when cash received are unexpended or obligated at year end.

O. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension or OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

P. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred inflows of resources in the Statement of Net Position consist of the amounts related to the pension and OPEB plans.

Q. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT

Right-to-use assets

North Cook Intermediate Service Center #1 is a lessee for non-cancellable leases of equipment, building, and subscription-based information technology arrangement (SBITA). North Cook Intermediate Service Center #1 recognizes a lease and subscription liability and an intangible right-to-use assets in the government-wide financial statements with an initial, individual value of \$1,000 or more. At the commencement of a lease and subscription, the lease and subscription liability are measured based on the present value of payments expected to be made during the lease and subscription term. Subsequently, the lease and subscription liability are reduced by the principal portion of lease and subscription payments made. The lease and subscription assets are initially measured as the initial amount of the lease and subscription liability, adjusted for payments made at or before the lease and subscription commencement date, plus certain initial direct costs. Subsequently, the lease and subscription assets are amortized on a straight-line basis over the shorter of the assets' useful lives or the lease and subscription terms.

Short-term leases

North Cook Intermediate Service Center #1 recognizes short-term lease payments as outflows of resources based on the payment provisions of the lease contract. The North Cook Intermediate Service Center #1 recognizes an asset if payments are made in advance or a liability for rent due if payments are to be made subsequent to the reporting period.

R. COMPENSATED ABSENCES

A full-time, noncertified 260-day employee shall be eligible for paid vacation according to the following schedule:

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

After this number of years of continuous employment	Noncertified full-time staff will receive this number of paid vacation days
1	12
2	13
3	14
4	15
5	16
6	17
7	18
8	19
9 or more	20

North Cook Intermediate Service Center #1's full-time staff members working in a certified position receive 15 days of vacation per year with one additional day per year after each subsequent year of service, up to a maximum of 20 total days. Vacation time for noncertified and certified employees is earned throughout the year on a prorated basis. Vacation days in one fiscal year must be used by August 15th of the next fiscal year. With the approval of the North Cook Intermediate Service Center #1 Executive Director, up to ten (10) vacation days may be carried over from year to year, but in no instance may accrued days of vacation from the prior fiscal year exceed ten (10) days. The liability balance at June 30, 2024 was \$43,678.

S. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

T. BUDGET INFORMATION

The North Cook Intermediate Service Center #1 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to do so. North Cook Intermediate Service Center #1's Board of Directors reviewed and approved the annual budget. Comparisons of budgeted and actual results are presented as supplementary information.

Budgetary comparison schedules have been provided in supplementary schedules for the following programs: Regional Safe Schools, Regional Safe Schools Cooperative, and ROE/ISC Operations.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. PENSIONS

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

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the North Cook Intermediate Service Center #1's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Cook Intermediate Service Center #1's OPEB Plan and additions to/deductions from the North Cook Intermediate Service Center #1's fiduciary net position have been determined on the same basis as they are reported by the North Cook Intermediate Service Center #1's Plan. For this purpose, the North Cook Intermediate Service Center #1's Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

2. DEPOSITS AND INVESTMENTS

Under the *Illinois Compiled Statutes*, school districts and related organizations are authorized to enter into contracts among themselves and to confirm and transfer powers and functions by intergovernmental cooperation. Effective July 1, 2000, North Cook Intermediate Service Center #1 began utilizing Des Plaines School District #62 as its administrative agent in order to better facilitate accounting for its transactions. Township treasurer duties rest with Maine Township School Treasurer for Des Plaines School District #62 and a number of other districts. At June 30, 2000, all investments were transferred to Maine Township School Treasurer.

The Maine Township School Treasurer invests excess funds at its discretion, subject to legal restrictions discussed below. For these purposes, the Maine Township School Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in a township. Monies combined under these circumstances as well as investment earnings are accounted for separately for each fund and/or district. Cash and investments, other than the depository account and imprest funds, are part of a common pool for all school centers and cooperatives within the township. The Maine Township School Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the percentage participation in the pool.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

2. DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits

At June 30, 2024, the carrying amount of the North Cook Intermediate Service Center #1's government-wide deposits were \$1,209,198 which is held on deposit with the Maine Township School Treasurer. Risk category was not determinable for the amount pooled and held on deposit with a separate legal governmental agency (Maine Township Schools Treasurer).

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that, in the event of a bank failure, the Center's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the North Cook Intermediate Service Center #1 requires that deposits with financial institutions in excess of Federal Deposit Insurance Corporation limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of its township treasurer. As of June 30, 2024, the bank balance of the North Cook Intermediate Service Center #1's deposits were fully collateralized and insured.

Investments

North Cook Intermediate Service Center #1's investments are held by the Maine Township School Treasurer. The carrying and fair value of investments was \$4,658,284.

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active market for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Treasurer has the ability to access |
| Level 2 | Inputs to valuation methodology include the following: <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted market prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

2. DEPOSITS AND INVESTMENTS (Continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. North Cook Intermediate Service Center #1's investments, amounting to \$4,658,284 is based on an observable unadjusted quoted market price in an active market therefore this investment has been categorized as Level 1 in the fair value hierarchy.

Credit Risk

The Maine Township School Treasurer's investment policies are established by an Advisory Board made up of representatives of the member districts as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposits issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations). As of June 30, 2024, the Treasurer's investment in the external pool was rated within the three highest classifications by at least two standard rating services.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Maine Township School Treasurer has no specific policy on the interest rate risk at year end. Management guidelines suggest investments not exceed six years in maturity from the date of purchase.

3. DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

IMRF Plan Description

The North Cook Intermediate Service Center #1'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 North Cook Intermediate Service Center #1's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

3. DEFINED BENEFIT PENSION PLAN (Continued)

about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

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

	IMRF
Retirees and beneficiaries currently receiving benefits	12
Inactive plan members entitled to but not yet receiving benefits	19
Active plan members	42
Total	<u>73</u>

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

3. DEFINED BENEFIT PENSION PLAN (Continued)

Contributions

As set by statute, the North Cook Intermediate Service Center #1'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 North Cook Intermediate Service Center #1's annual contribution rate for calendar year 2023 was 7.29%. For the fiscal year ended June 30, 2024, the North Cook Intermediate Service Center #1 contributed \$136,258 to the plan. The North Cook Intermediate Service Center #1 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The North Cook Intermediate Service Center #1's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- For **non-disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021 were used.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense,

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEFINED BENEFIT PENSION PLAN (Continued)

and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2023:

Asset Class	Portfolio Target Percentage	Projected Ten-Year Return
Equities	34.5%	5.00%
International Equities	18.0%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternatives	11.5%	
Private Equity		8.65%
Hedge Funds		N/A
Commodities		6.05%
Cash Equivalents	1.0%	3.80%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2023. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plus investment was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) – (B)
Balances as of December 31, 2022	\$ 2,166,005	\$ 1,926,832	\$ 239,173
Changes for the year:			
Service Cost	63,661	–	63,661
Interest on the Total Pension Liability	154,641	–	154,641
Differences Between Expected and Actual Experience of the Total Pension Liability	200,415	–	200,415
Contributions - Employer	–	95,636	(95,636)
Changes in Assumptions	(5,120)	–	(5,120)
Contributions - Employees	–	60,049	(60,049)
Net Investment Income	–	271,301	(271,301)
Benefit Payments, Including Refunds of Employee Contributions	(139,673)	(139,673)	–
Other (Net Transfer)	–	1,423	(1,423)
Net Changes	273,924	288,736	(14,812)
Balances as of December 31, 2023	\$ 2,439,929	\$ 2,215,568	\$ 224,361

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

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

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability	\$ 500,778	\$ 224,361	\$ 15,986

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

For the year ended June 30, 2024, the North Cook Intermediate Service Center #1 recognized pension expense of \$95,636. At June 30, 2024, the North Cook Intermediate Service Center #1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEFINED BENEFIT PENSION PLAN (Continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 148,455	\$ —
Changes in assumption	—	3,793
Net difference between projected and actual earnings on pension plan investments	71,880	—
Total deferred amounts to be recognized in pension expense in future periods	220,335	3,793
Pension contributions made subsequent to the measurement date	73,767	—
Total deferred amounts related to pension	<u>\$ 294,102</u>	<u>\$ 3,793</u>

\$73,767 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Years Ending June 30,	Net Deferred Outflows of Resources
2025	\$ 47,257
2026	79,113
2027	116,167
2028	(25,995)
Thereafter	—
Total	<u>\$ 216,542</u>

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

3. DEFINED BENEFIT PENSION PLAN (Continued)

Teachers' Retirement System of the State of Illinois

Plan Description

The North Cook Intermediate Service Center #1 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 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

Benefits Provided

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

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

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

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

3. DEFINED BENEFIT PENSION PLAN (Continued)

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 lumpsum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2024, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the North Cook Intermediate Service Center #1.

On-behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the North Cook Intermediate Service Center #1. For the year ended June 30, 2024, State of Illinois contributions recognized by the North Cook Intermediate Service Center #1 were based on the State's proportionate share of the pension expense associated with the North Cook Intermediate Service Center #1, and the North Cook Intermediate Service Center #1 recognized revenue and expenditures of \$539,073 in pension expense 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 \$5,661 and are deferred because they were paid after the June 30, 2023, measurement date.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the North Cook Intermediate Service Center #1, there is a statutory requirement for the North Cook Intermediate Service Center #1 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.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

3. DEFINED BENEFIT PENSION PLAN (Continued)

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, no contributions were required for salaries made from federal and special trust funds.

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 North Cook Intermediate Service Center #1 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 North Cook Intermediate Service Center #1 did not make any employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2024, the North Cook Intermediate Service Center #1 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the North Cook Intermediate Service Center #1 as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the North Cook Intermediate Service Center #1 were as follows:

Center's proportionate share of the net pension liability	\$	74,134
State's proportionate share of the net pension liability associated with the employer		<u>6,397,771</u>
Total	\$	<u>6,471,905</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The North Cook Intermediate Service Center #1's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2023, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2023, the North Cook Intermediate Service Center #1's proportion was 0.0000872360 percent, which was an increase of 0.000132433 percent from its proportion measured as of June 30, 2022.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2024, the North Cook Intermediate Service Center #1 recognized pension expense of \$539,073 and revenue of \$539,073 for support provided by the State. For the year ended June 30, 2023, the North Cook Intermediate Service Center #1 recognized pension expense of \$1,522. At June 30, 2024, the North Cook Intermediate Service Center #1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 308	\$ 299
Net difference between projected and actual earnings on pension plan investments	—	2
Changes of assumptions	253	65
Changes in proportion and differences between employer contributions and proportionate share of contributions	74,758	71,614
Employer contributions subsequent to the measurement date	5,661	—
Total	<u>\$ 80,980</u>	<u>\$ 71,980</u>

\$5,661 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Years Ending June 30,	Net Deferred Outflows of Resources
2025	\$ (11,216)
2026	(3,689)
2027	9,412
2028	9,107
2029	(275)
Total	<u>\$ 3,339</u>

Actuarial Assumptions

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

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	5.35%
Private Equity	15.0	8.03
Income	26.0	4.32
Real Assets	18.0	4.60
Diversifying Strategies	4.0	3.40
Total	100.0%	

Discount Rate

At June 30, 2023, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2022 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2023 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEFINED BENEFIT PENSION PLAN (Continued)

term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the North Cook Intermediate Service Center #1’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the North Cook Intermediate Service Center #1’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the North Cook Intermediate Service Center #1’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center’s proportionate share of the net pension liability	\$ 91,248	\$ 74,134	\$ 59,930

TRS Fiduciary Net Position

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

4. OTHER POST EMPLOYMENT BENEFITS

Teachers’ Health Insurance Security Fund

Plan Description

The North Cook Intermediate Service Center #1 participates in the Teachers’ Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Illinois Department of Central Management Services (CMS) as of July 1, 2013. CMS administers the plan with the cooperation of the TRS.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

4. OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by 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 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 North Cook Intermediate Service Center #1. For the year ended June 30, 2024, State of Illinois contributions recognized by the North Cook Intermediate Service Center #1 were based on the State's proportionate share of the collective net OPEB liability associated with the North Cook Intermediate Service Center #1, and recognized revenue and expenditures of (\$133,957) in OPEB contributions from the State of Illinois.

Employer Contributions to the THIS Fund

The North Cook Intermediate Service Center #1 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2024, and 0.67, 0.67, 0.92, 0.92, 0.92, 0.88, and 0.84 percent during the years ended June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, and June 30, 2017, respectively. For the year ended June 30, 2024, the North Cook Intermediate Service Center #1 paid \$6,539 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, and June 30, 2017, the North Cook Intermediate Service Center #1 paid \$6,121, \$5,027, \$6,611, \$6,981, \$6,074, \$5,842, and \$6,422, respectively, which was 100 percent of the required contributions.

Further Information on the THIS Fund

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

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

4. OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

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

Inflation	2.25%
Salary increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Investment rate of return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Trend for fiscal year ending 2023 based on expected increases used to develop average costs. For fiscal years ending on and after 2024, trend starts at 8.00% gradually decreases to an ultimate trend of 4.25%.

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Single Discount Rate

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

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.69 percent as of June 30, 2022, and 3.86 percent as of June 30, 2023.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

4. OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the North Cook Intermediate Service Center #1's Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate

The following table shows the North Cook Intermediate Service Center #1's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Center's proportionate share of the collective net OPEB liability	\$ 260,244	\$ 233,065	\$ 209,090

Sensitivity of the North Cook Intermediate Service Center #1's Proportionate Share of the Collective Net OPEB liability to Changes in the Healthcare Cost Trend Rates

The following table shows the North Cook Intermediate Service Center #1's net OPEB liability using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The current claims trend rates are 8.00% in plan year end 2025, decreasing to an ultimate trend rate of 4.25% in plan year end 2040.

	1% Decrease^a	Healthcare Cost Trend Rates	1% Increase^b
Center's proportionate share of the collective net OPEB liability	\$ 198,371	\$ 233,065	\$ 275,570

^a One percentage point decrease in healthcare trend rates are 7.00% in plan year end 2025 decreasing to an ultimate trend rate of 3.25% in plan year end 2040.

^b One percentage point increase in healthcare trend rates are 9.00% in plan year end 2025 decreasing to an ultimate trend rate of 5.25% in plan year end 2040.

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

At June 30, 2024, the North Cook Intermediate Service Center #1 reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the North Cook Intermediate Service Center #1.

The amount recognized by the North Cook Intermediate Service Center #1 as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the North Cook Intermediate Service Center #1 were as follows:

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

4. OTHER POST EMPLOYMENT BENEFITS (Continued)

Center's proportionate share of the net OPEB liability	\$ 233,065
State's proportionate share of the net OPEB liability associated with the employer	<u>315,178</u>
Total	<u>\$ 548,243</u>

The collective net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The North Cook Intermediate Service Center #1's proportion of the collective net OPEB liability was based on a projection of the North Cook Intermediate Service Center #1's long-term share of contributions to the OPEB plan relative to the projected contributions of the North Cook Intermediate Service Center #1, actuarially determined. At June 30, 2023, the North Cook Intermediate Service Center #1's proportion was 0.003270 percent, which was an increase of .000549 percent from its proportion measured as of June 30, 2022. The State's support and total are for disclosure purposes only.

For the year ended June 30, 2024, the North Cook Intermediate Service Center #1 recognized OPEB expense of (\$133,957) and revenue of (\$133,957) for support provided by the State. For the year ended June 30, 2024, the North Cook Intermediate Service Center #1 recognized an OPEB expense (benefit) of \$71,168.

At June 30, 2024, the North Cook Intermediate Service Center #1 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	\$ 130,149
Changes of assumptions	3,089	458,099
Net difference between projected and actual earnings on OPEB plan investments	94	1
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,238	38,666
Employer contributions subsequent to the measurement date	<u>6,539</u>	<u>—</u>
Total	<u>\$ 20,960</u>	<u>\$ 626,915</u>

\$6,539 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Center's OPEB expense as follows:

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

4. OTHER POST EMPLOYMENT BENEFITS (Continued)

Years Ending June 30,	Net Deferred Inflows of Resources
2025	\$ (105,432)
2026	(97,037)
2027	(94,877)
2028	(93,158)
2029	(85,904)
Thereafter	(136,086)
Total	<u>\$ (612,494)</u>

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2023, is available in the separately issued THIS Financial Report.

Health Insurance Plan

Plan Description

The North Cook Intermediate Service Center #1's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the ISC. The Plan, which is administered by the North Cook Intermediate Service Center #1, allows employees who retire and meet retirement eligibility requirements under one of the ISC's retirement plans to continue medical insurance coverage as a participant in the ISC's plan. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75.

Benefits Provided and Eligibility

The North Cook Intermediate Service Center #1 provides continued health insurance coverage at the blended employer rate to all eligible North Cook Intermediate Service Center #1 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The North Cook Intermediate Service Center #1 offers the Plan to full-time IMRF employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. Retirees pay the full cost of coverage. Coverage continues until Medicare eligibility is reached. Dependent coverage ends at the same time as that for the retiree. If the retiree attains age 65 (eligible for Medicare) prior to their spouse, the spouse may continue to elect coverage through the ISC until the spouse attains age 65.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

4. OTHER POST EMPLOYMENT BENEFITS (Continued)

Plan Membership

As of June 30, 2023, the measurement date, the following employees were covered by the benefit terms:

	Participants
Inactive plan members or beneficiaries currently receiving benefits	–
Inactive plan members entitled to but not yet receiving benefit payments	–
Active plan members	17
Total	<u>17</u>

Funding Policy and Contributions

There is no funding policy that exists for the postretirement plan at this time, as the total OPEB liabilities are currently an unfunded obligation. Any contributions made to the Plan are assumed to be the benefits paid to retirees and administrative expenses.

Total OPEB Liability

The North Cook Intermediate Service Center #1’s total OPEB liability for the current fiscal year has been developed based on the June 30, 2023 actuarial valuation date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation updated to June 30, 2023, was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified.

Actuarial Value of Assets	Market Value
Mortality Rate	PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.
Discount Rate	4.13%. Based on the September 30, 2023 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
Retirement Rates	IMRF Tier 1 employees - 100% at first eligibility (Age 55, 8 years of service) IMRF Tier 2 - 100% at first eligibility (Age 62, 10 years of service).

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

4. OTHER POST EMPLOYMENT BENEFITS (Continued)

Inflation	2.50% per year
Salary Increase Rate	2.50% per year
Marital Status	100% assumed married, with male spouses 3 years older than female spouses.
Health Care Participation	20% participation assumed, with 50% electing spouse coverage
Health Care Inflation	Initial rate of 7.00% in fiscal year 2024, grading down to the ultimate trend rate of 4.00% in fiscal year 2075.
Termination Rates	% remaining employed until assumed retirement age for various ages is as follows: 20 – 29.60%, 30 – 59.30%, 40 – 84.10%, and 50 – 100.00%.
Disability Rates	None Assumed

Changes in the Total OPEB Liability

The following represents the reconciliation of the Total OPEB Liability (TOL) from the beginning of the fiscal year (June 30, 2023) to the end of the fiscal year (June 30, 2024). The TOL as of June 30, 2024 is \$22,674.

	<u>Total OPEB Liability</u>
Balance as of June 30, 2023	<u>\$ 3,385</u>
Changes for the year:	
Service cost	120
Interest	135
Changes of benefit terms	–
Differences between expected and actual experience	1,144
Changes of assumptions	18,307
Benefit payments	(417)
Net Changes	<u>19,289</u>
Balance as of June 30, 2024	<u><u>\$ 22,674</u></u>

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

The following presents the North Cook Intermediate Service Center #1’s total OPEB liability calculated using a discount rate of 4.13%, as well as what the ISC’s total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (5.13%) or 1-percentage-point lower (3.13%) than the current discount rate:

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

4. OTHER POST EMPLOYMENT BENEFITS (Continued)

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 25,492	\$ 22,674	\$ 20,431

Sensitivity of the Total OPEB Liability to Healthcare Cost Trend Rates

The following presents the North Cook Intermediate Service Center #1 's total OPEB liability, calculated using the healthcare cost trend rates as well as what the ISC 's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

	1% Decrease (3.00%-6.00%)	Current Discount Rate (4.00%-7.00%)	1% Increase (5.00%-8.00%)
Total OPEB Liability	\$ 20,207	\$ 22,674	\$ 25,848

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

For the year ending June 30, 2024, the North Cook Intermediate Service Center #1 recognized OPEB expense of \$20,906.

Under GASB Statement No. 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense.

5. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2024, interfund receivables and payables consist of the following:

	Due From Other Funds	Due To Other Funds
Institute Fund	\$ 499	\$ -
Nonmajor Proprietary Funds:		
Non-Public School Inspections	-	499
Total	<u>\$ 499</u>	<u>\$ 499</u>

All of the interfund balances consisted of loans between individual funds. The loans were used to cover cash shortages in these individual funds.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

6. DUE FROM OTHER GOVERNMENTS

The North Cook Intermediate Service Center #1's General Fund, Institute Fund, and Proprietary Funds have funds due from local governmental units which consist of the following:

General Fund:		
Local governments	\$	161,212
Institute:		
Local governments		6,823
Bus Driver:		
Local governments		4,158
Proprietary Fund:		
Workshops:		
Local governments		55,903
Nonmajor Proprietary Funds:		
Local governments		19,576
Total	\$	<u>247,672</u>

7. RISK MANAGEMENT

The North Cook Intermediate Service Center #1 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. North Cook Intermediate Service Center #1 has purchased commercial insurance to cover these risks. During the year ended June 30, 2024, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

8. CAPITAL ASSETS

In accordance with GASB Statement No. 34, the North Cook Intermediate Service Center #1 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased.

In accordance with GASB Statement No. 87, the North Cook Intermediate Service Center #1 recorded three intangible right-to-use leased assets during the year. The assets are right-to-use assets for leased equipment and leased building. The related leases are discussed in Note 11 - Leases.

The following table provides a summary of changes in total capital assets, total intangible right-to-use leased and subscription-based IT assets, accumulated depreciation and amortization, and investment in capital assets for the year ended June 30, 2024:

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

8. CAPITAL ASSETS (Continued)

	Balance July 1, 2023	Additions	Disposals	Balance June 30, 2024
Governmental Activities:				
Equipment	\$ 261,860	\$ 230,548	\$ (13,342)	\$ 479,066
Leased building	1,559,386	34,112	-	1,593,498
Leased equipment	31,509	-	-	31,509
Subscription-based IT asset	-	24,944	-	24,944
Sub-total	<u>1,852,755</u>	<u>289,604</u>	<u>(13,342)</u>	<u>2,129,017</u>
Less: Accumulated depreciation/ amortization				
Equipment	(151,368)	(47,292)	13,342	(185,318)
Leased assets	(363,157)	(185,421)	-	(548,578)
Subscription-based IT asset	-	(8,315)	-	(8,315)
Sub-total	<u>(514,525)</u>	<u>(241,028)</u>	<u>13,342</u>	<u>(742,211)</u>
Capital assets, net	<u>1,338,230</u>	<u>48,576</u>	<u>-</u>	<u>1,386,806</u>
Business-type Activities:				
Equipment	990	-	-	990
Less: Accumulated depreciation	(990)	-	-	(990)
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$47,292 was charged to the governmental activities instructional services function on the government-wide Statement of Activities for the year ended June 30, 2024.

Net investment in capital assets is the component of net position that reports capital assets and right-to-use assets, net of accumulated depreciation and amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition of those assets.

The right-to-use leased and subscription-based IT assets are amortized on a straight-line basis over the terms of the related leases and subscription. Amortization expenses for the year ended June 30, 2024 totaling \$185,012 and \$8,314 were charged to the governmental activities instructional services function on the government-wide Statement of Activities.

9. ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries of the executive director and assistant executive director and contributions on-behalf of the North Cook Intermediate Service Center #1:

Executive Director Salary	\$ 131,616
Executive Director Fringe Benefits	37,242
Assistant Executive Director Salary	118,452
Assistant Executive Director Fringe Benefits	33,743
Total	<u>\$ 321,053</u>

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

9. ON-BEHALF PAYMENTS (Continued)

Salary and benefit data for the Executive Director and Assistant Executive Director were calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying governmental fund financial statements as State revenue and expenditures.

State of Illinois on-behalf payments	\$	321,053
Employer's share of TRS pension benefit		539,073
THIS fund OPEB benefit		<u>(133,957)</u>
Total	\$	<u>726,169</u>

North Cook Intermediate Service Center #1 also recorded \$539,073 in revenue and expenses as on-behalf payments from the Illinois State Board of Education for the ISC #1's share of the State's Teachers' Retirement System (TRS) pension benefit and (\$133,957) in revenue and expenses as on-behalf payments from the THIS fund for the ISC #1's share of the OPEB contributions in the Statement of Activities. In addition, the North Cook Intermediate Service Center #1 has not included any on-behalf payments related to the State's TRS pension expense for the Executive Director and Assistant Executive Director.

10. LONG TERM LIABILITIES

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

<u>Type of Debt</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>
Governmental activities:					
Compensated absences	\$ 18,995	\$ 24,683	\$ -	\$ 43,678	\$ -
Net pension liability - IMRF	239,173	-	(14,812)	224,361	-
Net pension liability - TRS	62,036	12,098	-	74,134	-
OPEB liability - THIS	186,214	46,851	-	233,065	-
OPEB liability - Health insurance plan	3,385	19,289	-	22,674	-
Lease payable	1,324,930	34,112	(152,765)	1,206,277	158,153
Subscription liability	-	15,438	(4,189)	11,249	5,301
Total	<u>\$ 1,834,733</u>	<u>\$ 152,471</u>	<u>\$ (171,766)</u>	<u>\$ 1,815,438</u>	<u>\$ 163,454</u>

11. LEASES AND SBITA

The North Cook Intermediate Service Center #1 has entered into agreements to lease certain equipment and an office space. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

11. LEASES AND SBITA (Continued)

Lease 1: A lease agreement was executed on October 9, 2018 to lease the office and classroom suites on Touhy Avenue in Des Plaines, IL. The lease is for a period of eleven (11) years commencing on August 1, 2019 and ending on July 31, 2030. The lease is payable in monthly payments that are adjusted annually for inflation. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 5.5%, which is the North Cook Intermediate Service Center #1 incremental borrowing rate. As a result of the lease, the North Cook Intermediate Service Center #1 has recorded an intangible right-to-use leased asset amounting to \$1,559,386 as of June 30, 2023, which is discussed more in detail in Note 8 - Capital Assets. Effective October 2023, the minimum annual rental was increased by \$500 per month, thus increasing the intangible right-to-use leased asset to \$1,593,498 as of June 30, 2024.

Lease 2: The North Cook Intermediate Service Center #1 also leases certain copy equipment under a non-cancellable rental agreement. The lease term was for five years commencing July 15, 2019, with monthly payments of \$838. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 5.5%, which is the North Cook Intermediate Service Center #1 incremental borrowing rate. As a result of the lease, the North Cook Intermediate Service Center #1 has recorded an intangible right-to-use lease asset amounting to \$27,752 as of June 30, 2024, which is discussed more in detail in Note 8 - Capital Assets.

Lease 3: During the fiscal year 2022, the North Cook Intermediate Service Center #1 has entered into a non-cancellable rental agreement for postage machines. The lease term was for five years which commenced on September 30, 2021, with quarterly payments of \$267. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 14.46%, which is the stated rate in the lease agreement. As a result of the lease, the North Cook Intermediate Service Center #1 has recorded an intangible right-to-use lease asset amounting to \$3,757 as of June 30, 2024, which is discussed more in detail in Note 8 - Capital Assets.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Years Ending June 30,	Principal Payments	Interest Payments	Total
2025	\$ 158,153	\$ 62,569	\$ 220,722
2026	173,089	53,420	226,509
2027	188,048	43,447	231,495
2028	204,319	32,697	237,016
2029	221,779	21,024	242,803
Thereafter	260,889	8,460	269,349
Total	\$ 1,206,277	\$ 221,617	\$ 1,427,894

NORTH COOK INTERMEDIATE SERVICE CENTER #1

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

11. LEASES AND SBITA (Continued)

In 2023, The North Cook Intermediate Service Center #1 has entered into a software subscription agreement for a digital student information management system. The subscription term is for 3 years with annual payments of \$5,185 subject to an annual escalation. The subscription liability is measured at a discount rate of 5.5%, which is the North Cook Intermediate Service Center #1 incremental borrowing rate. As a result of the subscription, the North Cook Intermediate Service Center #1 has recorded an intangible right-to-use subscription asset amounting to \$24,943 as of June 30, 2024, which is discussed more in detail in Note 8 - Capital Assets.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2024, were as follows:

Years Ending June 30,	Principal Payments	Interest Payments	Total
2025	\$ 5,301	\$ 619	\$ 5,920
2026	5,948	327	6,275
Total	<u>\$ 11,249</u>	<u>\$ 946</u>	<u>\$ 12,195</u>

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 13, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

**Illinois Municipal Retirement Fund
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios
Last Ten Calendar Years**

Calendar year ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 63,661	\$ 31,711	\$ 41,444	\$ 45,628	\$ 42,320	\$ 48,836	\$ 47,315	\$ 45,684	\$ 46,088	\$ 42,175
Interest on the total pension liability	154,641	145,243	138,865	131,648	125,730	124,047	106,670	103,379	96,328	84,708
Differences between expected and actual experience of the total pension liability (asset)	200,415	71,681	47,627	62,026	6,698	(52,695)	194,652	(52,674)	(8,118)	8,271
Changes of assumptions	(5,120)	-	-	(16,150)	-	45,896	(45,168)	-	-	57,581
Benefit payments, including refunds of employee contributions	(139,673)	(134,038)	(138,007)	(106,585)	(83,647)	(81,492)	(63,601)	(43,030)	(37,137)	(43,443)
Net change in total pension liability	273,924	114,597	89,929	116,567	91,101	84,592	239,868	53,359	97,161	149,292
Total pension liability - beginning	2,166,005	2,051,408	1,961,479	1,844,912	1,753,811	1,669,219	1,429,351	1,375,992	1,278,831	1,129,539
Total pension liability - ending (A)	\$ 2,439,929	\$ 2,166,005	\$ 2,051,408	\$ 1,961,479	\$ 1,844,912	\$ 1,753,811	\$ 1,669,219	\$ 1,429,351	\$ 1,375,992	\$ 1,278,831
Plan fiduciary net position										
Contributions - employer	\$ 95,636	\$ 40,938	\$ 42,861	\$ 51,031	\$ 43,691	\$ 37,534	\$ 36,875	\$ 36,309	\$ 33,305	\$ 34,962
Contributions - employees	60,049	19,846	17,602	19,431	23,407	23,891	18,942	18,546	17,863	16,236
Net investment income	271,301	(329,685)	365,237	287,767	299,598	(66,517)	234,618	35,211	(26,560)	67,804
Benefit payments, including refunds of employee contributions	(139,673)	(134,038)	(138,007)	(106,585)	(83,647)	(81,492)	(63,601)	(43,030)	(37,137)	(43,443)
Other (net transfer)	1,423	1,543	(1,222)	(1,454)	(1,518)	(1,258)	(1,276)	(803)	3,738	(895)
Net change in plan fiduciary net position	288,736	(401,396)	286,471	250,190	281,531	(87,842)	225,558	46,233	(8,791)	74,664
Plan fiduciary net position - beginning	1,926,832	2,328,228	2,041,757	1,791,567	1,510,036	1,597,878	1,372,320	1,326,087	1,334,878	1,260,214
Plan fiduciary net position - ending (B)	\$ 2,215,568	\$ 1,926,832	\$ 2,328,228	\$ 2,041,757	\$ 1,791,567	\$ 1,510,036	\$ 1,597,878	\$ 1,372,320	\$ 1,326,087	\$ 1,334,878
Net pension liability (asset) - ending (A) - (B)	\$ 224,361	\$ 239,173	\$ (276,820)	\$ (80,278)	\$ 53,345	\$ 243,775	\$ 71,341	\$ 57,031	\$ 49,905	\$ (56,047)
Plan fiduciary net position as a percentage of the total pension liability	90.80%	88.96%	113.49%	104.09%	97.11%	86.10%	95.73%	96.01%	96.37%	104.38%
Covered payroll	\$ 1,311,878	\$ 422,920	\$ 372,706	\$ 401,503	\$ 387,679	\$ 426,520	\$ 420,946	\$ 412,135	\$ 396,964	\$ 360,807
Net pension liability (asset) as a percentage of covered payroll	17.10%	56.55%	-74.27%	-19.99%	13.76%	57.15%	16.95%	13.84%	12.57%	-15.53%

Changes of Assumptions:

- For 2014, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2014 (base year 2014) developed from the RP-2014 mortality tables.
- For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.
- For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.
- For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.
- For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.
- For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2024	\$ 136,258	\$ 136,258	-	\$ 1,929,411	7.06%
2023	58,799	58,799	-	719,685	8.17%
2022	34,572	34,572	-	325,612	10.62%
2021	48,916	48,916	-	404,377	12.10%
2020	47,582	47,582	-	396,378	12.00%
2019	38,650	38,650	-	384,910	10.04%
2018	37,721	37,721	-	429,523	8.78%
2017	36,801	36,801	-	418,934	8.78%
2016	34,902	34,902	-	405,583	8.61%
2015	35,241	35,241	-	390,429	9.03%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2023 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	20-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	2.75%
<i>Price Inflation:</i>	2.25%
<i>Salary Increases:</i>	2.85% to 13.75%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility conditions last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
<i>Mortality:</i>	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.

Other Information:

Notes: There were no benefit changes during the year.

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

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

**Teachers' Retirement System of the State of Illinois
Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)**

	FY2023*	FY2022*	FY2021*	FY2020*	FY2019*	FY2018*	FY2017*	FY2016*	FY2015*	FY2014*
Employer's proportion of the net pension liability	0.0000872360%	0.0000739927%	-0.0000418705%	0.0000901490%	0.0000983414%	0.0001862943%	0.0001594123%	0.0001104154%	0.0004508853%	0.0002612755%
Employer's proportionate share of the net pension liability (asset)	74,134	62,036	\$(32,664)	77,722	79,763	145,207	121,788	87,158	295,375	159,008
State's proportionate share of the net pension liability (asset) associated with the employer	6,397,771	5,381,189	(2,737,564)	6,087,608	5,676,640	9,947,276	4,472,105	2,693,071	14,642,103	6,798,628
Total	\$ 6,471,905	\$ 5,443,225	\$(2,770,228)	\$ 6,165,330	\$ 5,756,403	\$ 10,092,483	\$ 4,593,893	\$ 2,780,229	\$ 14,937,478	\$ 6,957,636
Employer's covered payroll	\$ 913,687	\$ 750,348	\$ 718,571	\$ 758,765	\$ 660,246	\$ 663,855	\$ 764,469	\$ 1,126,577	\$ 1,065,655	\$ 1,100,532
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	8.1%	8.3%	-4.5%	10.2%	12.1%	21.9%	15.9%	7.7%	27.7%	14.4%
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%	43.0%

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

** Note that these numbers were changed in August 2024 after the original publication date in March 2024

**Teachers' Retirement System of the State of Illinois
Schedule of Employer Contributions**

	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
Statutorily-required contribution	\$ 5,661	\$ 5,299	\$ 4,352	\$ 4,168	\$ 4,401	\$ 3,829	\$ 3,850	\$ 4,434	\$ 6,534	\$ 6,181
Contributions in relation to the statutorily-required contribution	5,661	5,299	4,352	4,168	4,401	3,829	3,850	4,434	6,534	6,181
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 976,029	\$ 913,687	\$ 750,348	\$ 718,571	\$ 758,765	\$ 660,246	\$ 663,855	\$ 764,469	\$ 1,126,577	\$ 1,065,655
Contributions as a percentage of covered payroll	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%

Notes to Required Supplementary Information

Changes of assumptions

For the 2022 and 2023 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2021-2018 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 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.

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

**Teachers' Health Insurance Security Fund
Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability
Last Eight Fiscal Years***

	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the collective net OPEB liability	0.003270%	0.002721%	0.002793%	0.003003%	0.002685%	0.002788%	0.003329%	0.003206%
Employer's proportionate share of the collective net OPEB liability	\$ 233,065	\$ 186,214	\$ 616,099	\$ 802,893	\$ 743,199	\$ 734,566	\$ 863,906	\$ 876,456
State's proportionate share of the collective net OPEB liability associated with the employer	315,178	253,325	835,339	1,087,700	1,006,387	986,363	1,134,523	1,678,136
Total	\$ 548,243	\$ 439,539	\$ 1,451,438	\$ 1,890,593	\$ 1,749,586	\$ 1,720,929	\$ 1,998,429	\$ 2,554,592
Employer's covered payroll	913,687	750,348	718,571	758,765	660,246	663,855	764,469	1,126,577
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	25.5%	24.8%	85.7%	105.8%	112.6%	110.7%	113.0%	77.8%
Plan fiduciary net position as a percentage of the total OPEB liability	6.21%	5.24%	1.40%	0.70%	0.25%	-0.07%	-0.17%	-0.22%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Teachers' Health Insurance Security Fund
Schedule of Employer Contributions
Last Nine Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily-required contribution	\$ 6,539	\$ 6,121	\$ 5,027	\$ 6,611	\$ 6,981	\$ 6,074	\$ 5,842	\$ 6,422	\$ 9,013
Contributions in relation to the statutorily-required contribution	6,539	6,121	5,027	6,611	6,981	6,074	5,842	6,422	9,013
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 976,029	\$ 913,687	\$ 750,348	\$ 718,571	\$ 758,765	\$ 660,246	\$ 663,855	\$ 764,469	\$ 1,126,577
Contributions as a percentage of covered payroll	0.67%	0.67%	0.67%	0.92%	0.92%	0.92%	0.88%	0.84%	0.80%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Notes to This Required Supplementary Information

Changes of Assumptions

For the 2022 and 2023 measurement years, the assumed investment rate of return was 2.75%, including an inflation rate of 2.25%. Salary increases were assumed to depend on service and range from 8.50% at 1 year of service to 3.50% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

For the 2021 measurement year, the assumed investment rate of return was 2.75%, including an inflation rate of 2.50%. Salary increases were assumed to depend on service and range from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

For the 2020, and 2019 measurement year, the assumed investment rate of return was 0.00%, including an inflation rate of 2.50%. Salary increases were assumed to depend on service and range from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

For the 2018 and 2017 measurement years, the assumed investment rate of return was 0.00%, including an inflation rate of 2.75%. Salary increases were assumed to depend on service and range from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

**Health Insurance Plan
Schedule of Changes in the Total OPEB Liability and Related Ratios**

Measurement date June 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability							
Service cost	\$ 120	\$ 153	\$ 195	\$ 188	\$ 683	\$ 687	\$ 725
Interest	135	85	161	183	332	298	235
Differences between expected and actual experience of the total pension liability	1,144						
	-	-	(1,019)	-	467	-	-
Changes of assumptions	18,307	(389)	(830)	53	(2,291)	(137)	(358)
Benefit payments	(417)	(390)	(948)	(878)	(570)	(528)	(489)
Net change in total OPEB liability	19,289	(541)	(2,441)	(454)	(1,379)	320	113
Total OPEB liability - beginning	3,385	3,926	6,367	6,821	8,200	7,880	7,767
Total OPEB liability - ending (A)	<u>\$ 22,674</u>	<u>\$ 3,385</u>	<u>\$ 3,926</u>	<u>\$ 6,367</u>	<u>\$ 6,821</u>	<u>\$ 8,200</u>	<u>\$ 7,880</u>
Covered payroll	\$ 835,457	\$ 379,986	\$ 370,718	\$ 385,598	\$ 376,193	\$ 253,781	\$ 247,591
Total OPEB liability as a percentage of covered payroll	2.71%	0.89%	1.06%	1.65%	1.81%	3.23%	3.18%

Notes to Schedule:

Covered payroll

Covered payroll is projected to the measurement date based on actual covered payroll as of the valuation date using applicable salary increase assumptions.

Changes of Benefit Term

There have been no changes of benefit terms for the prior period.

Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. Discount rates used for the fiscal year ending June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, and June 30, 2019 were 4.13%, 4.09%, 2.18%, 2.66%, 2.79%, and 3.87%, respectively.

Benefit payments

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on June 30, 2023. Expected net benefit payments produced by the valuation model for each period are shown in the table above.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2024**

SCHEDULE 1

	General Operations	General State Aid - Safe Schools	Student Advocate ALOP	Total
ASSETS				
Cash and cash equivalents	\$ 3,188	\$ 423,607	\$ 393,203	\$ 819,998
Investments	-	1,985,645	-	1,985,645
Due from other governments	-	48,253	112,959	161,212
Prepaid expenses	-	10,920	3,000	13,920
Security deposits	30,866	1,000	-	31,866
TOTAL ASSETS	34,054	2,469,425	509,162	3,012,641
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	-	36,757	53,697	90,454
FUND BALANCES				
Nonspendable	30,866	11,920	3,000	45,786
Assigned	-	300,000	-	300,000
Unassigned	3,188	2,120,748	452,465	2,576,401
Total fund balances	34,054	2,432,668	455,465	2,922,187
TOTAL LIABILITIES AND FUND BALANCES	\$ 34,054	\$ 2,469,425	\$ 509,162	\$ 3,012,641

NORTH COOK INTERMEDIATE SERVICE CENTER #1

SCHEDULE 2

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	General Operations	General State Aid - Safe Schools	Student Advocate ALOP	Total
REVENUES				
Local sources	\$ 2,275	\$ 603,979	\$ 674,253	\$ 1,280,507
State sources	-	409,464	1,177,046	1,586,510
On-behalf payments - State	321,053	-	-	321,053
Interest	-	53,361	-	53,361
Total revenues	<u>323,328</u>	<u>1,066,804</u>	<u>1,851,299</u>	<u>3,241,431</u>
EXPENDITURES				
Instructional services:				
Salaries and benefits	-	238,838	1,301,789	1,540,627
Pension expense	-	18,611	-	18,611
OPEB expense	-	6,140	-	6,140
Purchased services	-	63,383	51,541	114,924
Supplies and materials	-	5,623	139,504	145,127
Other objects	-	2,032	-	2,032
Administrative:				
On-behalf payments - State	321,053	-	-	321,053
Capital outlay	-	210,896	2,650	213,546
Debt service:				
Repayment of long-term lease and subscription payable	-	71,920	-	71,920
Interest on leases	-	34,288	-	34,288
Total expenditures	<u>321,053</u>	<u>651,731</u>	<u>1,495,484</u>	<u>2,468,268</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,275	415,073	355,815	773,163
OTHER FINANCING SOURCE				
Issuance of lease liabilities	-	16,656	-	16,656
NET CHANGE IN FUND BALANCES	2,275	431,729	355,815	789,819
FUND BALANCES, BEGINNING OF YEAR	<u>31,779</u>	<u>2,000,939</u>	<u>99,650</u>	<u>2,132,368</u>
FUND BALANCES, END OF YEAR	<u>\$ 34,054</u>	<u>\$ 2,432,668</u>	<u>\$ 455,465</u>	<u>\$ 2,922,187</u>

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2024**

SCHEDULE 3

	<u>Regional Safe Schools</u>	<u>Regional Safe Schools CTE</u>	<u>ROE/ISC Operations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 6,284	\$ -	\$ 18,016	\$ 24,300
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Employee related payable	6,284	-	18,016	24,300
FUND BALANCES				
Unassigned	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,284</u>	<u>\$ -</u>	<u>\$ 18,016</u>	<u>\$ 24,300</u>

NORTH COOK INTERMEDIATE SERVICE CENTER #1

SCHEDULE 4

EDUCATION FUND

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

FOR THE YEAR ENDED JUNE 30, 2024

	Regional Safe Schools	Regional Safe Schools CTE	ROE/ISC Operations	Total
REVENUES				
State sources	\$ 1,497,174	\$ 25,822	\$ 969,357	\$ 2,492,353
Federal sources	-	-	-	-
Total revenues	<u>1,497,174</u>	<u>25,822</u>	<u>969,357</u>	<u>2,492,353</u>
EXPENDITURES				
Instructional services:				
Salaries and benefits	1,131,762	25,822	801,273	1,958,857
Pension expense	20,358	-	-	20,358
OPEB expense	5,231	-	-	5,231
Purchased services	273,323	-	78,108	351,431
Supplies and materials	51,305	-	-	51,305
Debt service:				
Repayment of long-term lease and subscription payable	5,645	-	71,881	77,526
Interest on leases	44	-	34,775	34,819
Capital outlay	24,944	-	-	24,944
Total expenditures	<u>1,512,612</u>	<u>25,822</u>	<u>986,037</u>	<u>2,524,471</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(15,438)</u>	<u>-</u>	<u>(16,680)</u>	<u>(32,118)</u>
OTHER FINANCING SOURCES				
Issuance of subscription liabilities	15,438	-	-	15,438
Issuance of lease liabilities	-	-	16,680	16,680
Total other financing sources	<u>15,438</u>	<u>-</u>	<u>16,680</u>	<u>32,118</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH COOK INTERMEDIATE SERVICE CENTER #1
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE 5

	Regional Safe Schools				Regional Safe Schools CTE			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
REVENUES								
State sources	\$ 429,713	\$ 1,497,174	\$ 1,497,174	\$ -	\$ 25,822	\$ 25,822	\$ 25,822	\$ -
EXPENDITURES								
Instructional services:								
Salaries and benefits	429,713	1,157,351	1,131,762	25,589	25,822	25,822	25,822	-
Pension expense	-	-	20,358	(20,358)	-	-	-	-
OPEB expense	-	-	5,231	(5,231)	-	-	-	-
Purchased services	-	261,823	273,323	(11,500)	-	-	-	-
Supplies and materials	-	78,000	51,305	26,695	-	-	-	-
Debt service:								
Repayment of long-term lease payable	-	-	5,645	(5,645)	-	-	-	-
Interest on leases	-	-	44	(44)	-	-	-	-
Capital outlay	-	-	24,944	(24,944)	-	-	-	-
Total expenditures	429,713	1,497,174	1,512,612	(15,438)	25,822	25,822	25,822	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(15,438)</u>	<u>\$ (15,438)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OTHER FINANCING SOURCES								
Issuance of subscription liabilities			15,438					-
Issuance of lease liabilities			-					-
Total other financing sources (uses)			<u>15,438</u>					<u>-</u>
NET CHANGE IN FUND BALANCES			-					-
FUND BALANCES, BEGINNING OF YEAR			-					-
FUND BALANCES, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

NORTH COOK INTERMEDIATE SERVICE CENTER #1
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE 5
 (Continued)

	ROE/ISC Operations				Total			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
REVENUES								
State sources	\$ 969,357	\$ 969,357	\$ 969,357	\$ -	\$ 1,424,892	\$ 2,492,353	\$ 2,492,353	\$ -
EXPENDITURES								
Instructional services:								
Salaries and benefits	801,273	801,273	801,273	-	1,256,808	1,984,446	1,958,857	25,589
Pension expense	-	-	-	-	-	-	20,358	(20,358)
OPEB expense	-	-	-	-	-	-	5,231	(5,231)
Purchased services	168,084	168,084	78,108	89,976	168,084	429,907	351,431	78,476
Supplies and materials	-	-	-	-	-	78,000	51,305	26,695
Debt service:								
Repayment of long-term lease payable	-	-	71,881	(71,881)	-	-	77,526	(77,526)
Interest on leases	-	-	34,775	(34,775)	-	-	34,819	(34,819)
Capital outlay	-	-	-	-	-	-	24,944	(24,944)
Total expenditures	969,357	969,357	986,037	(16,680)	1,424,892	2,492,353	2,524,471	(32,118)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(16,680)</u>	<u>\$ (16,680)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(32,118)</u>	<u>\$ (32,118)</u>
OTHER FINANCING SOURCES								
Issuance of subscription liabilities			-				15,438	
Issuance of lease liabilities			16,680				16,680	
Total other financing sources (uses)			16,680				32,118	
NET CHANGE IN FUND BALANCES			-				-	
FUND BALANCES, BEGINNING OF YEAR			-				-	
FUND BALANCES, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024**

SCHEDULE 6

	<u>Fingerprinting</u>	<u>Non-Public School Inspections</u>	<u>Local Mentoring</u>	<u>Homeless/ At-Risk Youth</u>	<u>Leadership Coaching</u>	<u>Total</u>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 60,355	\$ -	\$ 78,795	\$ 1,767	\$ 15,982	\$ 156,899
Investments	100,000	-	-	-	-	100,000
Due from other governments	3,200	7,000	-	376	9,000	19,576
Total current assets	<u>163,555</u>	<u>7,000</u>	<u>78,795</u>	<u>2,143</u>	<u>24,982</u>	<u>276,475</u>
TOTAL ASSETS	<u>163,555</u>	<u>7,000</u>	<u>78,795</u>	<u>2,143</u>	<u>24,982</u>	<u>276,475</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	80	-	-	-	-	80
Due to other funds	-	499	-	-	-	499
Unearned revenue	-	-	-	-	-	-
Total current liabilities	<u>80</u>	<u>499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579</u>
TOTAL LIABILITIES	<u>80</u>	<u>499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579</u>
NET POSITION						
Unrestricted	<u>163,475</u>	<u>6,501</u>	<u>78,795</u>	<u>2,143</u>	<u>24,982</u>	<u>275,896</u>
TOTAL NET POSITION	<u>\$ 163,475</u>	<u>\$ 6,501</u>	<u>\$ 78,795</u>	<u>\$ 2,143</u>	<u>\$ 24,982</u>	<u>\$ 275,896</u>

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

SCHEDULE 7

	<u>Fingerprinting</u>	<u>Non-Public School Inspections</u>	<u>Local Mentoring</u>	<u>Homeless/ At-Risk Youth</u>	<u>Leadership Coaching</u>	<u>Total</u>
OPERATING REVENUES						
Charges for services	\$ 19,265	\$ 7,000	\$ 84,800	\$ 1,826	\$ 23,550	\$ 136,441
OPERATING EXPENSES						
Purchased services	11,529	7,000	68,648	-	9,487	96,664
Supplies and materials	-	-	120	1,083	-	1,203
Other	-	-	-	15	-	15
Total operating expenses	<u>11,529</u>	<u>7,000</u>	<u>68,768</u>	<u>1,098</u>	<u>9,487</u>	<u>97,882</u>
OPERATING INCOME	7,736	-	16,032	728	14,063	38,559
OTHER FINANCING SOURCE						
Interest	<u>3,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,422</u>
CHANGE IN NET POSITION	11,158	-	16,032	728	14,063	41,981
NET POSITION, BEGINNING OF YEAR	<u>152,317</u>	<u>6,501</u>	<u>62,763</u>	<u>1,415</u>	<u>10,919</u>	<u>233,915</u>
NET POSITION, END OF YEAR	<u>\$ 163,475</u>	<u>\$ 6,501</u>	<u>\$ 78,795</u>	<u>\$ 2,143</u>	<u>\$ 24,982</u>	<u>\$ 275,896</u>

**NORTH COOK INTERMEDIATE SERVICE CENTER #1
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

SCHEDULE 8

	Fingerprinting	Non-Public School Inspections	Local Mentoring	Homeless/ At-Risk Youth	Leadership Coaching	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts for workshops and services	\$ 17,657	\$ 6,000	\$ 84,800	\$ 1,450	\$ 14,550	\$ 124,457
Payments to suppliers and providers of goods and services	(11,449)	(7,000)	(68,768)	(1,098)	(9,487)	(97,802)
Net cash provided by (used in) operating activities	6,208	(1,000)	16,032	352	5,063	26,655
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY						
Interfund loans	-	499	-	-	-	499
Transfers from (to) other funds	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activity	-	499	-	-	-	499
CASH FLOWS FROM INVESTING ACTIVITY:						
Interest	3,422	-	-	-	-	3,422
Net cash used in investing activity	3,422	-	-	-	-	3,422
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,630	(501)	16,032	352	5,063	30,576
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	50,725	501	62,763	1,415	10,919	126,323
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 60,355	\$ -	\$ 78,795	\$ 1,767	\$ 15,982	\$ 156,899
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income	\$ 7,736	\$ -	\$ 16,032	\$ 728	\$ 14,063	\$ 38,559
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Effects of changes in assets and liabilities:						
Due from other governments	(1,608)	(1,000)	-	(376)	(9,000)	(11,984)
Accounts payable and accrued expenses	80	-	-	-	-	80
Unearned revenue	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ 6,208	\$ (1,000)	\$ 16,032	\$ 352	\$ 5,063	\$ 26,655