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# Illinois Medical District Commission

(a component unit of the State of Illinois)

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**Financial Report**  
**with Supplementary Information**  
**June 30, 2024**

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## **Independent Auditor's Report**

To the Board of Commissioners  
Illinois Medical District Commission

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Illinois Medical District Commission (the "Commission"), a component unit of the State of Illinois, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as of June 30, 2024 and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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 Commission 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 opinion.

#### ***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 Commission's ability to continue as a going concern for 12 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 judgment made by a reasonable user based on the financial statements.

To the Board of Commissioners  
Illinois Medical District Commission

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified 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, which 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Commission'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 Commission's internal control over financial reporting and compliance.



October 9, 2024

This section of Illinois Medical District Commission's (the "Commission") financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the Commission's financial statements, which follow this section.

### ***Financial Highlights***

- The Commission's total net position as of June 30, 2024 and 2023 was \$55,949,256 and \$51,524,629, respectively. During the year ended June 30, 2024, the Commission's net position increased by \$4,424,627, which was the result of an increase in nonoperating revenue and a decrease in expenses. There was no building impairment in 2024. During the year ended June 30, 2023, the Commission's net position decreased by \$3,204,970, which was the result of the Commission's impairment on a building offset by a decrease in operating expenses other than depreciation.
- During fiscal year 2024, the Commission's operating expenses were \$5,888,950, an increase of \$553,391 compared to fiscal year 2023 operating expenses. The fiscal year 2024 expense increase is attributed to an increase in salaries, wages, and related expenses. During fiscal year 2023, the Commission's operating expenses were \$5,335,559.
- During fiscal year 2024, the Commission's operating revenue was \$7,793,663, an increase of 9.8 percent compared to fiscal year 2023 operating revenue of \$7,095,668. The increase is a result of an increase in tenants, resulting in higher rental income compared to the prior year. Nonoperating expense between fiscal year 2024 and fiscal year 2023 has decreased by \$5,567,472 as a result of the loss on permanent impairment of capital asset during the prior fiscal year.

### ***Overview of the Financial Statements***

The financial statements of the Commission have been prepared on the accrual basis of accounting following the business-type activities reporting requirements of the Governmental Accounting Standards Board (GASB) as a single enterprise fund. These statements are as follows:

- Statement of net position - Includes all of the Commission's assets and liabilities and provides information about the amounts and investments in assets and the obligations to the Commission's creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Commission. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Commission is improving or deteriorating.
- Statement of revenue, expenses, and changes in net position - Provides information as to the increase or decrease of current year revenue over expenses
- Statement of cash flows - Provides information about the Commission's cash receipts and disbursements during the reporting period. The statement discloses net cash provided by or used in operating activities, capital financing activities, and investing activities.

## Illinois Medical District Commission

### Management's Discussion and Analysis (Continued)

The following table presents condensed financial information about the Commission's financial position as of June 30, 2024 and 2023:

#### **The Commission's Net Position**

	<u>2023</u>	<u>2024</u>
<b>Assets</b>		
Other assets	\$ 61,026,942	\$ 61,372,050
Capital assets	54,815,798	54,412,287
Total assets	115,842,740	115,784,337
<b>Deferred Outflows of Resources</b>		
	421,260	347,254
<b>Liabilities</b>		
Current liabilities	3,149,561	3,256,527
Long-term liabilities	26,310,336	24,430,849
Total liabilities	29,459,897	27,687,376
<b>Deferred Inflows of Resources</b>		
	35,279,474	32,494,959
<b>Net Position</b>		
Net investment in capital assets	41,298,434	41,375,746
Restricted	401,986	486,769
Unrestricted	9,824,209	14,086,741
Total net position	<u><u>\$ 51,524,629</u></u>	<u><u>\$ 55,949,256</u></u>

Other assets increased by \$345,108 from \$61,026,942 as of June 30, 2023 compared to \$61,372,050 as of June 30, 2024. The main difference in other assets is attributable to a decrease in short- and long-term lease receivable assets in fiscal year 2024. As of June 30, 2024, capital assets decreased by \$403,511 from June 30, 2023 as a result of no significant capital asset additions in the current year and accumulated depreciation.

In fiscal year 2024, net short-term liabilities increased by \$106,966. Short-term liabilities increased because of the increase in mortgage payable and certificates of participation during fiscal year 2024.

Net long-term liabilities decreased by \$1,879,487 in fiscal year 2024, as explained in Note 6 to the financial statements. Long-term liabilities decreased because of the repayments made on the outstanding mortgage balance and certificates of participation.

Deferred outflows of resources decreased by \$74,006 in fiscal year 2024. Deferred pension costs decreased from \$421,260 as of June 30, 2023 to \$347,254 as of June 30, 2024. The Commission recorded a deferred inflow from leases of \$32,267,095 as of June 30, 2024, a decrease of \$2,677,185 from June 30, 2023 as a result of lease arrangement staying relatively consistent during the fiscal year.

## Illinois Medical District Commission

### Management's Discussion and Analysis (Continued)

The following table presents condensed information about the Commission's revenue and expenses for the years ended June 30, 2024 and 2023:

	2023	2024
<b>Revenue</b>		
Operating revenue	\$ 7,095,668	\$ 7,793,663
Nonoperating revenue	1,856,341	3,861,399
Total revenue	8,952,009	11,655,062
<b>Expenses</b>		
Operating expenses other than depreciation	3,543,815	4,197,607
Depreciation	1,791,744	1,691,343
Loss on permanent impairment of capital asset	5,401,979	-
Interest expense	1,419,441	1,341,485
Total expenses	12,156,979	7,230,435
<b>Change in Net Position</b>	(3,204,970)	4,424,627
<b>Net Position - Beginning of year</b>	54,729,599	51,524,629
<b>Net Position - End of year</b>	<b>\$ 51,524,629</b>	<b>\$ 55,949,256</b>

Operating revenue increased by 9.8 percent in fiscal year 2024. Operating expenses other than depreciation increased by \$653,792, which is a 18.4 percent increase. This increase is driven by the increase in salaries, wages, and related expenses compared to fiscal year 2023.

In 2024, the Commission received nonoperating capital grant income of \$2,958,146, an increase of \$1,917,521 over fiscal year 2023.

#### ***Budgetary Highlights***

The 2024 actual results in comparison to the operating budget were favorable. The Commission's 2024 budget called for budgetary income of \$2,005,850. The Commission ended fiscal year 2024 with budgetary income (operating revenue less operating expenses other than depreciation) of \$3,596,056. This positive variance of \$1,590,206 is largely attributed to interest revenue, as the Commission does not include this amount within its budget since it is difficult to estimate.

#### ***Capital Assets and Debt Administration***

At the end of 2024, the Commission had invested \$54,412,287 in a broad range of capital assets, including land, buildings, and equipment (see Note 5 to the financial statements). This amount represents a net decrease (including additions and deductions) of \$403,511, or 0.7 percent, over last year.

At year end, the Commission had \$26,136,541 in notes payable outstanding, a net decrease of 6.4 percent over last year. More detailed information about the Commission's long-term liabilities is presented in Note 6 to the financial statements.

#### ***Economic Factors and Next Year's Budgets and Rates***

Cost controls continue to be in effect, and we believe we will meet our budgetary goals in fiscal year 2025.

#### ***Contacting the Commission's Management***

This financial report is intended to provide a general overview of the Commission's finances and demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Commission at [accounting@medicaldistrict.org](mailto:accounting@medicaldistrict.org).

# Illinois Medical District Commission

## Statement of Net Position

June 30, 2024

### Assets

#### Current assets:

Cash and cash equivalents (Note 3)	\$ 10,101,844
Receivables:	
Accounts receivable - Net (Note 4)	140,655
Interest receivable (Note 4)	52,125
Leases receivable (Note 11)	3,308,178
Notes receivable (Note 4)	1,575,700
Other current assets	19,725

Total current assets 15,198,227

#### Noncurrent assets:

Restricted cash and cash equivalents (Note 3)	523,821
Net pension asset (Note 9)	486,769
Capital assets: (Note 5)	
Assets not subject to depreciation	38,623,619
Assets subject to depreciation - Net	15,788,668
Loan receivable (Note 4)	100,000
Lease receivable (Note 11)	31,593,660
Notes receivable (Note 4)	13,465,000
Other noncurrent assets	4,573

Total noncurrent assets 100,586,110

Total assets 115,784,337

### Deferred Outflows of Resources - Deferred pension costs (Note 9)

347,254

### Liabilities

#### Current liabilities:

Accounts payable	419,266
Accrued liabilities and other:	
Interest payable (Note 6)	77,641
Security deposits	227,310
Unearned revenue	668,023
Mortgage payable (Note 6)	504,287
Certificates of participation (Note 6)	1,360,000

Total current liabilities 3,256,527

#### Noncurrent liabilities:

Compensated absences	158,595
Mortgage payable (Note 6)	12,532,254
Certificates of participation (Note 6)	11,740,000

Total noncurrent liabilities 24,430,849

Total liabilities 27,687,376

### Deferred Inflows of Resources

Deferred pension costs (Note 9)	227,864
Deferred inflows from leases	32,267,095

Total deferred inflows of resources 32,494,959

### Net Position

Net investment in capital assets	41,375,746
Restricted - Net pension asset	486,769
Unrestricted	14,086,741

Total net position \$ 55,949,256



## Illinois Medical District Commission

### Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2024

#### Operating Revenue

Rental income (Note 11)	\$ 5,267,092
Interest income from leases (Note 11)	2,249,148
Other operating revenue	<u>277,423</u>
Total operating revenue	7,793,663

#### Operating Expenses

Audit and accounting	55,500
Consulting services	458,693
Donations	14,216
Dues and subscriptions	13,033
Insurance	183,358
Legal fees	101,527
Office expense	17,170
Other contractual services	34,484
Other expenses	32,631
Professional fees	292,372
Repairs and maintenance	698,154
Salaries, wages, and related expenses	1,857,380
Software services	55,047
Telecommunications	27,980
Travel expense	1,023
Utilities	355,039
Depreciation	<u>1,691,343</u>
Total operating expenses	<u>5,888,950</u>

#### Operating Income

1,904,713

#### Nonoperating Revenue (Expenses)

Interest income	903,253
Interest expense	<u>(1,341,485)</u>
Total nonoperating expenses	<u>(438,232)</u>

#### Expense - Before capital grant income

1,466,481

#### Capital Grant Income (Note 10)

2,958,146

#### Change in Net Position

4,424,627

#### Net Position - Beginning of year

51,524,629

#### Net Position - End of year

\$ 55,949,256

## Illinois Medical District Commission

## Statement of Cash Flows

Year Ended June 30, 2024

### Cash Flows from Operating Activities

Payments received from tenants	\$ 7,276,534
Payments to suppliers	(2,271,951)
Payments to employees	<u>(1,952,141)</u>

Net cash provided by operating activities 3,052,442

### Cash Flows from Capital Financing Activities

Purchase of capital assets	(1,287,831)
Principal paid on capital debt and leases	(480,823)
Proceeds from capital grants	2,552,354
Interest paid on capital debt and leases	<u>(1,342,880)</u>

Net cash used in capital financing activities (559,180)

### Cash Flows from Investing Activities

Collections on notes receivable	284,840
Interest income	914,725
Maturity of investment securities	<u>3,000,000</u>

Net cash provided by investing activities 4,199,565

### Net Increase in Cash and Cash Equivalents

6,692,827

### Cash and Cash Equivalents - Beginning of year

3,932,838

### Cash and Cash Equivalents - End of year

**\$ 10,625,665**

### Classification of Cash and Cash Equivalents

Cash and cash equivalents	\$ 10,101,844
Restricted cash and cash equivalents	<u>523,821</u>

Total cash and cash equivalents **\$ 10,625,665**

### Reconciliation of Operating Income to Net Cash from Operating Activities

Operating income	\$ 1,904,713
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	1,691,343
Changes in assets and liabilities:	
Accounts receivable	(40,917)
Other assets	(21,436)
Deferred outflows and inflows	(118,107)
Accounts payable and accrued expenses	89,712
Unearned revenue	307,665
Security deposits	(10,234)
Compensated absences	23,346
Deferred lease inflow and lease receivable	<u>(773,643)</u>

Net cash provided by operating activities **\$ 3,052,442**

### Significant Noncash Transactions - Noncash payments

Received on notes receivable	\$ 2,045,635
Made on certificates of participation	<u>(2,045,635)</u>

**Note 1 - Nature of Business**

Illinois Medical District Commission (the "Commission") is a special district created by statute (70 ILCS 915/0.01 et seq.). Under this statute, it was formerly considered part of the executive branch of the State of Illinois and operated under the authority and review of the Illinois General Assembly. On July 18, 2012, Public Act 97-0825 was signed into law by the governor of Illinois. This act amended the Illinois Medical District Commission Act (70 ILCS 915). This amendment designates the Commission as a unit of local government; therefore, the Commission is no longer considered a state agency. The Commission requested a determination from the Comptroller's Office as to whether the Commission will continue to be reported as a component unit of the State of Illinois for financial reporting purposes after the date of the amendment. After reviewing the change in legislation affecting the Commission and the effects of the State's implementation of GASB Statement No. 61, the Comptroller's Office concluded on February 20, 2013 that the Commission will continue to be reported as a discretely presented component unit of the State due to the board appointment and ability to impose its will.

The purpose of the Commission is to maintain the proper surroundings for a medical center and a related technology center in order to attract, stabilize, and retain therein hospitals, clinics, research facilities, or other facilities permitted under the Illinois Medical District Act (the "Act"). The Commission also provides for the orderly creation and expansion of various county and local governmental facilities; other ancillary or related facilities; medical research and high technology parks, together with the necessary land, buildings, facilities, equipment, and personal property, as permitted under the Act; and administering and exercising ultimate authority for the Chicago Technology Park.

**Note 2 - Significant Accounting Policies**

The Commission's accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB).

***Financial Reporting Entity***

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the officials of the primary government are financially accountable. Financial accountability is defined as the following:

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

Based upon the required criteria, the Commission is a component unit of the State of Illinois financial reporting entity. The financial balances and activities included in these financial statements are, therefore, also included in the State's Annual Comprehensive Financial Report. The State of Illinois' Annual Comprehensive Financial Report (ACFR) may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams Street, Springfield, IL 62704.

The Commission's reporting entity includes the Commission's governing board and all related organizations for which the Commission exercises oversight responsibility. Currently there are no related organizations that meet the criteria noted above.

**Note 2 - Significant Accounting Policies (Continued)**

***Basis of Accounting***

For financial reporting purposes, the Commission is considered a special-purpose government engaged only in business-type activities, as defined by GASB Statement No. 34. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the Commission's financial statements have been presented on the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Revenue from grants, entitlements, and similar items is recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Appropriations made from the State of Illinois General Revenue or Capital Development funds for the benefit of the Commission are recognized as revenue to the extent expended, limited to available appropriations, and represent only the portion of these shared funds that can be directly attributed to the operations of the Commission.

During fiscal year 2024, the Commission did not receive an appropriation from the State of Illinois.

***Classification of Revenue and Expenses***

The Commission has classified its revenue and expenses as either operating or nonoperating according to the following criteria:

Operating revenue and expenses - Include activities that directly relate to the operational purposes of the Commission. Operating revenue primarily includes rent and service payments from tenants. Operating expenses primarily include expenses related to property management and development, as well as depreciation and amortization expense.

Nonoperating revenue and expenses - Include investment income, interest expense, loss on permanent impairment of capital asset, and capital grant income

***Cash and Cash Equivalents***

Cash and cash equivalents include money market accounts and cash in banks for locally held funds.

***Restricted Assets***

The restricted cash and cash equivalents relate to security deposits from tenants and amounts to be used for grant purposes.

***Accounts and Notes Receivable***

Accounts receivable include amounts due from tenants for rent, parking, or other chargeable costs. The amounts are presented net of an allowance for doubtful accounts. Notes receivable include amounts due from the University of Illinois and the Illinois State Police related to installment sales of real property.

***Capital Assets***

Capital assets include property and equipment that are recorded at cost and useful lives over one year. Donated assets are reported at acquisition value when received. Capital assets are depreciated using the straight-line method.

**Note 2 - Significant Accounting Policies (Continued)**

Capitalization thresholds and estimated useful lives are as follows:

	Capitalization Threshold	Estimated Useful Life
Land	\$ 100,000	-
Land improvements	25,000	30
Site improvements	25,000	20-30
Buildings	100,000	10-30
Building improvements	25,000	10-30
Intangible assets	100,000	3-25
Equipment	5,000	3-7

**Permanent Impairment of Capital Asset**

The Commission reviews the recoverability of long-lived assets, including buildings and equipment, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

**Leases**

The Commission is a lessor for noncancelable leases of land and buildings. The Commission recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Commission initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Commission determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Commission uses the actual rate charged to lessees as the discount rate for leases.
- The lease term includes the noncancelable period of the lease and periods covered by options to extend if reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Long-term Obligations**

Long-term debt and other long-term obligations, including mortgages and certificates of participation, are reported as liabilities in the statement of net position.

**Note 2 - Significant Accounting Policies (Continued)**

***Deferred Outflows and Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Commission has one item that qualifies for reporting in this category. It is related to the deferred pension expenses associated with the differences between actual and expected experience, changes of actuarial assumptions, the net difference between projected and actual earnings on investments within the pension plan, and employer contributions made to the pension plan subsequent to the measurement date of the net pension liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has two items that qualify for reporting in this category. They are related to the deferred pension expenses associated with the differences between actual and expected experience and deferred lease revenue previously described.

***Pension***

The Commission offers a defined benefit pension plan to its employees. The Commission records a net pension asset or liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purposes of measuring the net pension asset or liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Compensated Absences***

The liability for compensated absences consists of vested, accumulated paid time off leave balances for commission employees. The liability has been calculated based on the employees' current salary level.

***Net Position***

In the financial statements, equity is displayed in three components as follows:

Net investment in capital assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of due to other state agency, capital lease obligations, lines of credit, and other liabilities that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Commission's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted - This consists of net position that does not meet the definition of restricted or net investment in capital assets.

***Use of Estimates***

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

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Commission's financial statements for the year ending June 30, 2025.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 9, 2024, which is the date the financial statements were available to be issued.

Note 3 - Deposits

The Public Funds Investment Act (30 ILCS 235/1 et seq.) and Public Funds Deposit Act (30 ILCS 225/1 et seq.) provide general guidance concerning the criteria to be met for the placement of public funds in a financial institution and the types of investment instruments permitted. These statutes authorize the Commission to purchase certain obligations of the U.S. Treasury, federal agencies, and instrumentalities; certificates of deposit and time deposits covered by federal depository insurance; commercial paper of U.S. corporations with assets exceeding \$500,000,000, if such paper is rated at the highest classification established by at least two standard rating services; money market mutual funds; and investment in the Illinois Funds.

A reconciliation of deposits is presented below, and the financial statement captions shown on the statement of net position as of June 30, 2024 are as follows:

Cash equivalents	\$ 3,158,436
Carrying amount of deposits	<u>7,467,229</u>
	<u>\$ 10,625,665</u>
Cash and cash equivalents - Current	\$ 10,101,844
Cash and cash equivalents - Restricted for grants and security deposits	<u>523,821</u>
	<u>\$ 10,625,665</u>

The state treasurer is the custodian of the State's cash and cash equivalents for funds maintained in the State Treasury. The Commission independently manages cash and cash equivalents maintained outside of the State Treasury. As of June 30, 2024, no commission funds were held in the State Treasury.

Deposits

The Commission utilizes different bank accounts for the various activities of the Commission. The book balance of such accounts was \$7,467,229 at June 30, 2024, while the bank balance was \$7,491,797 at June 30, 2024. The difference between the above amounts primarily represents checks and deposits that had not cleared with the bank.

Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, the Commission's deposits may not be recovered. As of June 30, 2024, the Commission had no deposits that were uninsured or uncollateralized. The Commission, therefore, has no custodial credit risk related to its deposits.

**Note 3 - Deposits (Continued)**

***Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Commission's investment policy does not restrict investment maturities. At year end, the Commission held no investments subject to interest rate risk.

***Credit Risk***

The Commission has no investment policy that would further limit its investment choices except as noted in the state statute. As of June 30, 2024, the Commission held no investments subject to credit quality ratings.

***Concentration of Credit Risk***

The Commission places no limit on the amount it may invest in any one issuer. At June 30, 2024, the Commission held no investments subject to concentration of credit risk.

**Note 4 - Accounts, Interest, and Notes Receivable**

Accounts receivable include amounts due from tenants for rent, parking, or other chargeable costs. The following table presents the amounts due to the Commission by major type and the related allowance for doubtful accounts:

	<u>Rent and Related Fees</u>
Accounts receivable	\$ 170,655
Allowance for doubtful accounts	<u>(30,000)</u>
Net	<u>\$ 140,655</u>

Rents and related fees above include no receivables that are over 360 days past due.

Interest receivable includes interest due from the University of Illinois of \$52,125 related to the installment sale of real estate described in Note 6.

***Notes Receivable***

Notes receivable, inclusive of imputed interest, represent two installment sales contracts. The first contract is with the University of Illinois and relates to the installment sale agreement described in Note 6. The contract calls for annual principal payments of \$215,700 each December 1 through the year 2032 for the land portion of the agreement and principal and interest payments equal to the principal and interest payments due on the certificates of participation, as noted in Note 6. The total note receivable as of June 30, 2024 was \$15,040,700.

The second contract was entered into with the Illinois State Police (ISP) in July 2004. In accordance with this contract, the Commission sold certain parcels of land and agreed to construct a parking lot thereon. In turn, the ISP will make annual payments (inclusive of imputed interest) over 20 years, totaling \$2,164,668. The note receivable was fully paid as of June 30, 2024.

***Loan Receivable***

On February 14, 2020, the Commission entered into an agreement with the Chicago Community Loan Fund (CCLF), an Illinois not-for-profit corporation. The agreement provides \$100,000 to the CCLF to be used for projects that will benefit communities in the Chicagoland area in categories such as health care, education, and economic vitality. The term of the agreement is three years, with an interest rate of 2.25 percent paid semiannually. On February 14, 2023, this agreement was renewed for an additional three years.



**June 30, 2024**

**Note 5 - Capital Assets**

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:				
Land and land improvements	\$ 37,845,909	\$ 591,854	\$ -	\$ 38,437,763
Construction in progress	1,195	184,661	-	185,856
Subtotal	37,847,104	776,515	-	38,623,619
Capital assets being depreciated:				
Site improvements	4,424,637	193,153	-	4,617,790
Buildings and improvements	35,395,333	285,701	-	35,681,034
Equipment	82,874	32,463	-	115,337
Subtotal	39,902,844	511,317	-	40,414,161
Accumulated depreciation:				
Site improvements	1,860,611	215,780	-	2,076,391
Buildings and improvements	21,013,747	1,464,152	-	22,477,899
Equipment	59,792	11,411	-	71,203
Subtotal	22,934,150	1,691,343	-	24,625,493
Net capital assets being depreciated	16,968,694	(1,180,026)	-	15,788,668
Net capital assets	<u>\$ 54,815,798</u>	<u>\$ (403,511)</u>	<u>\$ -</u>	<u>\$ 54,412,287</u>

**Note 6 - Short-term and Long-term Debt**

**Interest Payable**

Interest payable includes interest payable on the Signature Bank mortgage of \$22,724 and interest payable on certificates of participation of \$54,917.

**Certificates of Participation**

On June 1, 2002, the Commission issued certificates of participation totaling \$30,625,000 in connection with the construction of an office building for the use of the University of Illinois near its facility on the west side of Chicago. These certificates will mature each June 1 from 2004 to 2032 at various amounts. The coupon rate on the certificates of participation varies from 2.35 percent to 5.25 percent, with interest paid semiannually on June 1 and December 1. The balance outstanding was \$13,100,000 as of June 30, 2024.

Changes in long-term debt related to direct borrowings of certificates of participation were as follows:

	Balance July 1, 2023	Draws	Payments	Balance June 30, 2024	Due within One Year
Certificates of participation	\$ 14,395,000	\$ -	\$ (1,295,000)	\$ 13,100,000	\$ 1,360,000

**Note 6 - Short-term and Long-term Debt (Continued)**

Sinking Fund maturities and interest requirements on the certificates of participation payable at June 30, 2024 are as follows:

Years Ending June 30	Principal	Interest	Total
2025	\$ 1,360,000	\$ 684,263	\$ 2,044,263
2026	1,430,000	614,563	2,044,563
2027	1,505,000	541,275	2,046,275
2028	1,585,000	462,263	2,047,263
2029	1,670,000	379,050	2,049,050
2030-2032	5,550,000	592,727	6,142,727
Total	<u>\$ 13,100,000</u>	<u>\$ 3,274,141</u>	<u>\$ 16,374,141</u>

In connection with the issuance, the Commission entered into an installment purchase contract with the University of Illinois for the aforementioned building and the respective land on which it stands. The installment payments related to the building (see Note 4) are scheduled at the same time and the same amounts as the payments on the certificates of participation. In addition, as part of the issuance process, the Commission purchased credit insurance on the certificates of participation, which guarantees the payments of principal and interest when they become due.

**Mortgage Notes**

On December 16, 2021, the Commission refinanced two mortgages originally dated September 1, 2016 and June 30, 2017. The fiscal year beginning mortgage balances prior to refinancing were \$10,624,457 and \$3,739,356, respectively. The refinanced mortgage was \$14,202,995, which is collateralized by security interests in certain properties. There was no additional debt taken on to refinance the previous mortgages. This mortgage note has various principal payments until it matures on December 16, 2026 with the final principal payment of \$11,779,720 due on the maturity date. The coupon rate on the mortgage note is 4.38 percent, with interest paid monthly.

Changes in long-term debt related to direct borrowings of mortgage notes were as follows:

	Balance July 1, 2023	Draws	Payments	Balance June 30, 2024	Due within One Year
Mortgages	\$ 13,517,364	\$ -	\$ (480,823)	\$ 13,036,541	\$ 504,287

Future principal and interest requirements on these notes at June 30, 2024 are as follows:

Years Ending June 30	Principal	Interest	Total
2025	\$ 504,287	\$ 567,985	\$ 1,072,272
2026	527,143	545,093	1,072,236
2027	12,005,111	264,787	12,269,898
Total	<u>\$ 13,036,541</u>	<u>\$ 1,377,865</u>	<u>\$ 14,414,406</u>

**Debt Service Coverage Ratio**

The mortgage loan and security agreement requires the Commission to achieve a debt service coverage ratio of at least 1.20 for each fiscal year commencing with the fiscal year beginning on July 1, 2021. For the fiscal year ended June 30, 2024, using the language definition of debt service coverage found in the loan agreements, the Commission calculated the ratios to exceed the minimum for the mortgage.

June 30, 2024

**Note 7 - Risk Management**

The Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

The Commission maintains commercial coverage for its medical benefits provided to employees, automobiles, workers' compensation, and property liability. Settled claims have not exceeded the amount of insurance coverage in any of the past three years.

**Note 8 - Contingencies**

The Commission is from time to time subject to various claims, legal actions, and inquiries related to compliance with environmental and other governmental laws and regulations. Although it is difficult to quantify the potential impact of these claims, management believes that the ultimate cost of these matters will not adversely affect the Commission's future financial condition or results of operations.

Accordingly, management does not believe that a reserve of the future effect, if any, of these matters in the financial statements of the Commission is necessary at June 30, 2024, as it is not possible to determine with any degree of probability the level of future expenditures for these matters.

**Note 9 - Pension Plan**

***IMRF Plan Description***

The Illinois Medical District Commission defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The Commission's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiemployer 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 about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

***Benefits Provided***

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least 8 years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.667 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent of the original amount on January 1 every year after retirement.

**Note 9 - Pension Plan (Continued)**

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.667 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent of the original pension amount
- One-half 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 members were covered by the benefit terms:

	<u>Illinois Municipal Retirement Fund</u>
Inactive plan members or beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	<u>12</u>
Total employees covered by the plan	<u><u>27</u></u>

**Contributions**

As set by statute, the Commission’s Regular Plan members are required to contribute 4.5 percent 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 Commission’s annual contribution rate for calendar year 2024 was 0.92 percent. For the fiscal year ended June 30, 2024, the Commission contributed \$12,181 to the plan. The Commission also contributes for disability benefits, death benefits, and supplementary 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 supplementary retirement benefits rate is set by statute.

**Net Pension Asset**

The Commission's net pension asset was measured as of December 31, 2023. The total pension liability was determined by an actuarial valuation performed as of that date.

**Note 9 - Pension Plan (Continued)**

Changes in Net Pension Asset	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Asset
<b>Balance at December 31, 2022</b>	\$ 2,516,517	\$ 2,918,503	\$ (401,986)
Changes for the year:			
Service cost	114,655	-	114,655
Interest	183,829	-	183,829
Differences between expected and actual experience	68,573	-	68,573
Contributions - Employer	-	12,181	(12,181)
Contributions - Employee	-	59,584	(59,584)
Net investment income	-	314,097	(314,097)
Benefit payments, including refunds	(76,553)	(76,553)	-
Miscellaneous other charges	-	65,978	(65,978)
Net changes	290,504	375,287	(84,783)
<b>Balance at December 31, 2023</b>	<u>\$ 2,807,021</u>	<u>\$ 3,293,790</u>	<u>\$ (486,769)</u>

**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 inflation rate was assumed to be 2.25 percent.
- Salary increases were expected to be 2.85 percent to 13.75 percent, including inflation.
- The investment rate of return was assumed to be 7.25 percent, including inflation.
- Projected retirement age was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study for the years from 2017 to 2019.
- For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106 percent) and Female (adjusted 105 percent) 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

**Note 9 - Pension Plan (Continued)**

**Investment Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2023:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	34.50 %	5.00 %
International equity	18.00	6.35
Fixed income	24.50	4.75
Real estate	10.50	6.30
Alternative investments	11.50	6.05-8.65
Cash or cash equivalents	1.00	3.80

**Single Discount Rate**

A single discount rate of 7.25 percent was used to measure the total pension liability. 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. The single discount rate reflects the following:

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)
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)

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 plan investments of 7.25 percent was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Asset to Changes in the Discount Rate**

The following presents the plan's net pension asset, calculated using a single discount rate of 7.25 percent, as well as what the plan's net pension asset would be if it were calculated using a single discount rate that is 1 percentage point lower or 1 percentage point higher:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension asset	\$ 139,651	\$ 486,769	\$ 722,489

**June 30, 2024**

**Note 9 - Pension Plan (Continued)**

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

For the year ended June 30, 2024, the Commission recognized pension recovery of \$105,451. At June 30, 2024, the Commission reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ 163,343	\$ (219,071)
Changes of assumptions	3,937	(8,793)
Net difference between projected and actual earning on pension plan investments	150,319	-
Total deferred amounts to be recognized in pension expense in future periods	317,599	(227,864)
Pension contributions made subsequent to the measurement date	29,655	-
Total deferred amounts related to pensions	<u>\$ 347,254</u>	<u>\$ (227,864)</u>

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/Inflows of Resources
2025	\$ (15,101)
2026	21,405
2027	75,675
2028	7,756
Total	<u>\$ 89,735</u>

**Note 10 - Grant Funding**

On March 30, 2020, the Illinois Department of Commerce & Economic Opportunity (DCEO) awarded the Commission a grant totaling \$5,000,000. The grant funds are to be used for improvements at the Commission’s property located at 2020 West Ogden, Chicago, Illinois. Total funding since inception of \$5,000,000 has been received, and the Commission has expended \$4,739,329. The unexpended grant balance of \$260,671 is recorded as cash restricted for grants (see Note 3).

On December 1, 2023, the Illinois Department of Commerce & Economic Opportunity (DCEO) awarded the Commission a grant totaling \$2,200,000. The grant funds are to be used for the purchase of 2250 West Campbell Park Drive, Chicago, Illinois and improvements at the Commission’s property located at 2100 West Harrison Street, Chicago, Illinois for the purchase of the building and fees incurred between May 1, 2020 completed by June 30, 2021. Total funding since inception of \$2,200,000 has been received and expended by the Commission during 2024.

**Note 11 - Leases**

The Commission leases certain assets to various third parties. The assets leased include land and buildings. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease receivable required based on future fair market value and changes to the Consumer Price Index after initial measurement.

During the year ended June 30, 2024, the Commission recognized the following related to its lessor agreements:

Lease revenue	\$ 5,267,092
Interest income related to its leases	2,249,148

Future principal and interest payment requirements related to the Commission's lease receivable at June 30, 2024 are as follows:

Years Ending	Principal	Interest	Total
2025	\$ 3,308,178	\$ 2,106,759	\$ 5,414,937
2026	2,233,416	1,939,576	4,172,992
2027	1,878,895	1,809,878	3,688,773
2028	1,432,943	1,695,365	3,128,308
2029	668,123	1,625,485	2,293,608
2030-2034	921,174	7,825,010	8,746,184
2035-2039	292,927	7,726,965	8,019,892
2040-2044	341,026	7,604,344	7,945,370
2045-2049	1,686	7,592,550	7,594,236
2050-2054	345,943	7,553,379	7,899,322
Thereafter	<u>23,477,527</u>	<u>42,581,182</u>	<u>66,058,709</u>
Total	<u>\$ 34,901,838</u>	<u>\$ 90,060,493</u>	<u>\$ 124,962,331</u>



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## Required Supplementary Information

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# Illinois Medical District Commission

## Required Supplementary Information Schedule of Changes in the Net Pension (Asset) Liability and Related Ratios

**Calendar Years Ended December 31**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 114,655	\$ 103,071	\$ 119,965	\$ 119,741	\$ 119,299	\$ 124,472	\$ 118,539	\$ -	\$ 157,246	\$ 140,414
Interest on the total pension liability	183,829	161,252	181,460	166,099	149,409	146,923	129,569	91,236	135,165	105,043
Differences between expected and actual experience of the total pension liability	68,573	143,684	(427,277)	47,057	(488)	(190,659)	62,197	412,773	(735,250)	112,472
Changes in assumptions	-	-	-	(25,166)	-	64,296	(42,005)	-	-	73,198
Benefit payments, including refunds of employee contributions	(76,553)	(128,243)	(160,622)	(31,309)	(45,158)	(36,045)	(43,713)	(60,637)	(67,881)	(7,945)
<b>Net Change in Total Pension Liability</b>	<b>290,504</b>	<b>279,764</b>	<b>(286,474)</b>	<b>276,422</b>	<b>223,062</b>	<b>108,987</b>	<b>224,587</b>	<b>443,372</b>	<b>(510,720)</b>	<b>423,182</b>
<b>Total Pension Liability - Beginning of year</b>	<b>2,516,517</b>	<b>2,236,753</b>	<b>2,523,227</b>	<b>2,246,805</b>	<b>2,023,743</b>	<b>1,914,756</b>	<b>1,690,169</b>	<b>1,246,797</b>	<b>1,757,517</b>	<b>1,334,335</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 2,807,021</b>	<b>\$ 2,516,517</b>	<b>\$ 2,236,753</b>	<b>\$ 2,523,227</b>	<b>\$ 2,246,805</b>	<b>\$ 2,023,743</b>	<b>\$ 1,914,756</b>	<b>\$ 1,690,169</b>	<b>\$ 1,246,797</b>	<b>\$ 1,757,517</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 12,181	\$ 55,472	\$ 59,058	\$ 71,914	\$ 74,288	\$ 79,832	\$ 100,716	\$ 121,825	\$ 106,338	\$ 164,465
Contributions - Employees	59,584	55,471	52,729	60,038	56,468	56,483	55,473	56,513	48,731	65,435
Net investment income (loss)	314,097	(345,446)	427,506	323,126	324,156	(66,005)	262,234	101,434	7,537	78,386
Benefit payments, including refunds	(76,553)	(128,243)	(160,622)	(31,309)	(45,158)	(36,045)	(43,713)	(60,637)	(67,881)	(7,945)
Other - Net transfers	65,978	56,548	(3,893)	1,666	39,362	(79,870)	(16,767)	(9,221)	(105,321)	(10,664)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>375,287</b>	<b>(306,198)</b>	<b>374,778</b>	<b>425,435</b>	<b>449,116</b>	<b>(45,605)</b>	<b>357,943</b>	<b>209,914</b>	<b>(10,596)</b>	<b>289,677</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>2,918,503</b>	<b>3,224,701</b>	<b>2,849,923</b>	<b>2,424,488</b>	<b>1,975,372</b>	<b>2,020,977</b>	<b>1,663,034</b>	<b>1,453,120</b>	<b>1,463,716</b>	<b>1,174,039</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 3,293,790</b>	<b>\$ 2,918,503</b>	<b>\$ 3,224,701</b>	<b>\$ 2,849,923</b>	<b>\$ 2,424,488</b>	<b>\$ 1,975,372</b>	<b>\$ 2,020,977</b>	<b>\$ 1,663,034</b>	<b>\$ 1,453,120</b>	<b>\$ 1,463,716</b>
<b>Commission's Net Pension (Asset) Liability - Ending</b>	<b>\$ (486,769)</b>	<b>\$ (401,986)</b>	<b>\$ (987,948)</b>	<b>\$ (326,696)</b>	<b>\$ (177,683)</b>	<b>\$ 48,371</b>	<b>\$ (106,221)</b>	<b>\$ 27,135</b>	<b>\$ (206,323)</b>	<b>\$ 293,801</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	117.34 %	115.97 %	144.17 %	112.95 %	107.91 %	97.61 %	105.55 %	98.39 %	116.55 %	83.28 %
<b>Covered Payroll</b>	\$ 1,324,109	\$ 1,232,715	\$ 1,171,784	\$ 1,334,200	\$ 1,254,870	\$ 1,255,211	\$ 1,232,764	\$ 1,138,181	\$ 1,073,036	\$ 1,524,867
<b>Commission's Net Pension (Asset) Liability as a Percentage of Covered Payroll</b>	(36.76)%	(32.61)%	(84.31)%	(24.49)%	(14.16)%	3.85 %	(8.62)%	2.38 %	(19.23)%	19.27 %

## Illinois Medical District Commission

## Required Supplementary Information Schedule of Employer Contributions

**Last Ten Calendar Years  
Years Ended December 31**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 12,182	\$ 55,472	\$ 59,058	\$ 71,913	\$ 74,288	\$ 79,831	\$ 100,717	\$ 110,290	\$ 105,158	\$ 172,462
Actual contribution	12,181	55,472	59,058	71,914	74,288	79,832	100,716	121,825	106,338	164,465
<b>Contribution (Deficiency) Excess</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ (1)</b>	<b>\$ 11,535</b>	<b>\$ 1,180</b>	<b>\$ (7,997)</b>
<b>Covered Payroll</b>	<b>\$ 1,324,109</b>	<b>\$ 1,232,715</b>	<b>\$ 1,171,784</b>	<b>\$ 1,334,200</b>	<b>\$ 1,254,870</b>	<b>\$ 1,255,211</b>	<b>\$ 1,232,764</b>	<b>\$ 1,138,181</b>	<b>\$ 1,073,036</b>	<b>\$ 1,524,867</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>0.92 %</b>	<b>4.50 %</b>	<b>5.04 %</b>	<b>5.39 %</b>	<b>5.92 %</b>	<b>6.36 %</b>	<b>8.17 %</b>	<b>10.70 %</b>	<b>9.91 %</b>	<b>10.79 %</b>

### Notes to Schedule of Employer Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the calendar year in which contributions are reported.

Methods and assumptions used to determine 2023 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Nontaxing bodies: 10-year rolling period
Asset valuation method	5-year smoothed market; 20 percent corridor
Inflation	2.25 percent, approximate. No explicit price inflation assumption is used in this valuation
Salary increase	2.75 percent to 13.75 percent, including inflation
Investment rate of return	7.25 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019
Mortality	For 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	There were no benefit changes during the year.

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*

**Independent Auditor's Report**

To Management and the Board of Commissioners  
Illinois Medical District Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Illinois Medical District Commission (the "Commission") as of and for the year ended June 30, 2024 and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated October 9, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission'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*.

To Management and the Board of Commissioners  
Illinois Medical District Commission

**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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moran, PLLC*

October 9, 2024