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**LAKE ZURICH COMMUNITY UNIT
SCHOOL DISTRICT NO. 95
STATE OF ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Lake Zurich Community Unit School District No. 95
Zurich, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Lake Zurich Community Unit School District No. 95

as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Zurich Community Unit School District No. 95 as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplemental information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2020 on our consideration of Lake Zurich Community Unit School District No. 95's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Lake Zurich Community Unit School District No. 95's internal control over financial reporting and compliance.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 8, 2020



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Lake Zurich Community Unit School District No. 95
Lake Zurich, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Lake Zurich Community Unit School District No. 95

as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Lake Zurich Community Unit School District No. 95's basic financial statements, and have issued our report thereon dated October 8, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake Zurich Community Unit School District No. 95's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake Zurich Community Unit School District No. 95's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake Zurich Community Unit School District No. 95's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake Zurich Community Unit School District No. 95's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements,

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noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 8, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Lake Zurich Community Unit School District No. 95

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

The Management's Discussion and Analysis of Lake Zurich Community Unit School District No. 95's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2020. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$123,719,990 (net position).
- The District's total net position increased by \$8,132,159. This increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses.
- At June 30, 2020 the District's governmental funds reported combined ending fund balances of \$132,490,740, an increase of \$10,302,484 in comparison with the prior year.
- At June 30, 2020 the unassigned fund balance for the General Fund was \$53,479,263, or 50% of total General Fund expenditures.
- The District's total long-term debt increased by \$26,431,786 during the year ended June 30, 2020 due to the issuance of new long-term debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include instruction, support services, operations and maintenance, transportation, food services, and certain other activities and expenses such as payments to other districts and governmental units and interest and fees.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, and Capital Projects Funds, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is required supplementary information, has been provided for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

The basic fund financial statements can be found on pages 14 through 18 and the required supplementary information can be found on pages 46 through 65 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held for others, such as student activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the District's operations.

The basic fiduciary fund financial statement can be found on page 19 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 45 of this report.

Other Information - In addition to the basic financial statements, accompanying notes, and required supplementary information, this report also presents certain supplementary information concerning the District's progress in meeting its obligation to provide fully adequate educational services and extracurricular activities to all of its resident's students.

Supplemental financial information can be found on pages 66 through 78 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$123,719,990 at the close of the most recent fiscal year.

The following table presents a summary of the District's net position for the years ended June 30, 2020 and 2019:

Lake Zurich Community Unit School District No. 95's Net Position at Year-End

	Governmental Activities	
	FY 2020	FY 2019
Assets		
Current and Other Assets	\$ 193,571,130	\$ 179,230,769
Capital Assets	144,826,104	113,744,647
Total Assets	\$ 338,397,234	\$ 292,975,416
Deferred Outflows of Resources		
Deferred Pension Expense	\$ 5,121,479	\$ 6,602,583
Deferred Employer Pension Contributions	1,106,308	1,023,982
Total Deferred Outflows of Resources	\$ 6,227,787	\$ 7,626,565
Liabilities		
Other Liabilities	\$ 18,631,648	\$ 11,125,629
Long-Term Liabilities Outstanding	147,057,903	117,530,328
Total Liabilities	\$ 165,689,551	\$ 128,655,957
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	\$ 43,162,208	\$ 46,036,579
Deferred Pension Revenue	12,053,272	10,321,614
Total Deferred Inflows of Resources	\$ 55,215,480	\$ 56,358,193
Net Position		
Net Investment in Capital Assets	\$ 87,653,331	\$ 90,517,913
Restricted	36,651,783	31,176,364
Unrestricted	(585,124)	(6,106,446)
Total Net Position	\$ 123,719,990	\$ 115,587,831

The net investment in capital assets (71% of total net position) represents assets such as land, buildings, and equipment less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (30%) represents resources that are subject to external restrictions on how they may be used.

The District's net position increased by \$8,132,159. Substantially all of this increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses

Governmental Activities. Governmental activities increased the District's net position by \$8,132,159. Key elements of this increase are as follows:

Lake Zurich Community Unit School District No. 95's Change in Net Position

	Governmental Activities	
	FY 2020	FY 2019
Revenues:		
Program Revenues		
Charges for Services	\$ 3,107,136	\$ 4,458,312
Operating Grants and Contributions	40,601,210	35,798,720
Capital Grants and Contributions	111,420	91,472
General Revenues:		
Property Taxes	85,315,290	83,017,246
Other Payments in Lieu of Taxes	263,440	243,634
Grants and Contributions not Restricted to Specific Activities	4,040,441	4,033,824
Unrestricted Investment Earnings	1,858,557	1,683,388
TIF Revenues	505,043	498,902
Gain/(Loss) on Debt Extinguishment	-	103,508
Gain/(Loss) on Sale of Capital Assets	433,580	(360,514)
Miscellaneous	27,569	49,828
Total Revenues	<u>\$ 136,263,686</u>	<u>\$ 129,618,320</u>
Expenses:		
Instruction	\$ 85,470,959	\$ 79,458,634
Support Services	35,853,067	38,120,113
Community Services	104,937	86,598
Intergovernmental Payments	471,640	559,934
Interest and Fees on Long-Term Debt	2,490,042	1,866,201
Depreciation - Unallocated	3,740,882	3,697,781
Total Expenses	<u>\$ 128,131,527</u>	<u>\$ 123,789,261</u>
Change in Net Position	\$ 8,132,159	\$ 5,829,059
Net Position - Beginning	115,587,831	109,758,772
Net Position - Ending	<u>\$ 123,719,990</u>	<u>\$ 115,587,831</u>

- Property Taxes increased by \$2,298,044 over the prior year due to an overall increase in the EAV for the District.
- Operating Grants and Contributions increased by \$4,852,490 primarily due to a \$5,016,755 increase in On-Behalf Retirement Contributions due to actuarial changes in calculating the On-Behalf payments to TRS.
- The District's total expenses increased \$4,342,266 (3.5%) primarily due to a \$5,016,755 increase in On-Behalf Retirement Contributions due to actuarial changes in calculating the On-Behalf payments to TRS.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2020, the District's six governmental funds reported combined ending fund balances of \$132,490,740, an increase \$10,302,484.

General Fund – The greatest variety and the largest volume of transactions shall be recorded in the General Fund because the General Fund covers transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional, health, and attendance services, lunch programs, all costs of administration, and related insurance costs.

Certain revenues that must be credited to this fund include educational and working cash tax levies, tuition, and textbook rentals.

At June 30, 2020 the General Fund had an unassigned fund balance of \$53,479,263. This unassigned fund balance represents 50% of total General Fund expenditures.

The remaining five funds had a combined fund balance of \$76,632,719. The significant transactions of these funds for the year ended June 30, 2020 are summarized as follows:

	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund
Beginning Fund Balance	\$ 15,809,562	\$ 7,865,101	\$ 6,941,789	\$ 1,775,507	\$ 37,251,992
Net Change in Fund Balance	(5,067,893)	(819,077)	(1,451,656)	(61,772)	14,389,166
Ending Fund Balance	\$ 10,741,669	\$ 7,046,024	\$ 5,490,133	\$ 1,713,735	\$ 51,641,158

The Operations and Maintenance Fund had a decrease in fund balance due to the transfer to the Capital Projects Fund and having fewer capital expenditures, this subsequently increased the Capital Projects Fund balance.

General Fund Budgetary Highlights

Significant differences between budgeted and actual revenues and expenditures are summarized as follows:

- The difference between budgeted revenues and actual revenues was \$899,932 (favorable) which is .8% of total revenues. The most significant factor was Special Education being higher than budgeted by \$233,336.
- The difference between budgeted expenditures and actual expenditures was \$1,487,035 (favorable) which is 1.4% of total expenditures. The most significant factor contributing to this amount was the total Support Services expenditures being lower than budgeted by \$843,852.

Capital Asset and Debt Administration

Capital Assets. At June 30, 2020 the District had invested \$144,826,104 (net of depreciation) in a broad range of capital assets, including land, building and building improvements, site improvements and infrastructure, capitalized equipment, and construction in progress. Total depreciation expense for the year was \$4,450,631.

Major capital asset events during the current fiscal year included the following:

- Major construction in progress projects for: Sarah Adams, May Whitney, Seth Paine and Isaac Fox.

Lake Zurich Community Unit School District No. 95's Capital Assets
(net of depreciation)

	Governmental Activities	
	2020	2019
Land	\$ 11,953,158	\$ 11,953,158
Building and Building Improvements	82,608,453	85,087,518
Site Improvements and Infrastructure	7,236,729	7,809,987
Capitalized Equipment	5,972,667	5,640,344
Construction in Progress	37,055,097	3,253,640
	<u>\$ 144,826,104</u>	<u>\$ 113,744,647</u>

For more detail on the District's capital assets, see Note 4 in the Notes to the Financial Statements.

Long-Term Debt. At June 30, 2020 the District had \$82,095,873 in long-term debt.

Lake Zurich Community Unit School District No. 95's Outstanding Debt

	Governmental Activities	
	2020	2019
Bonds	\$ 78,878,521	\$ 55,075,070
Lease/Purchase Agreements	3,217,352	589,017
Total	<u>\$ 82,095,873</u>	<u>\$ 55,664,087</u>

For more detail on the District's long-term debt see Note 5 in the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

Fiscal year 2020 represents the 13th consecutive balanced budget adopted by the District. The District annually completes a five-year long-range plan to anticipate and address the revenue and expenses of the District. The District's assessed property values have increased for the sixth year after four years of decline in property values. During the current fiscal year, the District had a full bond rating review. Standard and Poor's reaffirmed the District's AAA bond rating. The communities served by the District strongly support the District; this was illustrated by passing a building referendum for \$77,600,000 by a 2 to 1 vote. \$37,600,000 of these bonds were issued in June 2020. The District has a stable workforce and has a labor agreement with the District's certified staff through the 2021-2022 school year.

The fiscal year 2021 budget is balanced on an operational basis. The District will continue spending referendum dollars from the Site and Construction Fund where revenue was received in prior fiscal years. The District has strong fund balances to weather an economic downturn from the COVID-19 pandemic. The District has adjusted assumptions to financial projections in a post-COVID world to develop realistic plans. The District is carefully monitoring and making adjustment to expenses to accommodate the additional pandemic related expenses.

Requests for Information

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

Lake Zurich Community Unit School District No. 95
832 South Rand Road
Lake Zurich, IL 60047-2459

BASIC FINANCIAL STATEMENTS

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 117,489,029
Investments, at Fair Value	23,889,380
Facility Rental Receivable, net of allowance of \$0	770
Interest Receivable, net of allowance of \$0	162,169
Taxes Receivable, net of allowance of \$0	50,233,280
Due from Other Governments, net of allowance of \$0	1,290,470
Prepaid Expenses	506,032
Capital Assets:	
Land	11,953,158
Construction in Progress	37,055,097
Depreciable Buildings, Property, and Equipment, net of depreciation	95,817,849
Total Assets	\$ 338,397,234
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Expense - IMRF	\$ 2,947,162
Deferred Pension Expense - TRS	296,275
Deferred OPEB Expense - THIS	1,705,134
Deferred OPEB Expense - IMRF/TRS	172,908
Deferred Employer Pension Contributions - IMRF	413,647
Deferred Employer Pension Contributions - TRS	282,205
Deferred Employer OPEB Contributions - THIS	410,456
Total Deferred Outflows of Resources	\$ 6,227,787
LIABILITIES	
Accounts Payable	\$ 9,098,634
Accrued Expenses	721,080
Payroll Liabilities	8,663,482
Unearned Revenue	148,452
Long-Term Liabilities	
Due Within One Year	8,394,417
Due in More Than One Year	138,663,486
Total Liabilities	\$ 165,689,551
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	\$ 43,162,208
Deferred Pension Revenue - IMRF	3,196,689
Deferred Pension Revenue - TRS	1,334,154
Deferred OPEB Revenue - THIS	7,483,713
Deferred OPEB Revenue - IMRF/ TRS	38,716
Total Deferred Inflows of Resources	\$ 55,215,480
NET POSITION	
Net Investment in Capital Assets	\$ 87,653,331
Restricted for:	
Operations and Maintenance	5,257,276
Debt Service	5,774,313
Transportation	4,076,563
Retirement	1,438,836
Future Capital Projects	20,104,795
Unrestricted/(Deficit)	(585,124)
Total Net Position	\$ 123,719,990

The Notes to Financial Statements are an integral part of this statement.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction					
Regular Programs	\$ 32,668,967	\$ 216,009	\$ 354,138	\$ -	\$ (32,098,820)
Pre-K Programs	7,117	-	-	-	(7,117)
Special Education Programs	10,373,896	28,174	2,374,402	-	(7,971,320)
Special Education Programs Pre-K	362,100	-	-	-	(362,100)
Other Instructional Programs	6,312,380	1,324,714	74,120	-	(4,913,546)
State Retirement Contributions	35,746,498	-	35,746,498	-	-
Support Services					
Pupil	5,966,829	-	198,392	-	(5,768,437)
Instructional Staff	2,037,530	-	4,129	-	(2,033,401)
General Administration	2,049,559	-	-	-	(2,049,559)
School Administration	5,133,572	-	-	-	(5,133,572)
Business	868,482	-	-	-	(868,482)
Facilities Acquisition and Construction Services	177,868	-	-	61,420	(116,448)
Operations and Maintenance	6,492,272	262,967	45,531	50,000	(6,133,774)
Transportation	4,578,545	54,207	1,562,097	-	(2,962,241)
Food Services	1,419,611	1,221,065	241,903	-	43,357
Internal Services	14,480	-	-	-	(14,480)
Central	6,827,170	-	-	-	(6,827,170)
Other Support Services	287,149	-	-	-	(287,149)
Community Services	104,937	-	-	-	(104,937)
Intergovernmental Payments					
Payments to Other Districts and Governmental Units	471,640	-	-	-	(471,640)
Debt Services					
Interest and Fees	2,490,042	-	-	-	(2,490,042)
Depreciation - Unallocated	3,740,882	-	-	-	(3,740,882)
Total Governmental Activities	\$ 128,131,527	\$ 3,107,136	\$ 40,601,210	\$ 111,420	\$ (84,311,761)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					\$ 77,306,300
Property Taxes, Levied for Debt Service					8,008,990
Other Payments in Lieu of Taxes					263,440
Grants and Contributions not Restricted to Specific Activities					4,040,441
Unrestricted Investment Earnings					1,858,557
TIF Revenues					505,043
Gain/(Loss) on Sale of Capital Assets					433,580
Miscellaneous Income					27,569
Total General Revenues					\$ 92,443,920
Change in Net Position					\$ 8,132,159
Net Position - July 1, 2019					115,587,831
Net Position - June 30, 2020					\$ 123,719,990

The Notes to Financial Statements are an integral part of this statement.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 48,551,689	\$ 8,123,784	\$ 5,288,503	\$ 4,171,010	\$ 1,382,430	\$ 49,971,613	\$ 117,489,029
Investments, at Fair Value	9,561,957	1,686,230	1,097,379	884,911	286,858	10,372,045	23,889,380
Facility Rental Receivable, net of allowance of \$0	-	770	-	-	-	-	770
Interest Receivable, net of allowance of \$0	50,724	84,440	5,579	4,590	1,536	15,300	162,169
Taxes Receivable, net of allowance of \$0	36,517,168	7,265,790	4,663,004	767,000	1,020,318	-	50,233,280
Due from Other Governments, net of allowance of \$0	902,537	-	-	387,933	-	-	1,290,470
Prepaid Items	487,330	17,527	1,175	-	-	-	506,032
Total Assets	\$ 96,071,405	\$ 17,178,541	\$ 11,055,640	\$ 6,215,444	\$ 2,691,142	\$ 60,358,958	\$ 193,571,130
LIABILITIES							
Accounts Payable	\$ 233,030	\$ 146,764	\$ -	\$ 1,040	\$ -	\$ 8,717,800	\$ 9,098,634
Accrued Expenditures	7,614	-	-	-	-	-	7,614
Payroll Liabilities	8,456,267	42,413	-	64,744	100,058	-	8,663,482
Unearned Revenue	148,452	-	-	-	-	-	148,452
Total Liabilities	\$ 8,845,363	\$ 189,177	\$ -	\$ 65,784	\$ 100,058	\$ 8,717,800	\$ 17,918,182
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	\$ 31,368,021	\$ 6,247,695	\$ 4,009,616	\$ 659,527	\$ 877,349	\$ -	\$ 43,162,208
Total Deferred Inflows of Resources	\$ 31,368,021	\$ 6,247,695	\$ 4,009,616	\$ 659,527	\$ 877,349	\$ -	\$ 43,162,208
FUND BALANCES							
Nonspendable							
Prepaid Expenses	\$ 487,330	\$ 17,527	\$ 1,175	\$ -	\$ -	\$ -	\$ 506,032
Restricted							
Operations and Maintenance	-	5,257,276	-	-	-	-	5,257,276
Debt Service	-	-	5,774,313	-	-	-	5,774,313
Transportation	-	-	-	4,076,563	-	-	4,076,563
Illinois Municipal Retirement	-	-	-	-	886,258	-	886,258
Social Security	-	-	-	-	552,578	-	552,578
Capital Projects	-	-	-	-	-	49,219,380	49,219,380
Committed							
Construction Projects	-	-	-	-	-	1,981,587	1,981,587
Assigned							
Health Insurance Funds	1,891,428	-	-	-	-	-	1,891,428
Operations and Maintenance	-	5,466,866	-	-	-	-	5,466,866
Debt Service	-	-	1,270,536	-	-	-	1,270,536
Transportation	-	-	-	1,413,570	-	-	1,413,570
Illinois Municipal Retirement	-	-	-	-	274,899	-	274,899
Capital Projects	-	-	-	-	-	440,191	440,191
Unassigned	53,479,263	-	-	-	-	-	53,479,263
Total Fund Balances	\$ 55,858,021	\$ 10,741,669	\$ 7,046,024	\$ 5,490,133	\$ 1,713,735	\$ 51,641,158	\$ 132,490,740
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 96,071,405	\$ 17,178,541	\$ 11,055,640	\$ 6,215,444	\$ 2,691,142	\$ 60,358,958	\$ 193,571,130

The Notes to Financial Statements are an integral part of this statement.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2020

Total Fund Balances - Governmental Funds \$ 132,490,740

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

Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.

Deferred Pension Expense - IMRF	\$	3,360,809	
Deferred Pension Expense - TRS		578,480	
Deferred OPEB Expense - THIS		2,115,590	
Deferred OPEB Expense - IMRF/TRS		172,908	
Deferred Pension Revenue - IMRF		(3,196,689)	
Deferred Pension Revenue - TRS		(1,334,154)	
Deferred OPEB Revenue - THIS		(7,483,713)	
Deferred OPEB Revenue - IMRF/ TRS		<u>(38,716)</u>	
			(5,825,485)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets	\$	212,643,052	
Accumulated Depreciation on Capital Assets		<u>(67,816,948)</u>	
			144,826,104

Deferred charges and credits for debt issue discounts or premiums are not financial resources and therefore are not reported in the funds.

Bond Premiums, net of related amortization			(8,397,913)
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds and Notes Payable	\$	(82,095,873)	
Accrued Interest on Long-Term Debt		(713,466)	
Compensated Absences Payable		(282,296)	
Net Pension Liability - IMRF		(1,995,043)	
Net Pension Liability - TRS		(4,555,389)	
Net OPEB Liability - THIS		(49,375,200)	
Net OPEB Liability - IMRF/TRS		<u>(356,189)</u>	
			<u>(139,373,456)</u>

Net Position of Governmental Activities \$ 123,719,990

The Notes to Financial Statements are an integral part of this statement.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
REVENUES							
Property Taxes	\$ 62,947,400	\$ 11,362,449	\$ 8,008,990	\$ 1,264,164	\$ 1,732,287	\$ -	\$ 85,315,290
Payments in Lieu of Taxes	173,440	-	-	-	90,000	-	263,440
Tuition	266,088	-	-	-	-	-	266,088
Transportation Fees	-	-	-	54,207	-	-	54,207
Earnings on Investments	900,126	252,339	73,293	78,854	26,732	527,213	1,858,557
Food Services	1,221,065	-	-	-	-	-	1,221,065
District/School Activity Income	979,183	-	-	-	-	-	979,183
Textbooks	121,911	-	-	-	-	-	121,911
Other Local Sources	729,155	311,949	-	-	-	63,169	1,104,273
State Aid	5,083,188	50,000	-	1,562,097	3,106	-	6,698,391
Federal Aid	2,121,210	-	-	-	80,021	-	2,201,231
State Retirement Contributions	35,746,498	-	-	-	-	-	35,746,498
Total Revenues	\$ 110,289,264	\$ 11,976,737	\$ 8,082,283	\$ 2,959,322	\$ 1,932,146	\$ 590,382	\$ 135,830,134
EXPENDITURES							
Current							
Instruction							
Regular Programs	\$ 31,201,547	\$ -	\$ -	\$ -	\$ 436,845	\$ -	\$ 31,638,392
Pre-K Programs	7,117	-	-	-	-	-	7,117
Special Education Programs	9,817,037	-	-	-	290,686	-	10,107,723
Special Education Programs Pre-K	341,354	-	-	-	20,746	-	362,100
Other Instructional Programs	6,061,649	-	-	-	106,905	-	6,168,554
State Retirement Contributions	35,746,498	-	-	-	-	-	35,746,498
Support Services							
Pupil	5,572,029	-	-	-	194,419	-	5,766,448
Instructional Staff	1,961,683	-	-	-	36,984	-	1,998,667
General Administration	1,938,192	-	-	-	35,369	-	1,973,561
School Administration	4,622,672	-	-	-	141,090	-	4,763,762
Business	780,455	-	-	-	39,015	-	819,470
Facilities Acquisition and Construction Services	-	-	-	-	-	177,868	177,868
Operations and Maintenance	-	6,282,761	-	-	171,508	-	6,454,269
Transportation	2,849	-	-	3,640,670	202,919	-	3,846,438
Food Services	1,405,142	-	-	-	-	-	1,405,142
Internal Services	14,480	-	-	-	-	-	14,480
Central	6,339,972	-	-	-	297,612	-	6,637,584
Other Support Services	267,723	-	-	-	13,220	-	280,943
Community Services	96,424	-	-	-	6,600	-	103,024
Intergovernmental Payments							
Payments to Other Districts and Governmental Units	471,640	-	-	-	-	-	471,640
Debt Services							
Principal	-	-	3,770,462	-	-	-	3,770,462
Interest and Fees	-	-	5,792,890	-	-	-	5,792,890
Capital Outlay	166,038	33,240	-	4,561,768	-	34,128,950	38,889,996
Total Expenditures	\$ 106,814,501	\$ 6,316,001	\$ 9,563,352	\$ 8,202,438	\$ 1,993,918	\$ 34,306,818	\$ 167,197,028
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,474,763	\$ 5,660,736	\$ (1,481,069)	\$ (5,243,116)	\$ (61,772)	\$ (33,716,436)	\$ (31,366,894)

The Notes to Financial Statements are an integral part of this statement.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
OTHER FINANCING SOURCES (USES)							
Interfund Transfers	\$ (161,047)	\$ (10,728,629)	\$ 385,251	\$ -	\$ -	\$ 10,504,425	\$ -
Principal on Bonds Sold	-	-	276,741	-	-	33,638,259	33,915,000
Premium on Bonds Sold	-	-	-	-	-	4,049,940	4,049,940
Sale or Compensation for Fixed Assets	-	-	-	3,791,460	-	-	3,791,460
Other Uses	-	-	-	-	-	(87,022)	(87,022)
Total Other Financing Sources (Uses)	<u>\$ (161,047)</u>	<u>\$ (10,728,629)</u>	<u>\$ 661,992</u>	<u>\$ 3,791,460</u>	<u>\$ -</u>	<u>\$ 48,105,602</u>	<u>\$ 41,669,378</u>
NET CHANGE IN FUND BALANCES	\$ 3,313,716	\$ (5,067,893)	\$ (819,077)	\$ (1,451,656)	\$ (61,772)	\$ 14,389,166	\$ 10,302,484
FUND BALANCE - JULY 1, 2019	52,544,305	15,809,562	7,865,101	6,941,789	1,775,507	37,251,992	122,188,256
FUND BALANCE - JUNE 30, 2020	<u>\$ 55,858,021</u>	<u>\$ 10,741,669</u>	<u>\$ 7,046,024</u>	<u>\$ 5,490,133</u>	<u>\$ 1,713,735</u>	<u>\$ 51,641,158</u>	<u>\$ 132,490,740</u>

The Notes to Financial Statements are an integral part of this statement.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 10,302,484

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (4,450,631)	
Capital Outlays	<u>38,889,996</u>	34,439,365

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets	\$ 433,580	
Proceeds from Sale of Fixed Assets	<u>(3,791,488)</u>	(3,357,908)

Long-term debt proceeds provide current financial resources to governmental funds and are therefore shown as revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but issuing debt increases long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Proceeds from Long-Term Debt	\$ (33,915,000)	
Debt Premiums	<u>(4,049,940)</u>	(37,964,940)

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

Amortization of Bond Premiums	\$ 270,889	
Accrued Interest	(593,771)	
Accreted Interest	3,712,752	
Compensated Absences	(60,812)	
Pension Expense	<u>(3,883,105)</u>	(554,047)

Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension Liability on the government-wide financial statements.

1,496,743

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>3,770,462</u>
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Change in Net Position of Governmental Activities		<u>\$ 8,132,159</u>
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The Notes to Financial Statements are an integral part of this statement.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2020

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 80,119
Total Assets	\$ 80,119
LIABILITIES	
Due to Activity Fund Organizations	\$ 80,119
Total Liabilities	\$ 80,119

The Notes to Financial Statements are an integral part of this statement.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake Zurich Community Unit School District No. 95's (District) accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB Statements, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements – Government-Wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs, payments to other districts and governmental units, etc.). Program revenues include charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

NOTES TO FINANCIAL STATEMENTS (Continued)

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

In the fund financial statements, the current financial resources measurement focus is used as appropriate.

The following fund types are used by the District:

1. Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Educational and Working Cash levies and included in this fund.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, and Illinois Municipal Retirement/Social Security Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest, and related fees on general long-term debt.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities.

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the District's programs. The reporting focus is on net position and is reported using generally accepted accounting principles.

The District's fiduciary fund is presented in the fiduciary fund financial statement by type (agency). Since by definition these assets are being held for the benefit of a third party (student organizations) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

The following is a description of the fiduciary fund of the District:

Agency Fund – The Agency Fund (Student Activity Fund) accounts for assets held by the District as an agent for the student organizations. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to student organizations are equal to the assets.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. An exception was made to the 60 day recognition period for State Aid revenues due to delayed payments from the State of Illinois. The exception was made to preserve the consistency of revenue recognition between years. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all of the District's funds. Instead, the funds maintain their cash balances in common accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account may incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans that have not been authorized by District Board action.

No District fund had a cash overdraft at June 30, 2020.

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which approximates market.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred. The District has adopted a formal written investment and cash management policy.

NOTES TO FINANCIAL STATEMENTS (Continued)

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Expenses*

Prepaid expenses are for payments made by the District in the current year for goods and services received in the subsequent fiscal year.

H. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and Building Improvements	5 - 50 years
Site Improvements and Infrastructure	20 years
Capitalized Equipment	5 - 20 years

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

L. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts up to specified maximums depending on tenure with the District. A portion of unused vacation time can accumulate and carryover to the subsequent year depending upon which department the employee is employed in.

M. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditure.

NOTES TO FINANCIAL STATEMENTS (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. *Government-Wide Net Position*

Net position is divided into three components:

- Net Investment in Capital Assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted Net Position – the remaining net position is reported in this category.

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. Pursuant to a resolution by the Board of Education, the Assistant Superintendent of Business and Operations has been delegated this authority.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt services fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in special revenue, debt services, and capital projects funds.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

P. *Property Tax Calendar and Revenues*

The District’s property tax is levied each calendar year on all taxable real property located in the District’s district on or before the last Tuesday in December. The 2019 levy was passed by the Board on November 29, 2019. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District’s name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

Investments

As of June 30, 2020, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pool	\$ 104,267,871	\$ 104,267,871	\$ -	\$ -	\$ -
U.S. Treasury Bills	3,999,201	3,999,201	-	-	-
U.S. Treasury Notes	2,466,706	2,466,706	-	-	-
Federal Home Loan	9,982,542	9,982,542	-	-	-
Total	<u>\$ 120,716,320</u>	<u>\$ 120,716,320</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered but does have regulatory oversight through the State of Illinois.

Interest Rate Risk. The District does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District has an investment policy that would further limit its investment choices. As of June 30, 2020, the District’s investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor’s

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2020:

Investments by fair value level	6/30/2020	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
US Treasury Securities	\$ 16,448,449	\$ 16,448,449	\$ -
Certificates of Deposit	7,670,240	-	7,670,240
Total Investments by fair value level	<u>\$ 24,118,689</u>	<u>\$ 16,448,449</u>	<u>\$ 7,670,240</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 11,953,158	\$ -	\$ -	\$ 11,953,158
Construction in Progress	3,253,640	33,980,767	179,310	37,055,097
Total Capital Assets not being depreciated	<u>\$ 15,206,798</u>	<u>\$ 33,980,767</u>	<u>\$ 179,310</u>	<u>\$ 49,008,255</u>
Other Capital Assets				
Building and Building Improvements	\$ 140,946,323	\$ 369,368	\$ -	\$ 141,315,691
Site Improvements and Infrastructure	12,122,367	-	-	12,122,367
Capitalized Equipment	9,961,693	4,719,171	4,484,125	10,196,739
Total Other Capital Assets at historical cost	<u>\$ 163,030,383</u>	<u>\$ 5,088,539</u>	<u>\$ 4,484,125</u>	<u>\$ 163,634,797</u>
Less Accumulated Depreciation for				
Building and Building Improvements	\$ 55,858,805	\$ 2,848,433	\$ -	\$ 58,707,238
Site Improvements and Infrastructure	4,312,380	573,258	-	4,885,638
Capitalized Equipment	4,321,349	1,028,940	1,126,217	4,224,072
Total Accumulated Depreciation	<u>\$ 64,492,534</u>	<u>\$ 4,450,631</u>	<u>\$ 1,126,217</u>	<u>\$ 67,816,948</u>
Other Capital Assets, Net	<u>\$ 98,537,849</u>	<u>\$ 637,908</u>	<u>\$ 3,357,908</u>	<u>\$ 95,817,849</u>
Governmental Activities Capital Assets, Net	<u>\$ 113,744,647</u>	<u>\$ 34,618,675</u>	<u>\$ 3,537,218</u>	<u>\$ 144,826,104</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Transportation	\$ 695,280
Food Services	14,469
Unallocated	3,740,882
Total Governmental Activities Depreciation Expense	<u>\$ 4,450,631</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Interest Accretion	Additions	Retirement	Balance June 30, 2020	Amounts Due Within One Year
Governmental Activities:						
Long-Term Debt						
Capital Appreciation						
Bonds, 2000B	\$ 4,559,249	\$ -	\$ -	\$ 2,352,156	\$ 2,207,093	\$ 2,207,093
Accreted Interest						
2000B Bonds	7,919,180	720,092	-	4,432,844	4,206,428	4,206,428
GO Limited Tax School						
Bonds, Series 2017	2,895,000	-	-	1,095,000	1,800,000	1,120,000
GO Bond, Series 2019	36,750,000	-	-	-	36,750,000	-
GO Bond, Series 2020			33,915,000	-	33,915,000	-
Lease/Purchase Agreements	589,017	-	-	139,371	449,646	144,500
Admin Building Capital Lease	2,951,641	-	-	183,935	2,767,706	192,385
Total Long-Term Debt	\$ 55,664,087	\$ 720,092	\$ 33,915,000	\$ 8,203,306	\$ 82,095,873	\$ 7,870,406
Other Long-Term Liabilities						
Net Pension Liability - IMRF	\$ 4,147,502	\$ -	\$ -	\$ 2,152,459	\$ 1,995,043	\$ -
Net Pension Liability - TRS	4,697,110	-	-	141,721	4,555,389	-
Net OPEB Liability - IMRF	207,611	-	148,578	-	356,189	-
Net OPEB Liability - THIS	47,973,672	-	1,401,528	-	49,375,200	-
Bond Premiums	4,618,862	-	4,049,940	270,889	8,397,913	524,011
Compensated Absences	221,484	-	70,107	9,295	282,296	-
Total Other Long-Term Liabilities	\$ 61,866,241	\$ -	\$ 5,670,153	\$ 2,574,364	\$ 64,962,030	\$ 524,011
Governmental Activities Long-Term Liabilities	\$ 117,530,328	\$ 720,092	\$ 39,585,153	\$ 10,777,670	\$ 147,057,903	\$ 8,394,417

Bonds and notes payable consisted of the following at June 30, 2020:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Capital Appreciation Bonds, 2000B	12/1/2020	4.89% - 5.71%	\$ 28,852,880	\$ 6,413,521
GO Limited Tax School Bonds, Series 2017	1/1/2022	2.01%	4,000,000	1,800,000
GO Bond, Series 2019	1/15/2039	4.00%	36,750,000	36,750,000
GO Bond, Series 2020	1/15/2036	2.125% - 5.00%	33,915,000	33,915,000
Copier Lease	11/5/2022	2.35%	504,924	449,646
Admin Building Capital Lease	4/30/2024	4.50%	3,142,345	2,767,706
Total			\$ 107,165,149	\$ 82,095,873

At June 30, 2020 the annual debt service requirements to service long-term debt are:

Year Ending June 30	Principal	Interest	Total
2021	\$ 7,870,406	\$ 2,569,572	\$ 10,439,978
2022	4,146,041	2,735,365	6,881,406
2023	3,625,795	2,574,787	6,200,582
2024	5,568,631	2,478,476	8,047,107
2025	3,560,000	2,266,218	5,826,218
Thereafter	57,325,000	14,451,748	71,776,748
	\$ 82,095,873	\$ 27,076,166	\$ 109,172,039

Payments for compensated absences are made from the fund(s) from which the salaries are paid for each individual employee (i.e. General Fund or Transportation Fund).

NOTES TO FINANCIAL STATEMENTS (Continued)

Reconciliation to the Statement of Net Position

The following summarizes non-current liabilities as shown on the Statement of Net Position:

	Due Within One Year	Due in More Than One Year	Total
Bonds and Notes Payable	\$ 7,870,406	\$ 74,225,467	\$ 82,095,873
Bond Premiums, net of amortization	524,011	7,873,902	8,397,913
Other Long-Term Liabilities	-	56,564,117	56,564,117
	<u>\$ 8,394,417</u>	<u>\$ 138,663,486</u>	<u>\$ 147,057,903</u>

NOTE 6 - DEFICIT FUND BALANCE

No fund had a deficit fund balance at June 30, 2020.

NOTE 7 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2019 tax levy. The unavailable revenue is 50% of the 2019 tax levy. These taxes are unavailable as only a portion of the taxes (approximately 50%) are collected before the end of the fiscal year and the District does not consider the remaining amounts to be available and does not budget for their use until the following fiscal year. The District has determined that 50% of the 2019 tax levy (\$43,162,210) and 50% of the 2018 tax levy, plus back taxes, less uncollectible amounts (\$42,153,080) are allocable for use in fiscal year 2020. Therefore, 50% of each of these levies are recorded in these financial statements as property taxes revenue. A summary of tax rates, assessed valuations, and extensions for tax years 2019, 2018, and 2017 is as follows:

TAX YEAR ASSESSED VALUATION	2019		2018		2017	
	Rate	Extension	Rate	Extension	Rate	Extension
		\$1,731,428,495		\$1,682,812,325		\$1,646,893,698
Educational	3.5758	\$ 61,911,935	3.7160	\$ 62,533,693	3.6192	\$ 59,604,212
Special Education	0.0328	568,393	0.0315	529,817	0.0368	606,650
Operations and Maintenance	0.7217	12,495,391	0.6092	10,251,844	0.6434	10,595,900
Debt Service	0.4632	8,019,232	0.4764	8,016,211	0.4856	7,997,233
Transportation	0.0762	1,319,054	0.0720	1,211,911	0.0755	1,244,047
Municipal Retirement	0.0334	577,812	0.0322	542,067	0.0251	412,596
Social Security	0.0680	1,176,887	0.0696	1,171,540	0.0649	1,068,192
Working Cash	0.0148	255,715	0.0139	233,154	0.0098	161,774
	<u>4.9857</u>	<u>\$ 86,324,419</u>	<u>5.0208</u>	<u>\$ 84,490,237</u>	<u>4.9603</u>	<u>\$ 81,690,604</u>

NOTE 8 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2020, no funds had expenditures that exceeded the budget.

NOTE 9 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

General Information About the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all

NOTES TO FINANCIAL STATEMENTS (Continued)

active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2020, State of Illinois contributions recognized by the District

NOTES TO FINANCIAL STATEMENTS (Continued)

were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$35,200,260 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$258,766 and are deferred because they were paid after the June 30, 2019 measurement date.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2020, the District pension contribution was 10.66% of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$219,875 were paid from federal and special trust funds that required District contributions of \$23,439. These contributions are deferred because they were paid after the June 30, 2019 measurement date.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the District paid \$5,663 to TRS for employer contributions due on salary increases in excess of 6% and \$4,057 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District follows below:

District's proportionate share of the net pension liability	\$ 4,555,389
State's proportionate share of the net pension liability associated with the District	<u>324,202,066</u>
Total	<u>\$ 328,757,455</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2019, the District's proportion was 0.0056164%, which was an decrease of 0.0004098 from its proportion measured as of June 30, 2018.

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$35,200,260 and revenue of \$35,200,260 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 74,696	\$ -	\$ 74,696
Net difference between projected and actual earnings on pension plan investments	7,216	-	7,216
Changes of assumptions	102,072	(87,440)	14,632
Changes in proportion and differences between employer contributions and proportionate share of contributions	112,291	(1,246,714)	(1,134,423)
Employer contributions subsequent to the measurement date	282,205	-	282,205
	<u>\$ 578,480</u>	<u>\$ (1,334,154)</u>	<u>(755,674)</u>

\$282,205 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ending June 30	
2021	\$ (188,635)
2022	(371,381)
2023	(302,242)
2024	(152,641)
2025	(22,980)
	<u>\$ (1,037,879)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, including inflation

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.3%
U.S. equities small/mid cap	2.0%	7.7%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.5%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.0%
International debt developed	2.2%	1.1%
Emerging international debt	2.6%	4.4%
Real estate	16.0%	5.2%
Real return	4.0%	1.8%
Absolute return	14.0%	4.1%
Private Equity	15.0%	9.7%
Total	100.0%	

Discount Rate

At June 30, 2019, the discount rate used to measure total pension liability was 7.00%, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS’s fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	\$ 5,564,009	\$ 4,555,389	\$ 3,726,103

TRS Fiduciary Net Position

Detailed information about the TRS’s fiduciary net position as of June 30, 2019 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

B. *Illinois Municipal Retirement Fund*

Plan Description

The District’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	191
Inactive plan members entitled to but not yet receiving benefits	238
Active plan members	254
Total	<u><u>683</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2019 was 7.98%. For the fiscal year ended June 30, 2020, the District contributed \$675,121 to the plan. The District also contributes for disability benefits, death benefits,

NOTES TO FINANCIAL STATEMENTS (Continued)

and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2019, and a measurement date as of December 31, 2019, and a measurement date as of December 31, 2019, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	31,123,142
IMRF Fiduciary Net Position		29,128,099
District's Net Pension Liability		1,995,043
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		93.59%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Interest Rate	7.25%
Asset Valuation Method	Market value of assets

Projected Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study for the period 2014-2016.

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected 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, 2019:

NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Target Allocation	Projected Return
Equities	37.0%	5.75%
International Equities	18.0%	6.50%
Fixed Income	28.0%	3.25%
Real Estate	9.0%	5.20%
Alternatives	7.0%	
Private Equity		7.60%
Hedge Funds		N/A
Commodities		3.60%
Cash	1.0%	1.85%
	100.0%	

Single Discount Rate

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:

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

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and resulting single discount rate is 7.25%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2018	\$ 28,750,418	\$ 24,602,916	\$ 4,147,502
Changes for the year:			
Service Cost	\$ 869,784	\$ -	\$ 869,784
Interest on the Total Pension Liability	2,071,280	-	2,071,280
Differences Between Expected and Actual Experience of the Total Pension Liability	663,514	-	663,514
Contributions - Employer	-	675,121	(675,121)
Contributions - Employee	-	380,629	(380,629)
Net Investment Income	-	4,565,732	(4,565,732)
Benefit Payments, including Refunds of Employee Contributions	(1,231,854)	(1,231,854)	-
Other (Net Transfer)	-	135,555	(135,555)
Net Changes	\$ 2,372,724	\$ 4,525,183	\$ (2,152,459)
Balances at December 31, 2019	\$ 31,123,142	\$ 29,128,099	\$ 1,995,043

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

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability/(Asset)	\$ 5,838,875	\$ 1,995,043	\$ (1,193,355)

NOTES TO FINANCIAL STATEMENTS (Continued)

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the District recognized pension expense/(income) of \$1,059,444. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 650,358	\$ -	\$ 650,358
Changes of assumptions	314,997	85,516	229,481
Net difference between projected and actual earnings on pension plan investments	-	1,129,366	(1,129,366)
Total deferred amounts to be recognized in pension expense in future periods	\$ 965,355	\$ 1,214,882	\$ (249,527)
Pension contributions made subsequent to the measurement date	413,647	-	413,647
Total deferred amounts related to pensions	<u>\$ 1,379,002</u>	<u>\$ 1,214,882</u>	<u>\$ 164,120</u>

\$413,647 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ 203,253
2021	(29,638)
2022	133,556
2023	(556,698)
2024	-
Thereafter	-
	<u>\$ (249,527)</u>

C. *Social Security*

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid the total required contribution for the current fiscal year.

NOTE 10 - POST-EMPLOYMENT BENEFIT COMMITMENTS – RETIREE INSURANCE PLAN

A. *Teacher Health Insurance Security Fund (THIS)*

General Information About the OPEB Plan

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental,

NOTES TO FINANCIAL STATEMENTS (Continued)

or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

Benefits Provided

The State of Illinois offers comprehensive health plan options, all of which include prescription drug and behavioral health coverage. The State of Illinois offers TCHP, HMO, and OAP plans.

- Teachers' Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.
- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
 - Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
 - Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.
 - Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

Contributions

For the fiscal year ended June 30, 2020, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the THIS make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to 0.92% of each teacher's salary. For the fiscal year ended June 30, 2019, the employee contribution was 1.24% of salary and the employer contribution was 0.92% of each teacher's salary. The Department of Central Management Services determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THISF), an amount equal to the amount

NOTES TO FINANCIAL STATEMENTS (Continued)

certified by the Board of Trustees of THIS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to THIS by the employer.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2020, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$546,238 in benefit contributions from the State of Illinois.

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

At June 30, 2019, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state benefit support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 49,375,200
State's proportionate share of the net pension liability associated with the District	66,860,307
Total	<u>\$ 116,235,507</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2019, relative to the contributions of all participating THIS employers and the State during that period. At June 30, 2019, the District's proportion was 0.1783950%, which was an decrease of 0.003697% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized benefit expense of \$2,432,869 and on-behalf revenue/expense of \$546,238 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ (819,342)	\$ (819,342)
Net difference between projected and actual earnings on pension plan investments	-	(1,617)	(1,617)
Changes of assumptions	18,719	(5,660,006)	(5,641,287)
Changes in proportion and differences between employee contributions and proportionate share of contributions	1,686,415	(1,002,748)	683,667
Employer contributions subsequent to the measurement date	410,456	-	410,456
	<u>\$ 2,115,590</u>	<u>\$ (7,483,713)</u>	<u>\$ (5,368,123)</u>

\$410,456 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending June 30	
2021	\$ (1,050,259)
2022	(2,067,731)
2023	(1,682,787)
2024	(849,856)
2025	(127,945)
	<u>\$ (5,778,578)</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decrease to an ultimate trend of 4.5%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.
Healthcare Cost Trend Costs	

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for THIS experience. For disabled annuitants, mortality rates were based on the RP-2014 Disabled Annuitant Table. Mortality rates pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future improvements using Projection Scale MP-2017.

The actuarial assumptions that were used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	2.04%
	<u>100.0%</u>	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.62% as of June 30, 2018, and 3.13% as of June 30, 2019. The projection of

NOTES TO FINANCIAL STATEMENTS (Continued)

cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, THIS’s fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2019, the discount rate used to measure the total OPEB liability was 3.13%.

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net OPEB liability calculated using the discount rate of 3.13%, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.13%) or 1 percentage-point higher (4.13%) than the current rate.

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
Employer’s proportionate share of the net OPEB liability	\$ 59,366,838	\$ 49,375,200	\$ 41,483,841

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Valuation Rate	1% Increase (b)
Employer’s proportionate share of the net OPEB liability	\$ 39,891,086	\$ 49,375,200	\$ 62,184,553

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

B. Retiree Insurance Plan

Plan Overview

In addition to the retirement plan described in Note 9, the District provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical Coverage

IMRF employees may continue coverage into retirement on the District plan if they pay the entire premium. Dependents may also continue coverage on a pay-all basis. Coverage may continue for as long as required contributions are paid.

NOTES TO FINANCIAL STATEMENTS (Continued)

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of the District are eligible for retiree health benefits as listed below:

Regular Plan Tier 1 (Enrolled in IMRF Prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)

Regular Plan Tier 2 (Enrolled in IMRF On or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)

Membership in the plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Active employees	238
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	5
Total	<u><u>243</u></u>

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

Total OPEB Liability

The District’s total OPEB liability was measured as of June 30, 2020, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Method	Entry Age Normal																												
Discount rate	2.66%																												
Salary Rate Increase	4.00%																												
Expected long-term investment rate of return	N/A																												
Health Care Trend	<table border="0" style="margin-left: 20px;"> <tr> <td style="text-align: center;">Insurance Year Trends</td> <td style="text-align: center;">Fiscal Year Trends</td> </tr> <tr> <td style="border: 1px solid black; padding: 5px;"> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="border: none;"></th> <th style="border: none; text-align: center;"><u>All Medical Plans</u></th> <th style="border: none;"></th> <th style="border: none; text-align: center;"><u>All Medical Plans</u></th> </tr> <tr> <th style="border: none; text-align: center;"><u>Period</u></th> <th style="border: none;"></th> <th style="border: none; text-align: center;"><u>Period</u></th> <th style="border: none;"></th> </tr> </thead> <tbody> <tr> <td style="border: none;">IY19-IY20</td> <td style="border: none; text-align: right;">4.00%</td> <td style="border: none;">FY20-FY21</td> <td style="border: none; text-align: right;">4.42%</td> </tr> <tr> <td style="border: none;">IY20-IY21</td> <td style="border: none; text-align: right;">4.50%</td> <td style="border: none;">FY21-FY22</td> <td style="border: none; text-align: right;">4.50%</td> </tr> <tr> <td style="border: none;">IY21-IY22</td> <td style="border: none; text-align: right;">4.50%</td> <td style="border: none;">FY22-FY23</td> <td style="border: none; text-align: right;">4.50%</td> </tr> <tr> <td style="border: none;">Subsequent</td> <td style="border: none; text-align: right;">4.50%</td> <td style="border: none;">Subsequent</td> <td style="border: none; text-align: right;">4.50%</td> </tr> </tbody> </table> </td> <td style="border: none;"></td> </tr> </table>	Insurance Year Trends	Fiscal Year Trends	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="border: none;"></th> <th style="border: none; text-align: center;"><u>All Medical Plans</u></th> <th style="border: none;"></th> <th style="border: none; text-align: center;"><u>All Medical Plans</u></th> </tr> <tr> <th style="border: none; text-align: center;"><u>Period</u></th> <th style="border: none;"></th> <th style="border: none; text-align: center;"><u>Period</u></th> <th style="border: none;"></th> </tr> </thead> <tbody> <tr> <td style="border: none;">IY19-IY20</td> <td style="border: none; text-align: right;">4.00%</td> <td style="border: none;">FY20-FY21</td> <td style="border: none; text-align: right;">4.42%</td> </tr> <tr> <td style="border: none;">IY20-IY21</td> <td style="border: none; text-align: right;">4.50%</td> <td style="border: none;">FY21-FY22</td> <td style="border: none; text-align: right;">4.50%</td> </tr> <tr> <td style="border: none;">IY21-IY22</td> <td style="border: none; text-align: right;">4.50%</td> <td style="border: none;">FY22-FY23</td> <td style="border: none; text-align: right;">4.50%</td> </tr> <tr> <td style="border: none;">Subsequent</td> <td style="border: none; text-align: right;">4.50%</td> <td style="border: none;">Subsequent</td> <td style="border: none; text-align: right;">4.50%</td> </tr> </tbody> </table>		<u>All Medical Plans</u>		<u>All Medical Plans</u>	<u>Period</u>		<u>Period</u>		IY19-IY20	4.00%	FY20-FY21	4.42%	IY20-IY21	4.50%	FY21-FY22	4.50%	IY21-IY22	4.50%	FY22-FY23	4.50%	Subsequent	4.50%	Subsequent	4.50%	
Insurance Year Trends	Fiscal Year Trends																												
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Subsequent	4.50%	Subsequent	4.50%																										
Retiree Contribution Trend	Same as Health Care Trend																												
Mortality	IMRF Employees and Retirees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report The Mortality Table reflects recent rates developed by the Society of Actuaries.																												
Disability Rates	IMRF Employees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report																												
Average Retirement Age	IMRF Tier 1: Age 60 IMRF Tier 2: Age 65																												

NOTES TO FINANCIAL STATEMENTS (Continued)

Termination/Turnover Rates

Age-based Turnover Rates developed based on Probability of Remaining Employed until Assumed Retirement Age.

Starting Per Capita Costs

PPO			HMO IL		
Age	Retiree	Spouse	Age	Retiree	Spouse
55	\$ 14,811	\$ 22,806	55	\$ 11,591	\$ 17,828
57	16,174	24,905	57	12,658	19,468
60	18,457	28,421	60	14,444	22,216
62	20,155	31,036	62	15,774	24,261
64	22,010	33,892	64	17,225	26,494
Blue Adv. HMO					
Age	Retiree	Spouse			
55	\$ 9,512	\$ 14,628			
57	10,388	15,974			
60	11,854	18,229			
62	12,945	19,907			
64	14,135	21,739			
		Retiree	Spouse		
PPO Plan	\$	9,966	\$	15,346	
HMO Plan		7,800		11,996	
Blue Adv. HMO		6,401		9,843	

Retiree Contributions

Election at Retirement

Marital Status

5% of active employees are assumed to elect coverage at retirement

40% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2020.

There is no long-term expected rate of return on OPEB plan investments because the District does not have a trust dedicated exclusively to the payment of OPEB benefits.

Discount Rate

The District does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 2.66% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2020.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019	\$ 207,611	\$ -	\$ 207,611
Changes for the year:			
Service Cost	\$ 13,248	\$ -	\$ 13,248
Interest on Total OPEB Liability	5,244	-	5,244
Actuarial Experience	(24,431)	-	(24,431)
Assumption Changes	28,102	-	28,102
Benefit Payments	(39,331)	-	(39,331)
Other Changes	165,746	-	165,746
Net Changes	\$ 148,578	\$ -	\$ 148,578
Balances at June 30, 2020	\$ 356,189	\$ -	\$ 356,189

NOTES TO FINANCIAL STATEMENTS (Continued)

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Increase	Valuation Rate	1% Decrease
\$ 341,169	\$ 356,189	\$ 372,027

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Increase	Valuation Rate	1% Decrease
\$ 377,793	\$ 356,189	\$ 336,623

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$38,579. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Differences Between Expected and Act	\$ -	\$ 21,208	\$ (21,208)
Changes of Assumptions	172,908	17,508	155,400
Total	\$ 172,908	\$ 38,716	\$ 134,192

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (7.58 years, active and retired) in the postretirement plan.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year ending June 30	Outflows
2020	\$ 20,088
2021	20,088
2022	20,088
2023	20,088
2024	20,088
2025	21,315
2026	12,437
2027	-
	\$ 134,192

NOTE 11 - INTERFUND TRANSFERS

The following funds were transferred for the year ended June 30, 2020:

NOTES TO FINANCIAL STATEMENTS (Continued)

Transfer from	Transfer to	Amount
General Fund	Debt Services Fund	\$ 161,047
Operations and Maintenance Fund	Debt Services Fund	312,996
Operations and Maintenance Fund	Capital Projects Fund	10,504,425
Debt Services Fund	Operations and Maintenance Fund	88,792

- The transfer from the General Fund to the Debt Services Fund was made to pay principal and interest on capital leases.
- The transfer from the Operations and Maintenance Fund to the Debt Services Fund was made to pay principal and interest on capital leases.
- The transfer from the Operations and Maintenance Fund to the Capital Projects Fund was made to transfer funds for renovation projects.
- The transfer from the Debt Services Fund to the Operations and Maintenance Fund was made to transfer interest earned in the Debt Services Fund.

NOTE 12 - JOINT VENTURE – LAKE COUNTY AREA VOCATIONAL SYSTEM (LCAVS)

The District and seventeen other districts within Lake and McHenry Counties have entered into a joint agreement to provide vocational programs for member districts that are not offering these services individually. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (cash basis) of LCAVS at June 30, 2019 (most recent information available) is as follows:

Assets	<u>\$ 31,388,351</u>
Liabilities	<u>\$ 20,359</u>
Fund Equity	<u>31,367,992</u>
	<u>\$ 31,388,351</u>
Revenues Received	<u>\$ 10,645,000</u>
Expenditures Disbursed	<u>11,470,835</u>
Net Increase/(Decrease) in Fund Balance	<u>\$ (825,835)</u>

Complete financial statements for LCAVS can be obtained from the Administrative Offices at 19525 W. Washington Street, Grayslake, Illinois 60030.

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and injuries to employees.

The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit’s governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

NOTES TO FINANCIAL STATEMENTS (Continued)

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

During the year ended June 30, 2020, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in the past three years. The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2020, there were no significant adjustments in premiums based on actual experience.

NOTE 14 - CONSTRUCTION COMMITMENTS

The District has entered into contracts for building repairs at various schools. The total amount of outstanding contracts is \$35,467,351. As of June 30, 2020, \$8,717,552 has been accrued to be paid on these contracts of which \$2,838,491 is retainage.

NOTE 15 - CONTINGENCIES

A complaint has been filed against the District in Circuit Court. The claim alleged willful and wanton misconduct. The potential exposure to the Board is approximately \$70,000.

NOTE 16 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 13.8% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2019 EAV		\$ 1,731,428,495
Rate		<u>13.8%</u>
Debt Margin		\$ 238,937,132
Current Debt	\$ 82,095,873	
Less: Long-term debt not subject to limit	<u>(4,206,429)</u>	
		<u>77,889,444</u>
Remaining Debt Margin		<u>\$ 161,047,688</u>

NOTE 17 - SUBSEQUENT EVENTS

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various governments and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the District is uncertain and cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
TOTAL PENSION LIABILITY						
Service Cost	\$ 869,784	\$ 809,884	\$ 811,275	\$ 785,893	\$ 769,744	\$ 759,848
Interest on the Total Pension Liability	2,071,280	1,934,315	1,843,321	1,724,142	1,610,109	1,426,663
Differences Between Expected and Actual Experience	663,514	385,281	378,878	33,774	30,795	126,797
Changes in Assumptions	-	796,973	(757,981)	(58,945)	55,792	962,055
Benefit Payments, Including Refunds of Member Contributions	<u>(1,231,854)</u>	<u>(1,123,915)</u>	<u>(999,184)</u>	<u>(940,740)</u>	<u>(844,495)</u>	<u>(824,221)</u>
Net Change in Total Pension Liability	<u>\$ 2,372,724</u>	<u>\$ 2,802,538</u>	<u>\$ 1,276,309</u>	<u>\$ 1,544,124</u>	<u>\$ 1,621,945</u>	<u>\$ 2,451,142</u>
Total Pension Liability - Beginning	<u>28,750,418</u>	<u>25,947,880</u>	<u>24,671,571</u>	<u>23,127,447</u>	<u>21,505,502</u>	<u>19,054,360</u>
Total Pension Liability - Ending	<u>\$ 31,123,142</u>	<u>\$ 28,750,418</u>	<u>\$ 25,947,880</u>	<u>\$ 24,671,571</u>	<u>\$ 23,127,447</u>	<u>\$ 21,505,502</u>
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 675,121	\$ 748,466	\$ 727,025	\$ 677,406	\$ 644,504	\$ 682,318
Contributions - Member	380,629	362,433	350,270	317,204	316,913	300,900
Net Investment Income	4,565,732	(1,328,258)	3,846,587	1,400,189	102,786	1,174,242
Benefit Payments, Including Refunds of Member Contributions	(1,231,854)	(1,123,915)	(999,184)	(940,740)	(844,495)	(824,221)
Other (Net Transfer)	<u>135,555</u>	<u>457,851</u>	<u>(415,578)</u>	<u>34,300</u>	<u>(229,537)</u>	<u>(4,926)</u>
Net Change in Plan Fiduciary Net Position	<u>\$ 4,525,183</u>	<u>\$ (883,423)</u>	<u>\$ 3,509,120</u>	<u>\$ 1,488,359</u>	<u>\$ (9,829)</u>	<u>\$ 1,328,313</u>
Plan Net Position - Beginning	<u>24,602,916</u>	<u>25,486,339</u>	<u>21,977,219</u>	<u>20,488,860</u>	<u>20,498,689</u>	<u>19,170,376</u>
Plan Net Position - Ending	<u>\$ 29,128,099</u>	<u>\$ 24,602,916</u>	<u>\$ 25,486,339</u>	<u>\$ 21,977,219</u>	<u>\$ 20,488,860</u>	<u>\$ 20,498,689</u>
District's Net Pension Liability	<u>\$ 1,995,043</u>	<u>\$ 4,147,502</u>	<u>\$ 461,541</u>	<u>\$ 2,694,352</u>	<u>\$ 2,638,587</u>	<u>\$ 1,006,813</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.59%	85.57%	98.22%	89.08%	88.59%	95.32%
Covered-Valuation Payroll	\$ 8,456,671	\$ 8,039,377	\$ 7,709,711	\$ 7,048,963	\$ 6,741,674	\$ 6,630,887
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	23.59%	51.59%	5.99%	38.22%	39.14%	15.18%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Actuarially-Determined Contribution	\$ 658,826	\$ 748,466	\$ 727,026	\$ 677,405	\$ 644,504	\$ 682,318
Contributions in relation to Actuarially-Determined Contribution	<u>675,121</u>	<u>748,466</u>	<u>727,025</u>	<u>677,406</u>	<u>644,504</u>	<u>682,318</u>
Contribution deficiency/(excess)	<u>\$ (16,295)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Valuation Payroll	\$ 8,483,655	\$ 8,141,091	\$ 7,959,134	\$ 7,048,963	\$ 6,741,674	\$ 6,630,887
Contributions as a Percentage of Covered-Valuation Payroll	7.96%	9.19%	9.13%	9.61%	9.56%	10.29%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2019 Contribution Rate *

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

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 24-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.25%

Price Inflation: 2.50%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation; note two year lag between valuation and rate setting.

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

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0056164%	0.0060262%	0.0078663%	0.0083766%	0.0076401%	0.0065414%
Employer's proportionate share of the Net Pension Liability	\$ 4,555,389	\$ 4,697,110	\$ 6,009,691	\$ 6,612,193	\$ 5,005,063	\$ 3,980,983
State's proportionate share of the Net Pension Liability associated with the employer	<u>324,202,066</u>	<u>321,771,705</u>	<u>304,141,140</u>	<u>319,652,142</u>	<u>252,187,576</u>	<u>233,914,815</u>
Total	<u>\$ 328,757,455</u>	<u>\$ 326,468,815</u>	<u>\$ 310,150,831</u>	<u>\$ 326,264,335</u>	<u>\$ 257,192,639</u>	<u>\$ 237,895,798</u>
Employer's Covered-Employee Payroll	\$ 43,855,889	\$ 43,164,712	\$ 41,085,437	\$ 40,263,644	\$ 38,944,406	\$ 37,909,516
Employer's proportionate share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	10.39%	10.88%	14.63%	16.42%	12.85%	10.50%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	39.60%	40.00%	39.30%	36.40%	41.50%	43.00%

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

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

Changes of Assumptions:

For the 2019, 2018, 2017 and 2016 measurement years, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.5% and a real return of 4.5%. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 254,364	\$ 250,383	\$ 324,088	\$ 324,360	\$ 267,693	\$ 233,359
Contributions in relation to Statutorily-Required Contribution	<u>254,356</u>	<u>250,355</u>	<u>324,137</u>	<u>324,360</u>	<u>267,693</u>	<u>233,359</u>
Contribution deficiency/(excess)	<u>\$ 8</u>	<u>\$ 28</u>	<u>\$ (49)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 44,614,767	\$ 43,855,889	\$ 43,164,712	\$ 40,263,644	\$ 38,944,406	\$ 37,909,516
Contributions as a percentage of Covered-Employee Payroll	0.57%	0.57%	0.75%	0.81%	0.69%	0.62%

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

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

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET OPEB LIABILITY
 JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>
Employer's proportion of the Net OPEB Liability	0.1783950%	0.1820920%	0.1785630%
Employer's proportionate share of the Net OPEB Liability	\$ 49,375,200	\$ 47,973,672	\$ 46,336,328
State's proportionate share of the Net OPEB Liability associated with the employer	<u>66,860,307</u>	<u>64,418,368</u>	<u>60,851,113</u>
Total	<u>\$ 116,235,507</u>	<u>\$ 112,392,040</u>	<u>\$ 107,187,441</u>
Employer's Covered Payroll	\$ 43,855,889	\$ 43,164,712	\$ 41,085,437
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	112.59%	111.14%	112.78%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	0.25%	-0.07%	-0.17%

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

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

Changes of Assumptions:

For the 2019 measurement year, the assumed investment rate of return was 0%, including an inflation rate of 2.50%, and the healthcare cost trend rates used the actual trend. Salary increases include a 3.25% wage inflation.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>
Statutorily-Required Contribution	\$ 403,474	\$ 379,864	\$ 345,054
Contributions in relation to the Statutorily-Required Contribution	<u>403,387</u>	<u>379,849</u>	<u>345,118</u>
Contribution deficiency/(excess)	<u>\$ 87</u>	<u>\$ 15</u>	<u>\$ (64)</u>
Employer's Covered Payroll	\$ 44,614,767	\$ 43,855,889	\$ 43,164,712
Contributions as a percentage of Covered Payroll	0.90%	0.87%	0.80%

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

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS
JUNE 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 13,248	\$ 11,754	\$ 12,540
Interest	5,244	6,030	6,054
Differences Between Expected and Actual Experience	(24,431)	-	-
Benefit Payments	(39,331)	(14,022)	(12,378)
Changes in Assumptions	28,102	1,620	1,263
Other Changes	165,745	(7,124)	(14,585)
Net Change in Total OPEB Liability	<u>\$ 148,577</u>	<u>\$ (1,742)</u>	<u>\$ (7,106)</u>
Total OPEB Liability - Beginning	<u>207,612</u>	<u>209,354</u>	<u>216,460</u>
Total OPEB Liability - Ending	<u>\$ 356,189</u>	<u>\$ 207,612</u>	<u>\$ 209,354</u>
OPEB PLAN FIDUCIARY NET POSITION			
Net Change in OPEB Plan Net Position	\$ -	\$ -	\$ -
OPEB Plan Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
OPEB Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Net OPEB Plan Liability	<u>\$ 356,189</u>	<u>\$ 207,612</u>	<u>\$ 209,354</u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 7,985,203	\$ 6,656,975	\$ 6,656,975
Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	4.46%	3.12%	3.14%

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially-Determined Contribution	N/A	N/A	N/A
Contributions in Relation to Actuarially-Determined Contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency/(Excess)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered-Employee Payroll	\$ 7,985,203	\$ 6,656,975	\$ 6,656,975
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted		Actual
	Amounts		
	Original and Final		Amounts
REVENUES			
Property Taxes	\$	63,580,896	\$ 62,947,400
Payments in Lieu of Taxes		190,000	173,440
Tuition		447,674	266,088
Earnings on Investments		895,000	900,126
Food Services		1,645,361	1,221,065
District/School Activity Income		2,891,200	979,183
Textbooks		125,000	121,911
Other Local Sources		604,043	729,155
State Aid			
General State Aid		4,040,049	4,040,441
Special Education		750,000	983,336
Career and Technical Education		29,263	24,624
State Free Lunch and Breakfast		3,000	2,388
Driver Education		36,000	28,270
Other Restricted Revenue from State Sources		-	4,129
Federal Aid			
Food Service		177,000	239,515
Title I		117,812	226,972
Title IV		14,517	27,904
Federal Special Education		1,376,610	1,315,803
CTE - Perkins		14,306	16,284
Title III - English Language Acquisition		56,200	15,422
Title II - Teacher Quality		73,401	80,918
Medicaid Matching Funds - Administrative Outreach		62,000	72,274
Medicaid Matching Funds - Fee-for-Service Program		250,000	126,118
Other Federal Aid		10,000	-
State Retirement Contributions		32,000,000	35,746,498
Total Revenues	\$	109,389,332	\$ 110,289,264
EXPENDITURES			
Instruction			
Regular Programs			
Salaries	\$	26,878,840	\$ 26,600,217
Employee Benefits		3,671,230	3,413,084
Purchased Services		442,002	335,814
Supplies and Materials		2,703,538	793,583
Other Objects		-	11,012
Non-Capitalized Equipment		27,908	47,837
	\$	33,723,518	\$ 31,201,547
Pre-K Programs			
Supplies and Materials	\$	1,000	\$ 6,230
Non-Capitalized Equipment		-	887
	\$	1,000	\$ 7,117
Special Education Programs			
Salaries	\$	6,061,924	\$ 5,823,554
Employee Benefits		774,700	715,446
Purchased Services		54,800	32,769
Supplies and Materials		70,000	55,589
Non-Capitalized Equipment		1,100	3,309
	\$	6,962,524	\$ 6,630,667
Special Education Programs Pre-K			
Salaries	\$	356,000	\$ 279,194
Employee Benefits		50,460	56,553
Supplies and Materials		10,200	5,607
	\$	416,660	\$ 341,354
CTE Programs			
Salaries	\$	1,064,900	\$ 1,063,432
Employee Benefits		149,347	137,051
Purchased Services		1,000	-
Supplies and Materials		62,000	48,949
Other Objects		381	-
Non-Capitalized Equipment		-	16,525
	\$	1,277,628	\$ 1,265,957

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts	Actual Amounts
	Original and Final	Original and Final
EXPENDITURES (Continued)		
Instruction (Continued)		
Interscholastic Programs		
Salaries	\$ 1,590,762	\$ 1,521,176
Employee Benefits	22,973	19,909
Purchased Services	300,510	257,430
Supplies and Materials	229,050	191,059
Other Objects	29,400	30,242
Non-Capitalized Equipment	9,500	16,028
	<u>\$ 2,182,195</u>	<u>\$ 2,035,844</u>
Summer School Programs		
Salaries	\$ 440,200	\$ 301,727
Employee Benefits	13,399	12,405
Purchased Services	39,120	32,664
Supplies and Materials	52,500	26,740
	<u>\$ 545,219</u>	<u>\$ 373,536</u>
Gifted Programs		
Salaries	\$ 353,875	\$ 350,308
Employee Benefits	55,070	52,067
Supplies and Materials	700	297
	<u>\$ 409,645</u>	<u>\$ 402,672</u>
Driver's Education Programs		
Salaries	\$ 311,500	\$ 312,971
Employee Benefits	25,175	23,095
Purchased Services	3,500	2,572
Supplies and Materials	4,600	641
	<u>\$ 344,775</u>	<u>\$ 339,279</u>
Bilingual Programs		
Salaries	\$ 1,404,077	\$ 1,430,686
Employee Benefits	214,976	206,658
Purchased Services	1,500	299
Supplies and Materials	10,000	6,718
	<u>\$ 1,630,553</u>	<u>\$ 1,644,361</u>
Private Tuition		
Special Education Programs K-12		
Other Objects	\$ 4,051,000	\$ 3,186,370
	<u>\$ 4,051,000</u>	<u>\$ 3,186,370</u>
State Retirement Contributions	<u>\$ 32,000,000</u>	<u>\$ 35,746,498</u>
Total Instruction	<u>\$ 83,544,717</u>	<u>\$ 83,175,202</u>
Support Services		
Pupil		
Attendance and Social Work Services		
Salaries	\$ 1,136,200	\$ 1,125,235
Employee Benefits	176,906	167,004
Purchased Services	150	-
Supplies and Materials	14,000	7,869
	<u>\$ 1,327,256</u>	<u>\$ 1,300,108</u>
Guidance Services		
Salaries	\$ 798,060	\$ 795,495
Employee Benefits	116,868	102,002
Purchased Services	5,000	4,800
Supplies and Materials	10,500	9,846
	<u>\$ 930,428</u>	<u>\$ 912,143</u>
Health Services		
Salaries	\$ 982,363	\$ 930,237
Employee Benefits	108,720	95,330
Purchased Services	15,200	12,314
Supplies and Materials	17,000	19,178
Other Objects	500	-
Non-Capitalized Equipment	1,000	-
	<u>\$ 1,124,783</u>	<u>\$ 1,057,059</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupil (Continued)		
Psychological Services		
Salaries	\$ 784,997	\$ 771,056
Employee Benefits	106,036	99,418
Purchased Services	25,500	63,902
Supplies and Materials	5,000	5,065
	\$ 921,533	\$ 939,441
Speech Pathology and Audiology Services		
Salaries	\$ 993,482	\$ 991,897
Employee Benefits	149,281	141,932
Purchased Services	20,500	22,301
Supplies and Materials	9,000	7,803
Non-Capitalized Equipment	5,000	-
	\$ 1,177,263	\$ 1,163,933
Other Support Services - Pupil		
Purchased Services	\$ 23,000	\$ 199,345
Supplies and Materials	1,000	-
	\$ 24,000	\$ 199,345
	\$ 5,505,263	\$ 5,572,029
Total Support Services - Pupil		
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 75,300	\$ 55,155
Employee Benefits	1,100	796
Purchased Services	797,556	682,002
Supplies and Materials	44,550	33,473
Non-Capitalized Equipment	2,000	-
	\$ 920,506	\$ 771,426
Educational Media Services		
Salaries	\$ 888,112	\$ 882,058
Employee Benefits	130,590	116,618
Purchased Services	2,000	1,564
Supplies and Materials	115,900	88,331
Non-Capitalized Equipment	1,500	-
	\$ 1,138,102	\$ 1,088,571
Assessment and Testing		
Salaries	\$ 3,000	\$ -
Employee Benefits	35	-
Purchased Services	85,000	93,686
Supplies and Materials	50,600	8,000
Non-Capitalized Equipment	5,000	-
	\$ 143,635	\$ 101,686
	\$ 2,202,243	\$ 1,961,683
Total Support Services - Instructional Staff		
General Administration		
Board of Education Services		
Purchased Services	\$ 414,000	\$ 248,920
Supplies and Materials	6,000	1,659
Other Objects	20,500	30,572
	\$ 440,500	\$ 281,151
Executive Administration Services		
Salaries	\$ 258,000	\$ 264,886
Employee Benefits	77,125	76,216
Purchased Services	21,000	23,817
Supplies and Materials	2,750	4,822
Other Objects	5,000	8,091
	\$ 363,875	\$ 377,832

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LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts	Actual Amounts
	Original and Final	Original and Final
EXPENDITURES (Continued)		
Support Services (Continued)		
General Administration (Continued)		
Special Area Administrative Services		
Salaries	\$ 476,715	\$ 482,076
Employee Benefits	142,372	143,891
Purchased Services	43,000	57,826
Supplies and Materials	10,000	6,307
Other Objects	4,000	4,188
Termination Benefits	-	20,311
	<u>\$ 676,087</u>	<u>\$ 714,599</u>
Tort Immunity Services		
Salaries	\$ 40,000	\$ -
Purchased Services	555,000	547,110
Other Objects	50,000	17,500
	<u>\$ 645,000</u>	<u>\$ 564,610</u>
Total Support Services - General Administration	<u>\$ 2,125,462</u>	<u>\$ 1,938,192</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 3,315,736	\$ 3,468,005
Employee Benefits	1,125,933	1,107,002
Purchased Services	5,650	4,703
Supplies and Materials	24,550	18,163
Other Objects	18,110	12,195
Non-Capitalized Equipment	4,000	2,880
Termination Benefits	17,500	9,724
	<u>\$ 4,511,479</u>	<u>\$ 4,622,672</u>
Total Support Services - School Administration	<u>\$ 4,511,479</u>	<u>\$ 4,622,672</u>
Business		
Direction of Business Support Services		
Salaries	\$ 209,000	\$ 208,965
Employee Benefits	54,510	54,401
Purchased Services	11,000	609
Supplies and Materials	400	61
Other Objects	2,500	2,102
	<u>\$ 277,410</u>	<u>\$ 266,138</u>
Fiscal Services		
Salaries	\$ 300,000	\$ 285,890
Employee Benefits	67,045	72,555
Purchased Services	170,750	96,632
Supplies and Materials	35,000	31,259
Other Objects	82,000	26,936
Non-Capitalized Equipment	40,000	1,045
	<u>\$ 694,795</u>	<u>\$ 514,317</u>
Total Support Services - Business	<u>\$ 972,205</u>	<u>\$ 780,455</u>
Transportation		
Purchased Services	\$ -	\$ 2,849
Total Support Services - Transportation	<u>\$ -</u>	<u>\$ 2,849</u>
Food Services		
Purchased Services	\$ 1,718,000	\$ 1,342,952
Supplies and Materials	36,000	21,002
Other Objects	40,000	34,721
Non-Capitalized Equipment	4,000	6,467
Total Support Services - Food Services	<u>\$ 1,798,000</u>	<u>\$ 1,405,142</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts	Actual Amounts
	Original and Final	Original and Final
EXPENDITURES (Continued)		
Support Services (Continued)		
Internal Services		
Purchased Services	\$ 20,200	\$ 14,480
Total Support Services - Internal Services	<u>\$ 20,200</u>	<u>\$ 14,480</u>
Central		
Planning, Research, Development and Evaluation Services		
Salaries	\$ 1,250,500	\$ 1,312,073
Employee Benefits	292,670	252,840
Purchased Services	196,500	253,325
Supplies and Materials	500	-
Other Objects	1,500	553
Termination Benefits	13,800	13,780
	<u>\$ 1,755,470</u>	<u>\$ 1,832,571</u>
Information Services		
Salaries	\$ 166,500	\$ 170,171
Employee Benefits	37,645	37,090
Purchased Services	98,500	94,402
Supplies and Materials	21,500	12,696
Other Objects	750	447
Non-Capitalized Equipment	4,000	8,087
	<u>\$ 328,895</u>	<u>\$ 322,893</u>
Staff Services		
Salaries	\$ 408,582	\$ 395,783
Employee Benefits	132,261	123,389
Purchased Services	155,500	196,747
Supplies and Materials	6,500	6,225
Other Objects	3,500	771
	<u>\$ 706,343</u>	<u>\$ 722,915</u>
Data Processing Services		
Salaries	\$ 1,063,800	\$ 1,093,655
Employee Benefits	140,445	125,220
Purchased Services	545,000	437,623
Supplies and Materials	660,000	586,264
Other Objects	2,000	318
Non-Capitalized Equipment	1,200,000	1,197,126
Termination Benefits	5,000	21,387
	<u>\$ 3,616,245</u>	<u>\$ 3,461,593</u>
Total Support Services - Central	<u>\$ 6,406,953</u>	<u>\$ 6,339,972</u>
Other Support Services		
Salaries	\$ 61,000	\$ 80,932
Employee Benefits	8,481	8,507
Purchased Services	137,763	177,590
Supplies and Materials	-	694
Total Support Services - Other Support Services	<u>\$ 207,244</u>	<u>\$ 267,723</u>
Total Support Services	<u>\$ 23,749,049</u>	<u>\$ 22,905,197</u>
Community Services		
Salaries	\$ 68,500	\$ 65,479
Employee Benefits	3,644	3,144
Purchased Services	19,176	17,702
Supplies and Materials	10,500	7,774
Other Objects	2,200	2,325
Total Community Services	<u>\$ 104,020</u>	<u>\$ 96,424</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Intergovernmental Payments		
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Regular Programs		
Other Objects	\$ 257,000	\$ 192,213
Payments for Special Education Programs		
Other Objects	441,500	279,427
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	\$ 698,500	\$ 471,640
Total Intergovernmental Payments	\$ 698,500	\$ 471,640
Capital Outlay		
Instruction		
Regular Programs	\$ 15,000	\$ -
Other Instructional Programs	55,250	-
Support Services		
Food Services	35,000	41,875
Central	100,000	124,163
Total Capital Outlay	\$ 205,250	\$ 166,038
Total Expenditures	\$ 108,301,536	\$ 106,814,501
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,087,796	\$ 3,474,763
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	(161,047)	(161,047)
NET CHANGE IN FUND BALANCE	\$ 926,749	\$ 3,313,716
FUND BALANCE - JULY 1, 2019		52,544,305
FUND BALANCE - JUNE 30, 2020		\$ 55,858,021

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 11,374,773	\$ 11,362,449
Earnings on Investments	200,000	252,339
Other Local Sources	310,000	311,949
State Aid		
School Infrastructure - Maintenance	-	50,000
Total Revenues	\$ 11,884,773	\$ 11,976,737
EXPENDITURES		
Support Services		
Operations and Maintenance		
Salaries	\$ 1,128,295	\$ 1,100,942
Employee Benefits	197,410	179,370
Purchased Services	3,363,764	2,909,026
Supplies and Materials	2,090,346	2,037,629
Other Objects	45,000	1,776
Non-Capitalized Equipment	125,000	50,776
Termination Benefits	-	3,242
Total Support Services - Operations and Maintenance	\$ 6,949,815	\$ 6,282,761
Total Support Services	\$ 6,949,815	\$ 6,282,761
Capital Outlay		
Support Services		
Operations and Maintenance	\$ 40,000	\$ 33,240
Total Capital Outlay	\$ 40,000	\$ 33,240
Total Expenditures	\$ 6,989,815	\$ 6,316,001
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 4,894,958	\$ 5,660,736
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	(11,202,996)	(10,728,629)
NET CHANGE IN FUND BALANCE	\$ (6,308,038)	\$ (5,067,893)
FUND BALANCE - JULY 1, 2019		15,809,562
FUND BALANCE - JUNE 30, 2020		\$ 10,741,669

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 1,269,389	\$ 1,264,164
Transportation Fees	77,800	54,207
Earnings on Investments	110,000	78,854
State Aid		
Transportation	1,561,206	1,562,097
Total Revenues	\$ 3,018,395	\$ 2,959,322
EXPENDITURES		
Support Services		
Transportation		
Salaries	\$ 1,517,920	\$ 1,403,604
Employee Benefits	255,310	218,807
Purchased Services	2,087,200	1,847,110
Supplies and Materials	275,550	169,026
Other Objects	1,100	1,269
Non-Capitalized Equipment	10,000	854
Total Support Services - Transportation	\$ 4,147,080	\$ 3,640,670
Total Support Services	\$ 4,147,080	\$ 3,640,670
Capital Outlay		
Support Services		
Transportation	\$ 4,561,768	\$ 4,561,768
Total Capital Outlay	\$ 4,561,768	\$ 4,561,768
Total Expenditures	\$ 8,708,848	\$ 8,202,438
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (5,690,453)	\$ (5,243,116)
OTHER FINANCING SOURCES (USES)		
Sale or Compensation for Fixed Assets	-	3,791,460
NET CHANGE IN FUND BALANCE	\$ (5,690,453)	\$ (1,451,656)
FUND BALANCE - JULY 1, 2019		6,941,789
FUND BALANCE - JUNE 30, 2020		\$ 5,490,133

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts
REVENUES		
Property Taxes	\$ 1,741,560	\$ 1,732,287
Payments in Lieu of Taxes	90,000	90,000
Earnings on Investments	25,000	26,732
State Aid		
Career and Technical Education	2,126	3,106
Federal Aid		
Title I	2,054	2,060
Federal - Special Education	101,184	75,263
Title III - English Language Acquisition	1,486	2,698
Total Revenues	<u>\$ 1,963,410</u>	<u>\$ 1,932,146</u>
EXPENDITURES		
Instruction		
Regular Programs		
Employee Benefits	\$ 275,177	\$ 436,845
Pre-K Programs		
Employee Benefits	144,049	-
Special Education Programs		
Employee Benefits	311,336	290,686
Special Education Programs Pre-K		
Employee Benefits	20,258	20,746
CTE Programs		
Employee Benefits	12,850	12,984
Interscholastic Programs		
Employee Benefits	45,755	43,589
Summer School Programs		
Employee Benefits	14,666	8,160
Gifted Programs		
Employee Benefits	5,650	4,973
Driver's Education Programs		
Employee Benefits	4,420	4,442
Bilingual Programs		
Employee Benefits	31,748	32,757
Total Instruction	<u>\$ 865,909</u>	<u>\$ 855,182</u>
Support Services		
Pupil		
Attendance and Social Work Services		
Employee Benefits	\$ 16,975	\$ 15,923
Guidance Services		
Employee Benefits	30,501	29,364
Health Services		
Employee Benefits	133,445	124,086
Psychological Services		
Employee Benefits	12,147	11,033
Speech Pathology and Audiology Services		
Employee Benefits	15,268	14,013
Total Support Services - Pupil	<u>\$ 208,336</u>	<u>\$ 194,419</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 2,561	\$ 977
Educational Media Services		
Employee Benefits	36,439	36,007
Total Support Services - Instructional Staff	\$ 39,000	\$ 36,984
General Administration		
Executive Administration Services		
Employee Benefits	\$ 12,900	\$ 13,550
Special Area Administrative Services		
Employee Benefits	19,966	21,819
Total Support Services - General Administration	\$ 32,866	\$ 35,369
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 144,457	\$ 141,090
Total Support Services - School Administration	\$ 144,457	\$ 141,090
Business		
Direction of Business Support Services		
Employee Benefits	\$ 3,100	\$ 3,009
Fiscal Services		
Employee Benefits	51,000	36,006
Total Support Services - Business	\$ 54,100	\$ 39,015
Operations and Maintenance		
Employee Benefits	\$ 171,340	\$ 171,508
Total Support Services - Operations and Maintenance	\$ 171,340	\$ 171,508
Transportation		
Employee Benefits	\$ 211,600	\$ 202,919
Total Support Services - Transportation	\$ 211,600	\$ 202,919
Central		
Direction of Central Support Services		
Employee Benefits	\$ 35,450	\$ 37,050
Information Services		
Employee Benefits	25,656	26,026
Staff Services		
Employee Benefits	63,665	60,815
Data Processing Services		
Employee Benefits	177,575	173,721
Total Support Services - Central	\$ 302,346	\$ 297,612
Other Support Services		
Employee Benefits	\$ 6,050	\$ 13,220
Total Support Services - Other Support Services	\$ 6,050	\$ 13,220
Total Support Services	\$ 1,170,095	\$ 1,132,136

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Community Services		
Employee Benefits	\$ 2,985	\$ 6,600
Total Community Services	\$ 2,985	\$ 6,600
 Total Expenditures	 \$ 2,038,989	 \$ 1,993,918
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$ (75,579)	 \$ (61,772)
 OTHER FINANCING SOURCES (USES)	 -	 -
 NET CHANGE IN FUND BALANCE	 \$ (75,579)	 \$ (61,772)
 FUND BALANCE - JULY 1, 2019		 1,775,507
 FUND BALANCE - JUNE 30, 2020		 \$ 1,713,735

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

NOTE 1 - BUDGETARY PROCESS

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 26, 2019 and was not amended. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

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

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

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

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2020 there were no funds presented as Required Supplementary Information where the expenditures exceeded the budget.

SUPPLEMENTAL FINANCIAL INFORMATION

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 COMBINING BALANCE SHEET
 GENERAL FUND
 JUNE 30, 2020

	Educational Fund	Working Cash Fund	General Fund Total
ASSETS			
Cash and Cash Equivalents	\$ 45,641,753	\$ 2,909,936	\$ 48,551,689
Investments, at Fair Value	8,958,137	603,820	9,561,957
Interest Receivable, net of allowance of \$0	47,497	3,227	50,724
Taxes Receivable, net of allowance of \$0	36,368,476	148,692	36,517,168
Due from Other Governments, net of allowance of \$0	902,537	-	902,537
Prepaid Items	487,330	-	487,330
Total Assets	\$ 92,405,730	\$ 3,665,675	\$ 96,071,405
LIABILITIES			
Accounts Payable	\$ 233,030	\$ -	\$ 233,030
Accrued Expenditures	7,614	-	7,614
Payroll Liabilities	8,456,267	-	8,456,267
Unearned Revenue	148,452	-	148,452
Total Liabilities	\$ 8,845,363	\$ -	\$ 8,845,363
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 31,240,164	\$ 127,857	\$ 31,368,021
Total Deferred Inflows of Resources	\$ 31,240,164	\$ 127,857	\$ 31,368,021
FUND BALANCE			
Nonspendable			
Prepaid Expenses	\$ 487,330	\$ -	\$ 487,330
Assigned			
Health Insurance Funds	1,891,428	-	1,891,428
Unassigned	49,941,445	3,537,818	53,479,263
Total Fund Balance	\$ 52,320,203	\$ 3,537,818	\$ 55,858,021
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 92,405,730	\$ 3,665,675	\$ 96,071,405

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

	Educational Fund	Working Cash Fund	General Fund Total
REVENUES			
Property Taxes	\$ 62,703,220	\$ 244,180	\$ 62,947,400
Payments in Lieu of Taxes	173,440	-	173,440
Tuition	266,088	-	266,088
Earnings on Investments	843,870	56,256	900,126
Food Services	1,221,065	-	1,221,065
District/School Activity Income	979,183	-	979,183
Textbooks	121,911	-	121,911
Other Local Sources	729,155	-	729,155
State Aid	5,083,188	-	5,083,188
Federal Aid	2,121,210	-	2,121,210
State Retirement Contributions	35,746,498	-	35,746,498
Total Revenues	\$ 109,988,828	\$ 300,436	\$ 110,289,264
EXPENDITURES			
Current			
Instruction			
Regular Programs	\$ 31,201,547	\$ -	\$ 31,201,547
Pre-K Programs	7,117	-	7,117
Special Education Programs	9,817,037	-	9,817,037
Special Education Programs Pre-K	341,354	-	341,354
Other Instructional Programs	6,061,649	-	6,061,649
State Retirement Contributions	35,746,498	-	35,746,498
Support Services			
Pupil	5,572,029	-	5,572,029
Instructional Staff	1,961,683	-	1,961,683
General Administration	1,938,192	-	1,938,192
School Administration	4,622,672	-	4,622,672
Business	780,455	-	780,455
Transportation	2,849	-	2,849
Food Services	1,405,142	-	1,405,142
Internal Services	14,480	-	14,480
Central	6,339,972	-	6,339,972
Other Support Services	267,723	-	267,723
Community Services	96,424	-	96,424
Intergovernmental Payments			
Payments to Other Districts and Governmental Units	471,640	-	471,640
Debt Services			
Capital Outlay	166,038	-	166,038
Total Expenditures	\$ 106,814,501	\$ -	\$ 106,814,501
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,174,327	\$ 300,436	\$ 3,474,763
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	(161,047)	-	(161,047)
NET CHANGE IN FUND BALANCES	\$ 3,013,280	\$ 300,436	\$ 3,313,716
FUND BALANCE - JULY 1, 2019	49,306,923	3,237,382	52,544,305
FUND BALANCE - JUNE 30, 2020	\$ 52,320,203	\$ 3,537,818	\$ 55,858,021

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts	Actual Amounts
	Original and Final	
REVENUES		
Property Taxes	\$ 63,339,733	\$ 62,703,220
Payments in Lieu of Taxes	190,000	173,440
Tuition	447,674	266,088
Earnings on Investments	850,000	843,870
Food Services	1,645,361	1,221,065
District/School Activity Income	2,891,200	979,183
Textbooks	125,000	121,911
Other Local Sources	604,043	729,155
State Aid		
General State Aid	4,040,049	4,040,441
Special Education	750,000	983,336
Career and Technical Education	29,263	24,624
State Free Lunch and Breakfast	3,000	2,388
Driver Education	36,000	28,270
Other Restricted Revenue from State Sources	-	4,129
Federal Aid		
Food Service	177,000	239,515
Title I	117,812	226,972
Title IV	14,517	27,904
Federal Special Education	1,376,610	1,315,803
CTE - Perkins	14,306	16,284
Title III - English Language Acquisition	56,200	15,422
Title II - Teacher Quality	73,401	80,918
Medicaid Matching Funds - Administrative Outreach	62,000	72,274
Medicaid Matching Funds - Fee-for-Service Program	250,000	126,118
Other Federal Aid	10,000	-
State Retirement Contributions	32,000,000	35,746,498
Total Revenues	\$ 109,103,169	\$ 109,988,828
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 26,878,840	\$ 26,600,217
Employee Benefits	3,671,230	3,413,084
Purchased Services	442,002	335,814
Supplies and Materials	2,703,538	793,583
Other Objects	-	11,012
Non-Capitalized Equipment	27,908	47,837
	\$ 33,723,518	\$ 31,201,547
Pre-K Programs		
Supplies and Materials	\$ 1,000	\$ 6,230
Non-Capitalized Equipment	-	887
	\$ 1,000	\$ 7,117
Special Education Programs		
Salaries	\$ 6,061,924	\$ 5,823,554
Employee Benefits	774,700	715,446
Purchased Services	54,800	32,769
Supplies and Materials	70,000	55,589
Non-Capitalized Equipment	1,100	3,309
	\$ 6,962,524	\$ 6,630,667
Special Education Programs Pre-K		
Salaries	\$ 356,000	\$ 279,194
Employee Benefits	50,460	56,553
Supplies and Materials	10,200	5,607
	\$ 416,660	\$ 341,354
CTE Programs		
Salaries	\$ 1,064,900	\$ 1,063,432
Employee Benefits	149,347	137,051
Purchased Services	1,000	-
Supplies and Materials	62,000	48,949
Other Objects	381	-
Non-Capitalized Equipment	-	16,525
	\$ 1,277,628	\$ 1,265,957

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts	Actual Amounts
	Original and Final	Original and Final
EXPENDITURES (Continued)		
Instruction (Continued)		
Interscholastic Programs		
Salaries	\$ 1,590,762	\$ 1,521,176
Employee Benefits	22,973	19,909
Purchased Services	300,510	257,430
Supplies and Materials	229,050	191,059
Other Objects	29,400	30,242
Non-Capitalized Equipment	9,500	16,028
	<u>\$ 2,182,195</u>	<u>\$ 2,035,844</u>
Summer School Programs		
Salaries	\$ 440,200	\$ 301,727
Employee Benefits	13,399	12,405
Purchased Services	39,120	32,664
Supplies and Materials	52,500	26,740
	<u>\$ 545,219</u>	<u>\$ 373,536</u>
Gifted Programs		
Salaries	\$ 353,875	\$ 350,308
Employee Benefits	55,070	52,067
Supplies and Materials	700	297
	<u>\$ 409,645</u>	<u>\$ 402,672</u>
Driver's Education Programs		
Salaries	\$ 311,500	\$ 312,971
Employee Benefits	25,175	23,095
Purchased Services	3,500	2,572
Supplies and Materials	4,600	641
	<u>\$ 344,775</u>	<u>\$ 339,279</u>
Bilingual Programs		
Salaries	\$ 1,404,077	\$ 1,430,686
Employee Benefits	214,976	206,658
Purchased Services	1,500	299
Supplies and Materials	10,000	6,718
	<u>\$ 1,630,553</u>	<u>\$ 1,644,361</u>
Private Tuition		
Special Education Programs K-12		
Other Objects	\$ 4,051,000	\$ 3,186,370
	<u>\$ 4,051,000</u>	<u>\$ 3,186,370</u>
State Retirement Contributions	<u>\$ 32,000,000</u>	<u>\$ 35,746,498</u>
Total Instruction	<u>\$ 83,544,717</u>	<u>\$ 83,175,202</u>
Support Services		
Pupil		
Attendance and Social Work Services		
Salaries	\$ 1,136,200	\$ 1,125,235
Employee Benefits	176,906	167,004
Purchased Services	150	-
Supplies and Materials	14,000	7,869
	<u>\$ 1,327,256</u>	<u>\$ 1,300,108</u>
Guidance Services		
Salaries	\$ 798,060	\$ 795,495
Employee Benefits	116,868	102,002
Purchased Services	5,000	4,800
Supplies and Materials	10,500	9,846
	<u>\$ 930,428</u>	<u>\$ 912,143</u>
Health Services		
Salaries	\$ 982,363	\$ 930,237
Employee Benefits	108,720	95,330
Purchased Services	15,200	12,314
Supplies and Materials	17,000	19,178
Other Objects	500	-
Non-Capitalized Equipment	1,000	-
	<u>\$ 1,124,783</u>	<u>\$ 1,057,059</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts	Actual Amounts
	Original and Final	Original and Final
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupil (Continued)		
Psychological Services		
Salaries	\$ 784,997	\$ 771,056
Employee Benefits	106,036	99,418
Purchased Services	25,500	63,902
Supplies and Materials	5,000	5,065
	<u>\$ 921,533</u>	<u>\$ 939,441</u>
Speech Pathology and Audiology Services		
Salaries	\$ 993,482	\$ 991,897
Employee Benefits	149,281	141,932
Purchased Services	20,500	22,301
Supplies and Materials	9,000	7,803
Non-Capitalized Equipment	5,000	-
	<u>\$ 1,177,263</u>	<u>\$ 1,163,933</u>
Other Support Services - Pupil		
Purchased Services	\$ 23,000	\$ 199,345
Supplies and Materials	1,000	-
	<u>\$ 24,000</u>	<u>\$ 199,345</u>
Total Support Services - Pupil	<u>\$ 5,505,263</u>	<u>\$ 5,572,029</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 75,300	\$ 55,155
Employee Benefits	1,100	796
Purchased Services	797,556	682,002
Supplies and Materials	44,550	33,473
Non-Capitalized Equipment	2,000	-
	<u>\$ 920,506</u>	<u>\$ 771,426</u>
Educational Media Services		
Salaries	\$ 888,112	\$ 882,058
Employee Benefits	130,590	116,618
Purchased Services	2,000	1,564
Supplies and Materials	115,900	88,331
Non-Capitalized Equipment	1,500	-
	<u>\$ 1,138,102</u>	<u>\$ 1,088,571</u>
Assessment and Testing		
Salaries	\$ 3,000	\$ -
Employee Benefits	35	-
Purchased Services	85,000	93,686
Supplies and Materials	50,600	8,000
Non-Capitalized Equipment	5,000	-
	<u>\$ 143,635</u>	<u>\$ 101,686</u>
Total Support Services - Instructional Staff	<u>\$ 2,202,243</u>	<u>\$ 1,961,683</u>
General Administration		
Board of Education Services		
Purchased Services	\$ 414,000	\$ 248,920
Supplies and Materials	6,000	1,659
Other Objects	20,500	30,572
	<u>\$ 440,500</u>	<u>\$ 281,151</u>
Executive Administration Services		
Salaries	\$ 258,000	\$ 264,886
Employee Benefits	77,125	76,216
Purchased Services	21,000	23,817
Supplies and Materials	2,750	4,822
Other Objects	5,000	8,091
	<u>\$ 363,875</u>	<u>\$ 377,832</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts	Actual Amounts
	Original and Final	
EXPENDITURES (Continued)		
Support Services (Continued)		
Internal Services		
Purchased Services	\$ 20,200	\$ 14,480
Total Support Services - Internal Services	<u>\$ 20,200</u>	<u>\$ 14,480</u>
Central		
Planning, Research, Development and Evaluation Services		
Salaries	\$ 1,250,500	\$ 1,312,073
Employee Benefits	292,670	252,840
Purchased Services	196,500	253,325
Supplies and Materials	500	-
Other Objects	1,500	553
Termination Benefits	13,800	13,780
	<u>\$ 1,755,470</u>	<u>\$ 1,832,571</u>
Information Services		
Salaries	\$ 166,500	\$ 170,171
Employee Benefits	37,645	37,090
Purchased Services	98,500	94,402
Supplies and Materials	21,500	12,696
Other Objects	750	447
Non-Capitalized Equipment	4,000	8,087
	<u>\$ 328,895</u>	<u>\$ 322,893</u>
Staff Services		
Salaries	\$ 408,582	\$ 395,783
Employee Benefits	132,261	123,389
Purchased Services	155,500	196,747
Supplies and Materials	6,500	6,225
Other Objects	3,500	771
	<u>\$ 706,343</u>	<u>\$ 722,915</u>
Data Processing Services		
Salaries	\$ 1,063,800	\$ 1,093,655
Employee Benefits	140,445	125,220
Purchased Services	545,000	437,623
Supplies and Materials	660,000	586,264
Other Objects	2,000	318
Non-Capitalized Equipment	1,200,000	1,197,126
Termination Benefits	5,000	21,387
	<u>\$ 3,616,245</u>	<u>\$ 3,461,593</u>
Total Support Services - Central	<u>\$ 6,406,953</u>	<u>\$ 6,339,972</u>
Other Support Services		
Salaries	\$ 61,000	\$ 80,932
Employee Benefits	8,481	8,507
Purchased Services	137,763	177,590
Supplies and Materials	-	694
Total Support Services - Other Support Services	<u>\$ 207,244</u>	<u>\$ 267,723</u>
Total Support Services	<u>\$ 23,749,049</u>	<u>\$ 22,905,197</u>
Community Services		
Salaries	\$ 68,500	\$ 65,479
Employee Benefits	3,644	3,144
Purchased Services	19,176	17,702
Supplies and Materials	10,500	7,774
Other Objects	2,200	2,325
Total Community Services	<u>\$ 104,020</u>	<u>\$ 96,424</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Intergovernmental Payments		
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Regular Programs		
Other Objects	\$ 257,000	\$ 192,213
Payments for Special Education Programs		
Other Objects	441,500	279,427
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	\$ 698,500	\$ 471,640
Total Intergovernmental Payments	\$ 698,500	\$ 471,640
Capital Outlay		
Instruction		
Regular Programs	\$ 15,000	\$ -
Other Instructional Programs	55,250	-
Support Services		
Food Services	35,000	41,875
Central	100,000	124,163
Total Capital Outlay	\$ 205,250	\$ 166,038
Total Expenditures	\$ 108,301,536	\$ 106,814,501
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 801,633	\$ 3,174,327
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	(161,047)	(161,047)
NET CHANGE IN FUND BALANCE	\$ 640,586	\$ 3,013,280
FUND BALANCE - JULY 1, 2019		49,306,923
FUND BALANCE - JUNE 30, 2020		\$ 52,320,203

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - WORKING CASH FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 241,163	\$ 244,180
Earnings on Investments	45,000	56,256
Total Revenues	\$ 286,163	\$ 300,436
EXPENDITURES	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 286,163	\$ 300,436
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 286,163	\$ 300,436
FUND BALANCE - JULY 1, 2019		3,237,382
FUND BALANCE - JUNE 30, 2020		\$ 3,537,818

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 8,056,217	\$ 8,008,990
Earnings on Investments	85,000	73,293
Total Revenues	\$ 8,141,217	\$ 8,082,283
EXPENDITURES		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ 5,515,605	\$ 5,515,545
Total Debt Services - Interest	\$ 5,515,605	\$ 5,515,545
Debt Services		
Payments of Principal on Long-Term Debt		
Other Objects	\$ 3,770,462	\$ 3,770,462
Total Debt Services - Payment of Principal on Long-Term Debt	\$ 3,770,462	\$ 3,770,462
Debt Services		
Other		
Purchased Services	\$ 1,500	\$ 604
Other Objects	350,750	276,741
Total Debt Services - Other	\$ 352,250	\$ 277,345
Total Debt Services	\$ 9,638,317	\$ 9,563,352
Total Expenditures	\$ 9,638,317	\$ 9,563,352
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,497,100)	\$ (1,481,069)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	\$ 364,043	\$ 385,251
Principal on Bonds Sold	350,000	276,741
Total Other Financing Sources (Uses)	\$ 714,043	\$ 661,992
NET CHANGE IN FUND BALANCE	\$ (783,057)	\$ (819,077)
FUND BALANCE - JULY 1, 2019		7,865,101
FUND BALANCE - JUNE 30, 2020		\$ 7,046,024

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	\$ 700,000	\$ 527,213
Other Local Sources	50,000	63,169
Total Revenues	\$ 750,000	\$ 590,382
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction		
Purchased Services	\$ 85,000	\$ 20,375
Other Objects	-	157,493
Total Support Services - Facilities Acquisition and Construction	\$ 85,000	\$ 177,868
Total Support Services	\$ 85,000	\$ 177,868
Capital Outlay		
Support Services		
Facilities Acquisition and Construction	\$ 51,950,000	\$ 34,128,950
Total Capital Outlay	\$ 51,950,000	\$ 34,128,950
Total Expenditures	\$ 52,035,000	\$ 34,306,818
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (51,285,000)	\$ (33,716,436)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	\$ 11,000,000	\$ 10,504,425
Principal on Bonds Sold	34,600,000	33,638,259
Premium on Bonds Sold	3,000,000	4,049,940
Other Uses	(200,000)	(87,022)
Total Other Financing Sources (Uses)	\$ 48,400,000	\$ 48,105,602
NET CHANGE IN FUND BALANCE	\$ (2,885,000)	\$ 14,389,166
FUND BALANCE - JULY 1, 2019		37,251,992
FUND BALANCE - JUNE 30, 2020		\$ 51,641,158

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 ACTIVITY FUNDS
 JUNE 30, 2020

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
A S S E T S				
Cash and Cash Equivalents	<u>\$ 119,328</u>	<u>\$ 85,304</u>	<u>\$ 124,513</u>	<u>\$ 80,119</u>
L I A B I L I T I E S				
Amount Due to Activity Lake Zurich High School	<u>\$ 119,328</u>	<u>\$ 85,304</u>	<u>\$ 124,513</u>	<u>\$ 80,119</u>

See Accompanying Independent Auditor's Report

ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2019 - 2020)

This schedule is completed for school districts only.

<u>Fund</u>	<u>Sheet, Row</u>	<u>ACCOUNT NO - TITLE</u>	<u>Amount</u>
OPERATING EXPENSE PER PUPIL			
EXPENDITURES:			
ED	Expenditures 15-22, L114	Total Expenditures	\$ 71,068,003
O&M	Expenditures 15-22, L151	Total Expenditures	6,316,001
DS	Expenditures 15-22, L174	Total Expenditures	9,563,352
TR	Expenditures 15-22, L210	Total Expenditures	8,202,438
MR/SS	Expenditures 15-22, L295	Total Expenditures	1,993,918
Total Expenditures			\$ 97,143,712
LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:			
TR	Revenues 9-14, L43, Col F	1412 Regular - Transp Fees from Other Districts (In State)	\$ 8,367
ED	Expenditures 15-22, L7, Col K - (G+I)	1125 Pre-K Programs	6,230
ED	Expenditures 15-22, L9, Col K - (G+I)	1225 Special Education Programs Pre-K	341,354
ED	Expenditures 15-22, L15, Col K - (G+I)	1600 Summer School Programs	373,536
ED	Expenditures 15-22, L22, Col K	1912 Special Education Programs K-12 - Private Tuition	3,186,370
ED	Expenditures 15-22, L75, Col K - (G+I)	3000 Community Services	96,424
ED	Expenditures 15-22, L102, Col K	4000 Total Payments to Other Govt Units	471,640
ED	Expenditures 15-22, L114, Col G	- Capital Outlay	166,038
ED	Expenditures 15-22, L114, Col I	- Non-Capitalized Equipment	1,300,191
O&M	Expenditures 15-22, L151, Col G	- Capital Outlay	33,240
O&M	Expenditures 15-22, L151, Col I	- Non-Capitalized Equipment	50,776
DS	Expenditures 15-22, L170, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt	3,770,462
TR	Expenditures 15-22, L210, Col G	- Capital Outlay	4,561,768
TR	Expenditures 15-22, L210, Col I	- Non-Capitalized Equipment	854
MR/SS	Expenditures 15-22, L218, Col K	1225 Special Education Programs - Pre-K	20,746
MR/SS	Expenditures 15-22, L224, Col K	1600 Summer School Programs	8,160
MR/SS	Expenditures 15-22, L280, Col K	3000 Community Services	6,600
Total Deductions for OEPP Computation (Sum of Lines 18 - 76)			\$ 14,402,756
Total Operating Expenses Regular K-12 (Line 14 minus Line 77)			82,740,956
9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2019-2020			5,217.70
Estimated OEPP (Line 78 divided by Line 79)			\$ 15,857.74

PER CAPITA TUITION CHARGE			
LESS OFFSETTING RECEIPTS/REVENUES:			
TR	Revenues 9-14, L42, Col F	1411 Regular -Transp Fees from Pupils or Parents (In State)	\$ 12,321
TR	Revenues 9-14, L45, Col F	1415 Regular - Transp Fees from Co-curricular Activities (In State)	33,519
ED	Revenues 9-14, L75, Col C	1600 Total Food Service	1,221,065
ED-O&M	Revenues 9-14, L82, Col C,D	1700 Total District/School Activity Income	979,183
ED	Revenues 9-14, L88, Col C	1821 Sales - Regular Textbooks	1,044
ED	Revenues 9-14, L92, Col C	1890 Other (Describe & Itemize)	120,867
ED-O&M	Revenues 9-14, L95, Col C,D	1910 Rentals	262,967
ED	Revenues 9-14, L106, Col C	1993 Other Local Fees (Describe & Itemize)	134,140
ED-O&M-TR	Revenues 9-14, L132, Col C,D,F	3100 Total Special Education	983,336
ED-O&M-MR/SS	Revenues 9-14, L141, Col C,D,G	3200 Total Career and Technical Education	27,730
ED	Revenues 9-14, L146, Col C	3360 State Free Lunch & Breakfast	2,388
ED-O&M	Revenues 9-14, L148, Col C,D	3370 Driver Education	28,270
ED-O&M-TR-MR/SS	Revenues 9-14, L155, Col C,D,F,G	3500 Total Transportation	1,562,097
O&M	Revenues 9-14, L167, Col D	3925 School Infrastructure - Maintenance Projects	50,000
ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L168, Col C-G,J	3999 Other Restricted Revenue from State Sources	4,129
ED-MR/SS	Revenues 9-14, L198, Col C,G	4200 Total Food Service	239,515
ED-O&M-TR-MR/SS	Revenues 9-14, L204, Col C,D,F,G	4300 Total Title I	229,032
ED-O&M-TR-MR/SS	Revenues 9-14, L209, Col C,D,F,G	4400 Total Title IV	27,904
ED-O&M-TR-MR/SS	Revenues 9-14, L213, Col C,D,F,G	4620 Fed - Spec Education - IDEA - Flow Through	958,121
ED-O&M-TR-MR/SS	Revenues 9-14, L214, Col C,D,F,G	4625 Fed - Spec Education - IDEA - Room & Board	415,745
ED-O&M-MR/SS	Revenues 9-14, L221, Col C,D,G	4700 Total CTE - Perkins	16,284
ED-TR-MR/SS	Revenues 9-14, L256, Col C,F,G	4909 Title III - Language Inst Program - Limited Eng (LIPLEP)	18,120
ED-O&M-TR-MR/SS	Revenues 9-14, L259, Col C,D,F,G	4932 Title II - Teacher Quality	80,918
ED-O&M-TR-MR/SS	Revenues 9-14, L263, Col C,D,F,G	4991 Medicaid Matching Funds - Administrative Outreach	72,274
ED-O&M-TR-MR/SS	Revenues 9-14, L264, Col C,D,F,G	4992 Medicaid Matching Funds - Fee-for-Service Program	126,118
ED-TR-MR/SS	Revenues (Part of EBF Payment)	3100 Special Education Contributions from EBF Funds **	1,709,410
ED-MR/SS	Revenues (Part of EBF Payment)	3300 English Learning (Bilingual) Contributions from EBF Funds ***	73,168
Total Deductions for PCTC Computation Line 85 through Line 173			\$ 9,389,665
Net Operating Expense for Tuition Computation (Line 78 minus Line 175)			73,351,291
Total Depreciation Allowance (from page 26, Line 18, Col I)			4,585,813
Total Allowance for PCTC Computation (Line 176 plus Line 177)			77,937,104
9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2019-2020			5,217.70
Total Estimated PCTC (Line 178 divided by Line 179) *			\$ 14,937.06

* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE

ence Based Funding Link: <https://www.isbe.net/Pages/ebfdistribution.aspx>

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Education
Lake Zurich Community Unit School District No. 95
Lake Zurich, Illinois

Report on Compliance for Each Major Federal Program

We have audited

Lake Zurich Community Unit School District No. 95's

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lake Zurich Community Unit School District No. 95's major federal programs for the year ended June 30, 2020. Lake Zurich Community Unit School District No. 95's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lake Zurich Community Unit School District No. 95's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lake Zurich Community Unit School District No. 95's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lake Zurich Community Unit School District No. 95's compliance.

Opinion on Each Major Federal Program

In our opinion, Lake Zurich Community Unit School District No. 95 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

eder, casey & co

Report on Internal Control Over Compliance

Management of Lake Zurich Community Unit School District No. 95 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lake Zurich Community Unit School District No. 95's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lake Zurich Community Unit School District No. 95's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 8, 2020

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/18-6/30/19 (C)	Year 7/1/19-6/30/20 (D)	Year 7/1/18-6/30/19 (E)	Year 7/1/18-6/30/19 Pass through to Subrecipients (F)	Year 7/1/19-6/30/20 (G)			
CHILD NUTRITION CLUSTER										
U.S. Department of Agriculture Passed Through									0	
U.S. Department of Defense:									0	
Food Donation Program	10.555	20-4299-00		21,247			21,247		21,247	N/A
									0	
U.S. Department of Agriculture Passed Through									0	
Illinois State Board of Education:									0	
Food Donation Program	10.555	20-4299-00		35,278			35,278		35,278	N/A
National School Lunch Program *	10.555	19-4210-00	156,380	29,266	156,380		29,266		185,646	N/A
National School Lunch Program *	10.555	20-4210-00		118,554			118,554		118,554	N/A
Subtotal - CFDA "10.555"			156,380	204,345	156,380		204,345		360,725	
School Breakfast Program*	10.553	20-4220-00		2,607			2,607		2,607	N/A
Summer Food Program*	10.559	20-4225-00		89,088			89,088		89,088	N/A
Total Child Nutrition Cluster			156,380	296,040	156,380		296,040		452,420	
Subtotal - CFDA "10"			156,380	296,040	156,380		296,040		452,420	

• (M) Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

⁴ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

^{*} The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/18-6/30/19 (C)	Year 7/1/19-6/30/20 (D)	Year 7/1/18-6/30/19 (E)	Year 7/1/18-6/30/19 Pass through to Subrecipients (F)	Year 7/1/19-6/30/20 Pass through to Subrecipients			
U.S. Department of Education Passed Through									0	
Illinois State Board of Education:									0	
Title I - Low Income **	84.010	19-4300-00	240,125	71,713	240,125		71,713		311,838	332,231
Title I - Low Income **	84.010	20-4300-00		157,319			157,319		157,319	236,605
Subtotal - CFDA "84.010"			240,125	229,032	240,125		229,032		469,157	
Title IV - Student Support & Academic Enrich**	84.424A	19-4400-00	5,091	7,364	5,091		7,364		12,455	25,769
Title IV - Student Support & Academic Enrich**	84.424A	20-4400-00		20,540			20,540		20,540	29,673
Subtotal - CFDA "84.424A"			5,091	27,904	5,091		27,904		32,995	
SPECIAL EDUCATION CLUSTER										
Special Education - Grants to States (M)**	84.027	19-4620-00	973,697	47,641	973,697		47,641		1,021,338	1,081,300
Special Education - Grants to States (M)	84.027	20-4620-00		910,480			910,480	22,101	932,581	1,055,095
Fed. - Sp. Ed - I.D.E.A. - Room & Board (M)**	84.027	19-4625-00	206,700	89,477	206,700		89,477		296,177	N/A
Fed. - Sp. Ed - I.D.E.A. - Room & Board (M)**	84.027	20-4625-00		291,813			291,813		291,813	N/A
Fed. - Sp. Ed - I.D.E.A. - Room & Board (M)**	84.027	19-4625-XC		34,455			34,455		34,455	N/A
Subtotal - CFDA "84.027"			1,180,397	1,373,866	1,180,397		1,373,866	22,101	2,576,364	
Special Education - Preschool (M)	84.173	20-4600-00		17,200			17,200		17,200	26,000
Total Special Education Cluster (M)			1,180,397	1,391,066	1,180,397		1,391,066	22,101	2,593,564	

• (M) Program was audited as a major program as defined by §200.518.

*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

⁴ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

⁴ When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

⁷ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/18-6/30/19 (C)	Year 7/1/19-6/30/20 (D)	Year 7/1/18-6/30/19 (E)	Year 7/1/18-6/30/19 Pass through to Subrecipients	Year 7/1/19-6/30/20 (F)	Year 7/1/19-6/30/20 Pass through to Subrecipients			
U.S. Department of Education Passed Through										0	
Illinois State Board of Education:										0	
Title III - Lang Inst Prog - Limited English LIPLEP**	84.365	19-4909-00	48,216	8,524	48,216			8,524		56,740	56,740
Title III - Lang Inst Prog - Limited English LIPLEP**	84.365	20-4909-00		9,596				9,596		9,596	56,200
Subtotal - CFDA "84.365"			48,216	18,120	48,216			18,120		66,336	
Title II - Teacher Quality**	84.367	20-4932-00		80,918				80,918		80,918	85,618
										0	
U.S. Department of Education Passed Through											
Lake County Area Vocational System:										0	
V.E. Perkins - Title IIC - Secondary	84.048	20-4745-00		16,284				16,284		16,284	16,432
										0	
Subtotal - CFDA "84"			1,473,829	1,763,324	1,473,829			1,763,324	22,101	3,259,254	
MEDICAID CLUSTER										0	
U.S. Department of Health and Human Services										0	
Passed Through Illinois Dept of Healthcare & Family Services										0	
Medicaid Matching Funds - Administrative Outreach	93.778	20-4991-00		75,286				75,286		75,286	N/A
Total Medicaid Cluster				75,286				75,286		75,286	
Subtotal - CFDA "93"				75,286				75,286		75,286	
Total Federal Assistance			1,630,209	2,134,650	1,630,209			2,134,650	22,101	3,786,960	
* Project End Date is 9/30											
**Project End Date is 8/31										0	

• (M) Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

⁴ When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

ⁿ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of Lake Zurich Community Unit School District No. 95 under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, and used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2020.

NOTE 5 - FEDERAL LOANS

There were no federal loans or loan guarantees outstanding at year end.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

- 1) Summary of auditor's results:
 - a) The auditor's report expresses an unmodified opinion on whether the financial statements of Lake Zurich Community Unit School District No. 95 were prepared in accordance with GAAP.
 - b) No significant deficiencies are reported during the audit of the financial statements. No material weaknesses are reported.
 - c) No instances of noncompliance material to the financial statements of Lake Zurich Community Unit School District No. 95, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
 - d) No significant deficiencies in internal control over major federal programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.
 - e) The auditor's report on compliance for the major federal award programs for Lake Zurich Community Unit School District No. 95 expresses as an unmodified opinion on all major federal programs.
 - f) There are no audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a).
 - g) The program tested as a major program was: Special Education Cluster - CFDA numbers 84.027 and 84.173.
 - h) The threshold used for distinguishing between Type A and Type B programs was \$750,000.
 - i) Lake Zurich Community Unit School District No. 95 was determined to be a low-risk auditee.
- 2) There were no findings relating to the financial statements which are required to be reported.
- 3) There were no findings and questioned costs for federal awards which are required to be reported.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2020 N/A 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

For ISBE Review

Date: _____ Resolution Criteria Code Number _____
Initials: _____ Disposition of Questioned Costs Code Letter _____

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See §200.521 *Management decision* for additional guidance on reporting management's response.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2020

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2020 N/A 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

For ISBE Review	
Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

¹⁴ See footnote 11.
¹⁵ Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).
¹⁶ Identify questioned costs as required by §200.516 (a)(3 - 4).
¹⁷ See footnote 12.
¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2020

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
NONE		

When possible, all prior findings should be on the same page

¹⁹ Explanation of this schedule - Title 2 CFR §200.511 (b)

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.