

**TRANSPORTATION JOINT AGREEMENT
OF SCHOOL DISTRICTS 47 AND 155**

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2024
AND
INDEPENDENT AUDITORS' REPORT

**TRANSPORTATION JOINT AGREEMENT
OF SCHOOL DISTRICTS 47 AND 155**
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024
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Independent Auditors' Report

To the Board of Education of
Transportation Joint Agreement of School Districts 47 and 155

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Transportation Joint Agreement of School Districts 47 and 155 (the Joint Agreement), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Joint Agreement'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 and the major fund of the Joint Agreement, Illinois, as of June 30, 2024 and the respective changes in financial position 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). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Joint Agreement and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2024 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Joint Agreement's basic financial statements. The supplementary information for the year ended June 30, 2024 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2024, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2024.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Joint Agreement as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated October 31, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities and the major fund. The for the year ended June 30, 2023 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2023 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

Report on Summarized Comparative Information

We have previously audited the Joint Agreement's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and the major fund in our report dated October 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Baker Tilly US, LLP

Oak Brook, Illinois
November 7, 2024

**TRANSPORTATION JOINT AGREEMENT
OF SCHOOL DISTRICTS 47 AND 155**
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Districts 47 and 155, by joint resolution of both boards of education in August 1974, established the Transportation Joint Agreement of School Districts 47 and 155 (the "TJA") to cooperatively share transportation operations and costs. The districts have agreed to share most operational costs proportionally based on mileage attributable to each district's transportation operation. Capital outlay, building and site improvement costs are shared on a 50/50 basis as are some administration costs. District 155 provides the site at 1204 McHenry Ave and District 47 acts as the administrative agent for the TJA and accordingly manages the TJA checking account and records its revenues and expenditures, performs its payroll function and tracks its capital assets. Each district provides revenue to the TJA from each district's own Transportation Fund based on a dollar-for-dollar basis according to each district's monthly expenditures as provided by TJA's accounting and HR processor.

This section of TJA's annual report presents management's discussion and analysis of the TJA financial performance during the fiscal year ended June 30, 2024. The management discussion and analysis are designed to focus on current activities, resulting change and currently known facts. Please read it in conjunction with the TJA's financial statements.

I. USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) statements No. 34. These standards alter both the form and the accounting principles utilized to prepare the statements, as compared to previous years.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the TJA, presenting a long-term view of the TJA financial condition. The Statement of Net Position and the Statement of Activities answer the question, "How did we do financially during fiscal 2024?" These statements include all assets and liabilities using the full accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the TJA's *net position* and the *annual change in net position*. This change in net position is important because it tells the reader that, the *financial position* of the TJA has improved or diminished.

TJA only has one fund. The balance sheet and the statement of revenues, expenditures and changes in fund balance display how services were financed in the short-term as well as what remaining resources are available for future spending. These statements use an accounting method called *modified accrual* accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. The differences between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* are disclosed in reconciliations that accompany the fund financial statements.

Notes to Financial Statements

The Notes to Financial Statements are an integral part of this report and should be read in conjunction with the financial statements to obtain a full understanding of that data. The Notes to the Financial Statements can be found on pages 14-19 of this report.

**TRANSPORTATION JOINT AGREEMENT
OF SCHOOL DISTRICTS 47 AND 155**
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Required Supplementary Information

The Required Supplementary Information is presented concerning the TJA's General Fund budgetary schedule. A budgetary comparison schedule has been provided with original budget and actual and variance data for the General Fund to demonstrate compliance with this budget.

Schedule of Expenditures (General Fund)

This schedule provides more detailed information regarding the expenditures of the TJA with budget and actual data and a comparison to the prior year actual.

II. FINANCIAL HIGHLIGHTS

- > Total net position was \$7,499,594, an increase of \$309,580 from the prior year.
- > TJA had an ending unrestricted net position of \$1,885,065 which was an increase of \$124,144 from 2023.
- > Most of TJA's net position value comes from its net investment in capital assets of \$5,614,529.
- > Total revenues from member services increased by \$510,562 to \$9,352,261 in 2024 due to increased services and costs.
- > Expenses in the statement of activities totaled \$9,508,716 an increase of \$247,030 due to increased services and costs which is in relation to revenues.

III. FINANCIAL ANALYSIS

The following are comparative financial statements, which showcase key financial data.

**Table 1
Statement of Net Position
Fiscal Years Ending June 30, 2024 and 2023**

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Cash	\$354,834	\$694,520
Accounts Receivable	1,961,337	1,381,669
Depreciable Assets	5,614,529	5,429,093
Total Assets	7,930,700	7,505,282
<u>LIABILITIES</u>		
Current Liabilities	431,106	315,268
Total Liabilities	431,106	315,268
<u>NET POSITION</u>		
Net Investment in Capital Assets	5,614,529	5,429,093
Unrestricted	1,885,065	1,760,921
Total Net Position	\$7,499,594	\$7,190,014

**TRANSPORTATION JOINT AGREEMENT
OF SCHOOL DISTRICTS 47 AND 155**
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

III. FINANCIAL ANALYSIS (cont.)

Table 2
Statement of Activities
Fiscal Years Ending June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>REVENUES</u>		
Charges for Services	\$9,815,303	\$8,738,657
<u>EXPENSES</u>		
Bus Operations	9,508,716	9,261,686
Net Program Revenues	(306,587)	(523,029)
General Revenues:		
Investment Earnings	2,993	1,753
CHANGE IN NET POSITION	(309,580)	(521,276)
Net Position July 1, 2023	7,190,014	7,711,290
Net Position June 30, 2024	\$7,499,594	\$7,190,014

The change in net position is primarily attributable to a net increase in revenues and an increase in the expenses for operations.

Governmental Activities

Total revenues in the governmental activities increased by \$1,076,646 to \$9,815,303, which represents a 12.3% increase from the prior year. Most of the revenues come from each district's own transportation fund and are paid to TJA based on each district's proportional share of expenditures.

Total expenses totaled \$9,508,716, which was an increase of \$247,030 over the prior year of 2.7% due to an increase in transportation services and costs.

IV. ANALYSIS OF SIGNIFICANT BUDGET TO ACTUAL VARIANCES

The analysis that follows provides an explanation for the most significant variances between budgeted and actual results.

- > Overall, actual revenues were \$16,676 more than budgeted. TJA revenues are collected from District 47 and District 155 based upon actual expenditures incurred and the usage of services.
- > Expenditures were \$481,668 more than budgeted due to increased staff costs for TJA along with operational costs of the fleet and overall fixed charges.

**TRANSPORTATION JOINT AGREEMENT
OF SCHOOL DISTRICTS 47 AND 155**
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

V. LONG-TERM OBLIGATIONS

At the end of fiscal year 2024, TJA had no long-term obligations.

VI. CAPITAL ASSETS

At the end of the fiscal year 2024, TJA had \$5,614,529 invested in buildings, and transportation equipment (net of accumulated depreciation).

**Table 4
Capital Assets (Net of Accumulated Depreciation) at June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Building	\$321,801	\$330,117
Transportation Equipment	5,292,728	5,098,976
Totals	<u>\$5,614,529</u>	<u>\$5,429,093</u>

Overall, capital assets increased \$185,436 from fiscal year 2023 to fiscal year 2024 due to an increase bus purchases (7 additional buses in 2024 compared to 6 additions in 2023).

See Note 5 of the financial statements for more detailed information.

VII. MAJOR SIGNIFICANT EVENTS & CONCERNS

Overall, there are no significant events or concerns for TJA. However, below are some items that are important or will continue to be monitored for the upcoming years.

- > The State of Illinois provides funding to the districts based upon their annual transportation claim. Any delays can impact the cash flow of the districts. Claims are submitted based upon each district's use of services.
- > The TJA management team continues to seek competitive bidding for fuel and equipment purchases to assist in the reduction of costs. Changes in supply chain requires TJA to continuously work with vendors to maintain quality service and competitive pricing while receiving supplies as needed for operations.
- > TJA will be adding electric buses to the fleet by the end of Fiscal Year 2026. The infrastructure is scheduled to be completed by the end of Summer 2025. This is being made available from the Driving a Cleaner Illinois – Volkswagen grant.

CONTACTING THE TJA's FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview to all those who are interested in the TJA's finances and to show the TJA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Catherine Nelson
Assistant Superintendent of Business
Community Consolidated School District 47
300 Commerce Drive
Crystal Lake, IL 60014

TRANSPORTATION JOINT AGREEMENT OF SCHOOL DISTRICTS 47 AND 155
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	GOVERNMENTAL ACTIVITIES
Assets	
Cash	\$ 354,834
Accounts receivable - interest	5,965
Accounts receivable - from member districts	1,955,372
Capital assets, net of accumulated depreciation	5,614,529
 Total assets	 7,930,700
Liabilities	
Accounts payable	\$ 71,310
Accrued salaries	359,796
 Total liabilities	 431,106
Net position	
Net investment in capital assets	5,614,529
Unrestricted	1,885,065
 Total net position	 \$ 7,499,594

TRANSPORTATION JOINT AGREEMENT OF SCHOOL DISTRICTS 47 AND 155
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	CHARGES FOR SERVICES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
<u>GOVERNMENTAL ACTIVITIES</u>				
Transportation operations	\$ 9,508,716	\$ 9,815,303		\$ 306,587
Total governmental activities	<u>\$ 9,508,716</u>	<u>\$ 9,815,303</u>		<u>306,587</u>
General revenues:				
				2,993
				<u>2,993</u>
			Change in net position	309,580
			Net position, July 1, 2023	<u>7,190,014</u>
			Net position, June 30, 2024	<u>\$ 7,499,594</u>

TRANSPORTATION JOINT AGREEMENT OF SCHOOL DISTRICTS 47 AND 155
GOVERNMENTAL FUND
BALANCE SHEET
AS OF JUNE 30, 2024
WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

	GENERAL FUND	GENERAL FUND
	2024	2023
Assets		
Cash	\$ 354,834	\$ 694,520
Accounts receivable - interest	5,965	5,965
Accounts receivable - from member districts	1,955,372	1,375,704
Total assets	\$ 2,316,171	\$ 2,076,189
Liabilities, deferred inflows of resources, and fund balance		
Liabilities		
Accounts payable	\$ 71,310	\$ 85,074
Accrued salaries	359,796	230,194
Total liabilities	431,106	315,268
Deferred inflows of resources		
Unavailable member contributions	401,620	-
Total deferred inflows of resources	401,620	-
Fund balance		
Unassigned	1,483,445	1,760,921
Total fund balance	1,483,445	1,760,921
Total liabilities, deferred inflows of resources and fund balance	\$ 2,316,171	\$ 2,076,189

TRANSPORTATION JOINT AGREEMENT OF SCHOOL DISTRICTS 47 AND 155
 RECONCILIATION OF THE GOVERNMENTAL FUND
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 AS OF JUNE 30, 2024

Total fund balances - governmental fund \$ 1,483,445

Amounts reported for governmental activities in the Statement of Net Position is different because:

The cost of capital assets (buildings and equipment) purchased is reported as an expenditure in the governmental fund. The Statement of Net Position includes those capital assets among the assets of the Agreement as a whole.

Cost of capital assets	\$	12,431,359	
Accumulated depreciation		<u>(6,816,830)</u>	
			5,614,529

Certain revenues receivable by the Agreement and recognized in the Statement of Net Position do not provide current financial resources and are not included as deferred inflows of resources in the Governmental Funds Balance Sheet as follows:

Member contributions		<u>401,620</u>	
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Net position of governmental activities \$ 7,499,594

TRANSPORTATION JOINT AGREEMENT OF SCHOOL DISTRICTS 47 AND 155
GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2024
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2023

	GENERAL FUND	GENERAL FUND
	2024	2023
Revenues		
Member contributions	\$ 9,352,261	\$ 8,841,699
Student fees	61,422	52,752
Net investment income	2,993	1,753
Total revenues	9,416,676	8,896,204
Expenditures		
Transportation operations	6,069,456	5,640,436
Maintenance	443,452	365,077
Fixed charges	1,731,761	1,480,995
Capital outlay	868,612	647,780
Field trips	462,236	420,208
Other	118,635	154,497
Total expenditures	9,694,152	8,708,993
Net change in fund balance	(277,476)	187,211
Fund balance, beginning of year	1,760,921	1,573,710
Fund balance, end of year	\$ 1,483,445	\$ 1,760,921

TRANSPORTATION JOINT AGREEMENT OF SCHOOL DISTRICTS 47 AND 155

RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balance - governmental fund \$ (277,476)

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

Capital outlays are reported in governmental fund as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Depreciation expense	\$ (650,469)	
Capital outlay	<u>868,612</u>	
		218,143

The net effect of various miscellaneous transactions involving capital assets, (sale, disposal, transfer, etc.) is to decrease net position. (32,707)

Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:

Member contributions	<u>401,620</u>
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Change in net position of governmental activities \$ 309,580

**TRANSPORTATION JOINT AGREEMENT OF SCHOOL
DISTRICTS 47 AND 155**

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – NATURE OF ORGANIZATION AND OPERATIONS

The Transportation Joint Agreement of School Districts 47 and 155 (the "Agreement") was organized in August 1974 by joint resolution of Crystal Lake Community Consolidated School District No. 47 and Community High School District 155 for the primary purpose of providing transportation services to the school districts.

An Advisory Board composed of two members from each district is responsible for operations. Administrative activities are handled by Crystal Lake Community Consolidated School District No. 47. District employees are considered District 47 employees for purposes of Illinois Municipal Retirement Fund pension calculations and deductions, participation in the self-insurance fund related to health care and for participation in a group health plan.

The Agreement's facilities are located on land owned by Community High School District 155.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTANT POLICES

Reporting Entity

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

Basis of Presentation

Government-wide Financial Statements

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

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) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**TRANSPORTATION JOINT AGREEMENT OF SCHOOL
DISTRICTS 47 AND 155**

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTANT POLICES (CONTINUED)

Governmental Funds Financial Statements

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

Separate financial statements are provided for the governmental fund.

Measurement Focus and Basis of Accounting

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.

Governmental funds are used to account for the Agreement's general government activities. Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are 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 pay liabilities of the current period. The Agreement considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Interest on investments and intergovernmental revenue are susceptible to accrual. Other revenues become measurable and available when cash is received by the Agreement and are recognized as revenue at that time.

Major Governmental Fund

General Fund - The General Fund is the general operating fund of the Agreement. It is used to account for all financial resources.

**TRANSPORTATION JOINT AGREEMENT OF SCHOOL
DISTRICTS 47 AND 155**

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTANT POLICES (CONTINUED)

All Financial Statements

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

Assets, Liabilities and Net Position or Equity

Deposits and Investments

State statutes authorize the Agreement 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. Changes in fair value of investments are included as investment income.

Receivables

The Agreement has receivables of \$1,955,372 from member districts as of June 30, 2024. Receivables are expected to be collected within one year.

Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the Agreement as assets with an initial individual cost of more than \$5,000 and a life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	80 years
Site Improvements	20 years
Transportation Equipment	7-15 years
Other Equipment	5-20 years

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

**TRANSPORTATION JOINT AGREEMENT OF SCHOOL
DISTRICTS 47 AND 155**

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTANT POLICES (CONTINUED)

Equity Classifications

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

Investment in capital assets – Consists of capital assets including restricted capital assets.

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

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

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

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

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

Restricted - includes amounts constrained for a specific purpose by external parties.

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

Assigned - includes general fund amounts constrained for a specific purpose by the Advisory Board or an official that has been delegated authority to assign amounts. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. All of the Agreement's fund balance as of June 30, 2024, is considered unassigned.

**TRANSPORTATION JOINT AGREEMENT OF SCHOOL
DISTRICTS 47 AND 155**

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTANT POLICES (CONTINUED)

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agreement's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

For the year ended June 30, 2024, expenditures exceeded budget in the General Fund by \$481,668. This excess was funded by available financial resources.

NOTE 4 – DEPOSITS AND INVESTMENTS

The Agreement maintains an interest-bearing demand deposit account for all cash, carried at cost, which approximates market value. At year end, the Agreement's carrying amount of cash was \$354,834.

Custodial Credit Risk – Deposits

At year end, the bank balance of the Agreement's deposits of \$388,875; which are collateralized and secured.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the Agreement for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
<i>Capital assets being depreciated:</i>				
Buildings	\$ 665,312	-	-	\$ 665,312
Building Improvements	35,822	-	13,662	22,160
Transportation Equipment	12,514,620	868,612	1,639,345	11,743,887
<i>Less accumulated depreciation for:</i>				
Buildings	(335,195)	(8,316)	-	(343,511)
Building Improvements	(35,822)	-	(13,662)	(22,160)
Transportation Equipment	(7,415,644)	(642,152)	(1,606,637)	(6,451,159)
Net governmental activities capital assets	<u>\$ 5,429,093</u>	<u>\$ 218,143</u>	<u>\$ 32,708</u>	<u>\$ 5,614,529</u>

**TRANSPORTATION JOINT AGREEMENT OF SCHOOL
DISTRICTS 47 AND 155**

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 – RISK MANAGEMENT

The Agreement is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The Agreement participates in District 47's insurance policies. During the fiscal year ended June 30, 2024, the Agreement continued its risk management policies by purchasing commercial insurance from private insurance companies. There have been no significant reductions in insurance coverage from coverage in prior years. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 7 – RETIREMENT SYSTEMS

Illinois Municipal Retirement Fund

All eligible employees of the Agreement are considered employees of District 47 (the "District") for purposes of participation in the Illinois Municipal Retirement Fund (IMRF). For purposes of IMRF, Agreement employees are included in the actuarial valuation of District 47 and related liabilities have been recorded with the District. Accordingly, separate actuarial information has not been determined for Agreement employees and no liability has been allocated to the Agreement.

TRANSPORTATION JOINT AGREEMENT OF SCHOOL DISTRICTS 47 AND 155
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE FROM BUDGET
Revenues			
Member contributions District 47	\$ 5,433,200	\$ 5,067,988	\$ 365,212
Member contributions District 155	3,936,800	4,284,273	(347,473)
Student fees	30,000	61,422	(31,422)
Earnings on investments	<u>-</u>	<u>2,993</u>	<u>(2,993)</u>
Total revenues	<u>9,400,000</u>	<u>9,416,676</u>	<u>(16,676)</u>
Expenditures			
Transportation operations	5,607,544	6,069,456	(461,912)
Maintenance	467,450	443,452	23,998
Fixed charges	1,606,880	1,731,761	(124,881)
Capital outlay	836,860	868,612	(31,752)
Field trips	432,000	462,236	(30,236)
Other	<u>261,750</u>	<u>118,635</u>	<u>143,115</u>
Total expenditures	<u>9,212,484</u>	<u>9,694,152</u>	<u>(481,668)</u>
Net change in fund balance	<u>\$ 187,516</u>	(277,476)	<u>\$ 464,992</u>
Fund balance, beginning of year		<u>1,760,921</u>	
Fund balance, end of year		<u>\$ 1,483,445</u>	

**TRANSPORTATION JOINT AGREEMENT OF SCHOOL
DISTRICTS 47 AND 155**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The budgeted amounts for the Governmental Fund are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Agreement follows these procedures in establishing the budgetary data reflected in the general-purpose financial statements:

1. The Administration submits to the respective Boards of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
3. All budget appropriations lapse at the end of the fiscal year.

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

Excess of Expenditures over Budget

For the year ended June 30, 2024, expenditures exceeded budget in the General Fund by \$481,668. This excess was funded by available financial resources.

TRANSPORTATION JOINT AGREEMENT OF SCHOOL DISTRICTS 47 AND 155

GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	ORIGINAL AND FINAL BUDGET	2024 ACTUAL	VARIANCE FROM BUDGET	2023 ACTUAL
Expenditures				
Transportation operations				
Assistant director/safety - salary	\$ 80,000	\$ 80,356	\$ (356)	\$ 115,728
Routing - salary	62,669	110,061	(47,392)	107,544
Administration assistant - salary	53,690	52,828	862	51,411
Dispatcher - salaries	124,680	114,876	9,804	119,318
Director - salary	105,000	105,000	-	97,077
Contractual	424,831	533,646	(108,815)	665,653
Travel/workshops	7,000	206	6,794	816
Telephone/paging	24,000	13,182	10,818	18,160
Professional Services	202,000	187,241	14,759	178,092
Publications	5,000	97	4,903	89
Water/sewer service	750	764	(14)	712
Heat	8,500	4,366	4,134	6,654
Electric	10,000	13,546	(3,546)	10,136
Software	500	-	500	-
Operations - salary	1,900,000	2,514,219	(614,219)	1,986,692
Special ed - salary	1,545,000	1,546,895	(1,895)	1,469,932
Driver training	65,000	81,545	(16,545)	45,940
Operations - supplies	52,424	37,812	14,612	56,482
Gas & oil	769,000	656,531	112,469	699,115
Maintenance contractual	156,500	226	156,274	(737)
Vehicle license/permits/inspections	11,000	16,059	(5,059)	11,622
Total operations	<u>5,607,544</u>	<u>6,069,456</u>	<u>(461,912)</u>	<u>5,640,436</u>
Maintenance				
Maintenance - salary	267,450	264,694	2,756	245,293
Maintenance supplies	200,000	178,758	21,242	119,784
Total maintenance	<u>467,450</u>	<u>443,452</u>	<u>23,998</u>	<u>365,077</u>

TRANSPORTATION JOINT AGREEMENT OF SCHOOL DISTRICTS 47 AND 155

GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	ORIGINAL AND FINAL BUDGET	2024 ACTUAL	VARIANCE FROM BUDGET	2023 ACTUAL
Fixed Charges				
Auditing services	\$ 9,700	\$ 10,600	\$ (900)	\$ 7,675
Legal services	20,000	7,570	12,430	9,717
Unemployment compensation	10,000	-	10,000	2,051
Insurance - health	373,500	361,563	11,937	315,850
Annual physical	30,000	36,228	(6,228)	37,166
Workers compensation & liability	410,000	491,747	(81,747)	356,791
IMRF	379,900	421,647	(41,747)	393,773
FICA/Medicare	<u>373,780</u>	<u>402,406</u>	<u>(28,626)</u>	<u>357,972</u>
Total fixed charges	<u>1,606,880</u>	<u>1,731,761</u>	<u>(124,881)</u>	<u>1,480,995</u>
Capital Outlay				
New bus purchase/radios	<u>836,860</u>	<u>868,612</u>	<u>(31,752)</u>	<u>647,780</u>
Total capital outlay	<u>836,860</u>	<u>868,612</u>	<u>(31,752)</u>	<u>647,780</u>
Field Trips				
Field trip - salary	<u>432,000</u>	<u>462,236</u>	<u>(30,236)</u>	<u>420,208</u>
Total field trips	<u>432,000</u>	<u>462,236</u>	<u>(30,236)</u>	<u>420,208</u>
Other				
Non-capitalized equipment	160,000	52,495	107,505	89,232
Office supplies	1,000	98	902	88
Dues & fees	750	378	372	636
Awards & incentives	<u>100,000</u>	<u>65,664</u>	<u>34,336</u>	<u>64,541</u>
Total other	<u>261,750</u>	<u>118,635</u>	<u>143,115</u>	<u>154,497</u>
Total expenditures	<u>\$ 9,212,484</u>	<u>\$ 9,694,152</u>	<u>\$ (481,668)</u>	<u>\$ 8,708,993</u>