

WEST AURORA SCHOOL DISTRICT 129

FINANCIAL STATEMENTS

June 30, 2020

(With Independent Auditor's Report Therein)

WEST AURORA SCHOOL DISTRICT 129

FINANCIAL STATEMENTS

June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Education
West Aurora School District 129
Aurora, 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 West Aurora School District 129 (the District), 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 entity'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 entity'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.

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 the District, as of June 30, 2020, and the respective changes in financial position 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, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedules of Employer Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedule of the District's Proportionate Share of the Net OPEB Liability and Budgetary Comparison Schedule as 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.

Supplementary 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 other supplementary 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 other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 other supplementary information is 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 February 5, 2021 on our consideration of the District'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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.


Crowe LLP

Oak Brook, Illinois
February 5, 2021

West Aurora School District 129

Management's Discussion and Analysis

For the Year Ended June 30, 2020

The discussion and analysis of West Aurora School District 129'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. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- 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, deferred inflows, deferred outflows and liabilities, 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 government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

West Aurora School District 129

Management's Discussion and Analysis

For the Year Ended June 30, 2020

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 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 school district'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 government'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 7 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, Bond & Interest, Transportation, IMRF & Social Security, Site and Construction and Health and Life Safety funds. Of these funds the following have been determined to be major: General, Operations and Maintenance, Bond and Interest, Transportation and Site and Construction. The General Fund includes the Education Account, Working Cash Account and Tort Account.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

West Aurora School District 129

Management's Discussion and Analysis

For the Year Ended June 30, 2020

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

District-Wide Financial Analysis

Table 1			
Condensed Statement of Net Position			
	<u>2020</u>	<u>2019</u>	<u>% Chg.</u>
Current & Other Assets	\$ 147,168,519	\$ 133,287,681	10.41%
Capital Assets	<u>174,350,747</u>	<u>172,780,279</u>	0.91%
Total Assets	<u>321,519,266</u>	<u>306,067,960</u>	5.05%
Deferred Outflows of Resources	<u>7,888,147</u>	<u>12,849,385</u>	-38.61%
Long-Term Debt Outstanding	247,406,008	261,320,611	-5.32%
Other Liabilities	<u>15,806,703</u>	<u>16,390,056</u>	-3.56%
Total Liabilities	<u>263,212,711</u>	<u>277,710,667</u>	-5.22%
Deferred Inflows of Resources	<u>77,494,888</u>	<u>77,559,484</u>	-0.08%
Net Position:			
Investment in Capital Assets	49,353,721	41,671,354	18.44%
Restricted	11,794,794	10,271,123	14.83%
Unrestricted	<u>(72,448,701)</u>	<u>(88,295,283)</u>	17.95%
Total Net Position	\$ (11,300,186)	\$ (36,352,806)	-68.92%

West Aurora School District 129
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Table 2
Changes in Net Position
Government-Wide

	<u>2020</u>	<u>2019</u>	<u>% Chg.</u>
Revenues:			
<i>Program Revenues</i>			
Charges for Services	\$ 2,190,233	\$ 2,306,595	-5.04%
Operating Grants & Contributions	94,607,441	86,819,304	8.97%
<i>General Revenues</i>			
Property Taxes	98,420,822	95,551,863	3.00%
State Aid - Formula Grants	61,714,193	57,054,848	8.17%
Other	<u>3,725,181</u>	<u>4,137,715</u>	-9.97%
Total Revenues	<u>260,657,870</u>	<u>245,870,325</u>	6.01%
Expenses:			
Instruction	88,372,704	88,318,613	0.06%
Pupil & Support Services	24,753,039	22,820,491	8.47%
Administration & Business	22,376,533	23,268,346	-3.83%
Transportation	9,420,060	8,607,369	9.44%
Operations & Maintenance	11,204,592	11,346,717	-1.25%
Other	<u>79,478,322</u>	<u>71,235,176</u>	11.57%
Total Expenses	<u>235,605,250</u>	<u>225,596,712</u>	4.44%
Increase (Decrease) in Net Position	\$ 25,052,620	\$ 20,273,613	23.57%

West Aurora School District 129

Management's Discussion and Analysis

For the Year Ended June 30, 2020

Table 3
FY 20 Operating Revenue & Expenditures vs. Prior Year
Fund Level

	<u>FY 20</u>	<u>FY 19</u>	<u>Variance</u> <u>Inc/(Dec)</u>	<u>% Chg.</u> <u>Inc/(Dec)</u>
Revenues:				
General – Educational	\$ 142,068,254	\$ 140,134,521	\$ 1,933,733	1.38%
General – Working Cash	-	-	-	N/A
Operation & Maintenance	19,001,643	15,657,898	3,343,745	21.36%
Debt Service	15,152,113	15,852,361	(700,248)	-4.42%
Transportation	9,568,163	10,389,820	(821,657)	-7.91%
IMRF / Soc. Sec.	5,041,502	4,424,417	617,085	13.95%
Site & Construction	42,579	373,111	(330,532)	-88.59%
Tort/Liability	118,496	3,028	115,468	3813.34%
Fire Prevention & Safety Fund	<u>273</u>	<u>293</u>	<u>(20)</u>	-6.83%
Total Revenue	<u>190,993,023</u>	<u>186,835,449</u>	<u>4,157,574</u>	2.23%
Expenditures:				
General – Educational	131,605,435	128,559,459	3,045,976	2.37%
General – Working Cash	-	-	-	N/A
Operation & Maintenance	16,887,439	14,922,023	1,965,416	13.17%
Debt Service	15,516,327	16,196,924	(680,597)	-4.20%
Transportation	10,889,487	8,371,850	2,517,637	30.07%
IMRF / Soc. Sec.	4,324,524	4,234,661	89,863	2.12%
Site & Construction	1,338,913	9,003,775	(7,664,862)	-85.13%
Tort/Liability	-	129,633	(129,633)	-100.00%
Fire Prevention & Safety Fund	<u>14,903</u>	<u>-</u>	<u>14,903</u>	N/A
Total Expenditures	<u>180,577,028</u>	<u>181,418,325</u>	<u>(841,297)</u>	-0.46%
Revenue +/- Expenditures:				
General – Educational	10,462,819	11,575,062	(1,112,243)	-9.61%
General – Working Cash	-	-	-	N/A
Operation & Maintenance	2,114,204	735,875	1,378,329	187.30%
Debt Service	(364,214)	(344,563)	(19,651)	5.70%
Transportation	(1,321,324)	2,017,970	(3,339,294)	-165.48%
IMRF / Soc. Sec.	716,978	189,756	527,222	277.84%
Site & Construction	(1,296,334)	(8,630,664)	7,334,330	-84.98%
Tort/Liability	118,496	(126,605)	245,101	-193.60%
Health & Life Safety	(14,630)	293	(14,923)	-5093.17%
Total Revenue +/- Expenditures	\$ 10,415,995	\$ 5,417,124	\$ 4,998,871	92.28%

West Aurora School District 129 Management's Discussion and Analysis For the Year Ended June 30, 2020

Financial Analysis of the District's Funds

General Fund - Educational Account – The total revenues for the General Fund Educational Account increased 1.38% while expenditures increased 2.37%.

43.30% of the General Fund Educational Account revenue is received from the state (excluding on-behalf payments). This fiscal year, the District's state funding increased by approximately \$2.55 million. The increase is primarily due to increases in the District's general state aid funding and in the Early Childhood Block Grant.

The increase in expenditures is primarily due to an increase in salaries. Support services expenditures increased by \$2.96 million in FY20.

General Fund - Working Cash Account – The District did not have activity in FY20 in the working cash account.

Operations & Maintenance Fund – The District saw an increase of \$1.97 million in direct expenditures in FY20 for projects at Freeman Elementary, Hill Elementary, Hall Elementary, and other buildings.

Bond and Interest Fund - The Bond and Interest Fund is supported by property tax levies established with the creation of the bond resolution which the Board of Education passed to issue bonds. The resolutions are filed with the County Clerk's Office, who has the responsibility to extend the proper amount.

Transportation Fund – The District's expenditures increased \$2.52 million in FY20 due to new bus leases being entered into in FY20. Transportation Directors continued their cost-savings work by combining routes, eliminating low-ridership bus stops and providing more services with District drivers. Transportation expenditure savings were realized as a result of remote education related to COVID-19.

IMRF/Social Security - The funding source for the IMRF/Social Security Fund is primarily the property tax levy, which funds retirement and Social Security taxes for employees.

West Aurora School District 129

Management's Discussion and Analysis

For the Year Ended June 30, 2020

Site and Construction - The Site and Construction Fund expenditures decreased by \$7.66 million in FY20 as the District wrapped up the capital projects approved by the 2015 referendum.

Fire Prevention and Safety Fund – Expenditures remained constant in FY20.

Capital Asset and Debt Administration

Table 4			
Capital Assets (Net of Depreciation)			
	<u>2020</u>	<u>2019</u>	<u>% Chg.</u>
Land	\$ 11,292,685	\$ 11,292,685	0.00%
Construction In Progress	-	16,425,151	-100.00%
Building / Land Improvements	150,716,193	133,086,666	13.25%
Machinery & Equipment	<u>12,341,869</u>	<u>11,975,777</u>	3.06%
Total	\$ 174,350,747	\$ 172,780,279	0.91%

Table 5			
Outstanding Long-Term Debt			
	<u>2020</u>	<u>2019</u>	<u>%Chg.</u>
General Obligation Bonds, net of premiums and discounts	\$ 107,987,359	\$ 119,160,963	-9.38%
QZA, QEC, and QSC Bonds	22,833,000	22,833,000	0.00%
Capital leases	5,413,710	5,316,476	1.83%
Other liabilities	<u>111,171,939</u>	<u>114,010,172</u>	-2.49%
Total	\$ 247,406,008	\$ 261,320,611	-5.32%

Capital Assets

The Board of Education has determined the capital asset threshold to be \$5,000. See Note 5 in the financial statements for additional information on capital assets.

Long-term debt

Long Term Debt – Normal principal and interest payments were made. The District acquired capital leases of \$3.23 million in FY20. See Note 6 in the financial statements for additional information.

West Aurora School District 129

Management's Discussion and Analysis

For the Year Ended June 30, 2020

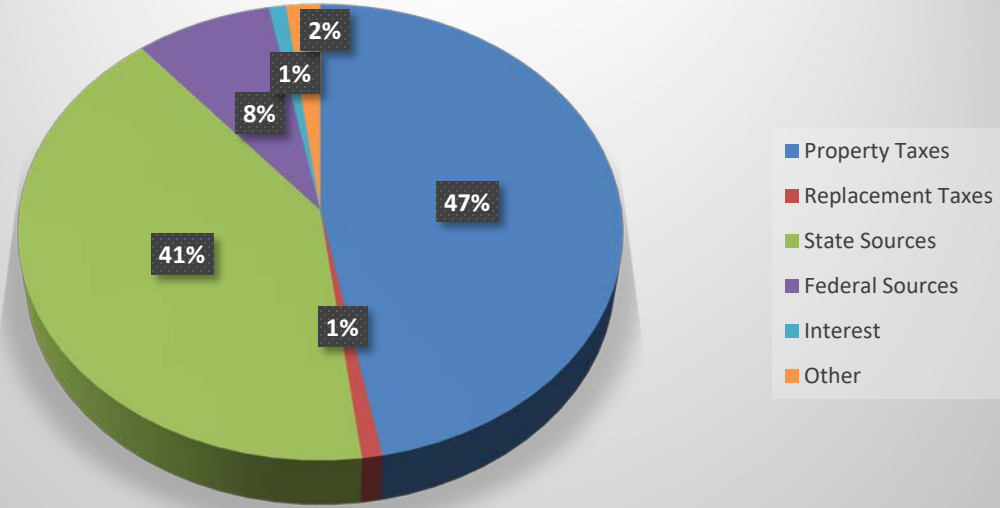
Budgetary Highlights

The Table below shows the districts operating funds budget versus actual. These funds are linked by their continued support from the District's property tax levy.

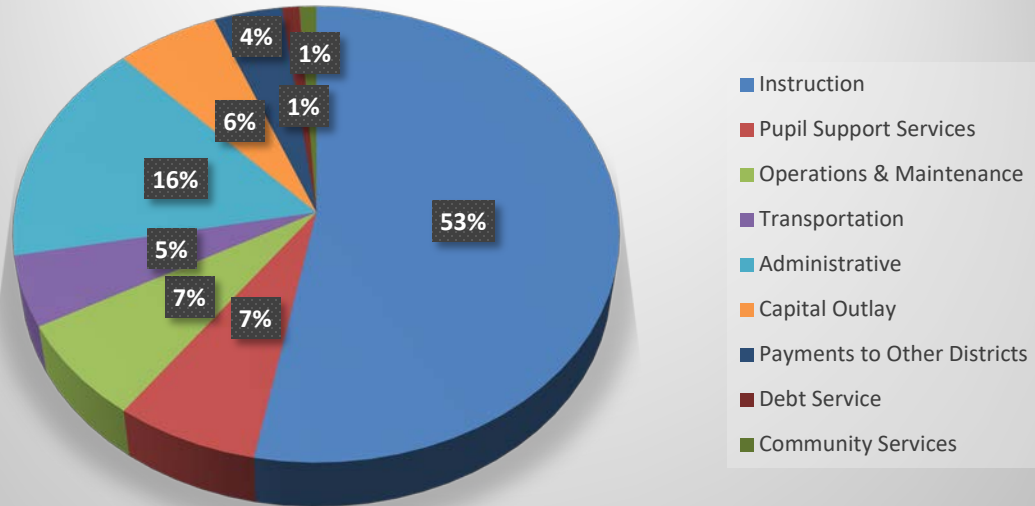
Table 6			
FY 20 Operating Revenue & Expenditures vs. Budget			
	<u>Budget</u>	<u>Actual</u>	<u>Inc/(Dec)</u>
Revenues:			
General – Educational	\$ 135,669,772	\$ 142,068,254	\$ 6,398,482
General – Working Cash	-	-	-
Operation & Maintenance	17,330,000	19,001,643	1,671,643
Transportation	9,000,000	9,568,163	568,163
IMRF / Soc. Sec.	4,900,000	5,041,502	141,502
Site & Construction	100,000	42,579	(57,421)
Tort / Liability	-	118,496	118,496
Total	<u>166,999,772</u>	<u>175,840,637</u>	<u>8,840,865</u>
Expenditures:			
General – Educational	135,551,309	131,605,435	3,945,874
General – Working Cash	-	-	-
Operation & Maintenance	16,815,348	16,887,439	(72,091)
Transportation	8,788,685	10,889,487	(2,100,802)
IMRF / Soc. Sec.	4,383,870	4,324,524	59,346
Site & Construction	3,000,000	1,338,913	1,661,087
Tort / Liability	-	-	-
Total	<u>168,539,212</u>	<u>165,045,798</u>	<u>3,493,414</u>
Total Revenue +/- Expenditures	\$ (1,539,440)	\$ 10,794,839	\$ 12,334,279

**West Aurora School District 129
Management's Discussion and Analysis
For the Year Ended June 30, 2020**

Revenues by Source - Operating Funds



Expenditures by Function - Operating Funds



West Aurora School District 129

Management's Discussion and Analysis

For the Year Ended June 30, 2020

The District is subject to the Property Tax Extension Limitation Law (PTELL), which limits the current year tax extension increase to the Consumer Price Index for all urban goods (CPI-U) or 5% whichever is lower, plus new construction. The tax levies for Education, Operations and Maintenance, and Special Education are limited by a maximum rate per fund. The District does not levy in the Working Cash Fund at this time, though it has the legal ability to do so.

Factors Bearing on the District's Future

As a result of COVID-19, on March 13, 2020 the District decided to shut down all of our schools and commenced e-learning for all of our students. This was a significant challenge for everyone involved, but the District worked hard to ensure staff and students remained engaged in learning. The District administration office was also closed, and staff had to adapt to a work-from-home environment. Students have also started the 2020-2021 school year learning remotely, while staff has been encouraged to safely return to buildings. The District will work diligently to have students safely return to District schools as soon as is feasible.

From a financial standpoint, the District continued to receive a majority of revenues as anticipated in the 2019-2020 budget. The only revenues which were negatively impacted were some local sources in food service and activity/athletic fees for canceled spring events. These make up a very small portion of the total District operating revenues. On the expenditure side, the District did have some substantial savings from having our buildings empty. The major sources of savings were utility savings, reduced overtime, not needing substitute teachers, and transportation expenses.

Moving into the 2020-2021 school year, COVID-19 remains a major concern at the District and state level. Evidence based funding is expected to remain at prior year levels, but local and state tax revenues continues to be negatively affected, which should put downward pressure on future revenues.

The other factors that may have a significant future impact on the District's finances are a possible freeze on property tax revenue and a change in the school funding formula.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, 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 Finance Department: West Aurora School District 129, 1877 W. Downer Place, Aurora IL 60506, or at (630) 301-5000 fax (630) 844-5710.

Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS	
Assets	
Cash	\$ 11,996,972
Investments	59,597,779
Restricted cash - insurance	1,173,642
Restricted investments - insurance	5,077,360
Restricted investments - debt service	380,000
Receivables (net of allowance for uncollectibles):	
Property Taxes	55,729,140
Intergovernmental	13,213,626
Capital Assets:	
Capital assets not being depreciated	11,292,685
Capital assets being depreciated, net	163,058,062
Total Assets	321,519,266
Deferred Outflows of Resources	
Pensions	4,202,284
OPEB	3,488,558
Unamortized refunding loss	197,305
Total Deferred Outflows of Resources	7,888,147
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Liabilities	
Accounts Payable	2,539,197
Salaries and Wages Payable	10,620,807
Claims Payable	536,644
Unearned Revenue	50,000
Interest Payable	2,060,055
Long-Term Liabilities:	
Long-term obligations, due within one year	14,694,328
Long-term obligations, due in more than one year	232,711,680
Total Liabilities	263,212,711
Deferred Inflows of Resources	
Pensions	12,872,144
OPEB	16,560,783
Unearned Property Taxes	48,061,961
Total Deferred Inflows of Resources	77,494,888
Net Position	
Net Investment in Capital Assets	49,353,721
Restricted for:	
Debt Service	7,418,163
Transportation	3,635,818
IMRF	740,539
Fire Prevention and Safety	274
Unrestricted	(72,448,701)
Total Net Position	\$ (11,300,186)

Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants, Contributions and Related Interest Income	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental activities:					
Instruction:					
Regular Programs	\$ 52,747,121	\$ 775,755	\$ 3,544,287	\$ -	\$ (48,427,079)
Special Programs	19,787,776	276,082	4,647,634	-	(14,864,060)
Other Instructional Programs	15,837,807	444,483	4,175,289	-	(11,218,035)
Support Services:					
Pupils	11,168,871	-	-	-	(11,168,871)
Instructional Staff	5,655,646	-	2,130,587	-	(3,525,059)
General Administration	1,326,867	-	-	-	(1,326,867)
School Administration	6,360,529	-	-	-	(6,360,529)
Business	14,689,137	519,410	6,136,354	-	(8,033,373)
Transportation	9,420,060	-	3,862,248	-	(5,557,812)
Operations and Maintenance	11,204,592	174,503	-	-	(11,030,089)
Central	6,614,732	-	-	-	(6,614,732)
Other Supporting Services	118,862	-	-	-	(118,862)
Community Services	1,194,928	-	207,850	-	(987,078)
Payments to Other Districts & Govt. Units	6,471,973	-	-	-	(6,471,973)
On Behalf Contributions	69,903,192	-	69,903,192	-	-
Interest on debt	3,103,157	-	-	-	(3,103,157)
Total Governmental Activities	\$ 235,605,250	\$ 2,190,233	\$ 94,607,441	\$ -	(138,807,576)
General revenues:					
Taxes:					
					75,354,844
					6,721,281
					14,078,137
					2,266,560
					61,714,193
					1,301,814
					2,423,367
Total General Revenues					163,860,196
Change in Net Position					25,052,620
Net Position, Beginning of the Year					(36,352,806)
Net Position, End of the Year					\$ (11,300,186)

Governmental Funds
Balance Sheet
June 30, 2020

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Operations and Maintenance Fund	Debt Service Fund	Transportation Fund	Site and Construction		
ASSETS							
Cash	\$ 6,843,378	\$ 1,452,508	\$ 2,878,907	\$ 114,017	\$ 139,279	\$ 836,341	\$ 12,264,430
Investments	47,764,112	2,905,115	5,107,444	2,536,037	1,711,249	274	60,024,231
Restricted cash - insurance	1,173,642	-	-	-	-	-	1,173,642
Restricted investments - insurance	5,077,360	-	-	-	-	-	5,077,360
Restricted investments - debt service	-	-	380,000	-	-	-	380,000
Receivables (net of allowance for uncollectibles):							
Property Taxes	35,770,548	7,070,271	8,081,637	2,403,342	-	2,403,342	55,729,140
Intergovernmental	6,978,767	285,412	-	5,949,447	-	-	13,213,626
Total Assets	\$ 103,607,807	\$ 11,713,306	\$ 16,447,988	\$ 11,002,843	\$ 1,850,528	\$ 3,239,957	\$ 147,862,429
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Cash Overdraft	\$ 267,458	\$ -	\$ -	\$ -	\$ -	\$ 426,452	\$ 693,910
Accounts Payable	1,312,857	1,163,269	-	31,071	32,000	-	2,539,197
Salaries and Wages Payable	10,186,774	-	-	434,033	-	-	10,620,807
Claims Payable	536,644	-	-	-	-	-	536,644
Unearned Revenue	-	50,000	-	-	-	-	50,000
Total Liabilities	12,303,733	1,213,269	-	465,104	32,000	426,452	14,440,558
Deferred Inflows of Resources:							
Unearned Property Taxes	30,849,259	6,097,548	6,969,770	2,072,692	-	2,072,692	48,061,961
Unavailable Grant Revenues	1,700,913	285,412	-	4,829,229	-	-	6,815,554
Total Deferred Inflows of Resources	32,550,172	6,382,960	6,969,770	6,901,921	-	2,072,692	54,877,515
Fund Balances:							
Restricted							
IMRF	-	-	-	-	-	740,539	740,539
Debt Service	-	-	9,478,218	-	-	-	9,478,218
QZAB Repayment	-	2,695,597	-	-	-	-	2,695,597
Transportation	-	-	-	3,635,818	-	-	3,635,818
Life Safety Construction Projects	-	-	-	-	-	274	274
Assigned							
Insurance	5,714,358	-	-	-	-	-	5,714,358
District Construction Projects	-	1,421,480	-	-	1,818,528	-	3,240,008
Unassigned	53,039,544	-	-	-	-	-	53,039,544
Total Fund Balances	58,753,902	4,117,077	9,478,218	3,635,818	1,818,528	740,813	78,544,356
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 103,607,807	\$ 11,713,306	\$ 16,447,988	\$ 11,002,843	\$ 1,850,528	\$ 3,239,957	\$ 147,862,429

Reconciliation of Governmental Funds Balance Sheet
To Statement of Net Position
June 30, 2020

Total Fund Balances - Governmental Funds		\$ 78,544,356
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
Capital Assets	\$ 244,332,442	
Accumulated Depreciation	<u>(69,981,695)</u>	
Net Capital Assets		174,350,747
<p>Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :</p>		
Long Term liabilities payable	(247,406,008)	
Interest Payable	<u>(2,060,055)</u>	
Total Long-term liabilities		(249,466,063)
<p>When refunding bonds are issued, any refunding loss or gain is recognized in the government-wide statements and amortized.</p>		
		197,305
<p>Certain items related to pension and OPEB measurements are deferred and recognized in future periods:</p>		
Deferred Outflows of Resources - Pension	4,202,284	
Deferred Outflows of Resources - OPEB	3,488,558	
Deferred Inflows of Resources - Pension	(12,872,144)	
Deferred Inflows of Resources - OPEB	<u>(16,560,783)</u>	
		(21,742,085)
<p>Some of the state revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds:</p>		
State Revenues unavailable in funds		<u>6,815,554</u>
Net Position of Governmental Activities		<u>\$ (11,300,186)</u>

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2020

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Operations and Maintenance Fund	Debt Service Fund	Transportation Fund	Site and Construction		
Revenues							
Property Taxes	\$ 61,672,213	\$ 12,142,200	\$ 14,078,137	\$ 4,120,879	\$ -	\$ 4,140,833	\$ 96,154,262
Replacement Taxes	1,366,560	-	-	-	-	900,000	2,266,560
State Sources	61,628,774	5,500,000	-	5,404,077	-	-	72,532,851
Federal Sources	14,123,936	-	-	-	-	-	14,123,936
Interest	1,232,495	-	2,342	672	42,579	942	1,279,030
Other	2,162,772	1,359,443	1,071,634	42,535	-	-	4,636,384
On-behalf Payments from State	9,716,643	-	-	-	-	-	9,716,643
Total Revenues	151,903,393	19,001,643	15,152,113	9,568,163	42,579	5,041,775	200,709,666
Expenditures							
Current:							
Instruction:							
Regular Programs	52,767,433	-	-	-	-	830,026	53,597,459
Special Programs	18,541,734	-	-	-	-	723,911	19,265,645
Other Instructional Programs	14,874,081	-	-	-	-	225,095	15,099,176
Support Services:							
Pupils	10,540,040	-	-	-	-	341,154	10,881,194
Instructional Staff	5,345,294	-	-	-	-	81,036	5,426,330
General Administration	1,262,900	-	-	-	-	42,505	1,305,405
School Administration	5,903,433	-	-	-	-	241,741	6,145,174
Business	6,677,200	1,462,717	-	-	190,474	130,230	8,460,621
Transportation	4,859	-	-	7,362,931	-	540,978	7,908,768
Operations and Maintenance	668,603	9,749,596	-	-	-	800,054	11,218,253
Central	5,218,529	-	-	-	-	272,426	5,490,955
Other Supporting Services	111,002	-	-	-	-	7,414	118,416
Community Services	1,086,068	-	-	-	-	87,954	1,174,022
Payments to Other Districts & Govt. Units	6,471,973	-	-	-	-	-	6,471,973
On-behalf Payments made by State	9,716,643	-	-	-	-	-	9,716,643
Capital Outlay	1,363,118	5,675,126	-	2,328,401	1,148,439	14,903	10,529,987
Debt Service - Interest and Charges	39,497	-	5,391,327	134,307	-	-	5,565,131
Debt Service - Principal	729,671	-	10,125,000	1,063,848	-	-	11,918,519
Total Expenditures	141,322,078	16,887,439	15,516,327	10,889,487	1,338,913	4,339,427	190,293,671
Excess (Deficiency) of Revenues over (under) Expenditures	<u>10,581,315</u>	<u>2,114,204</u>	<u>(364,214)</u>	<u>(1,321,324)</u>	<u>(1,296,334)</u>	<u>702,348</u>	<u>10,415,995</u>
Other Financing Sources and Uses							
Capital Lease Proceeds	901,542	-	-	2,328,401	-	-	3,229,943
Transfer In	227,340	-	-	-	-	-	227,340
Transfer Out	-	(227,340)	-	-	-	-	(227,340)
Total Other Financing Sources and Uses	1,128,882	(227,340)	-	2,328,401	-	-	3,229,943
Net Change in Fund Balances	11,710,197	1,886,864	(364,214)	1,007,077	(1,296,334)	702,348	13,645,938
Fund Balances at Beginning of Year	47,043,705	2,230,213	9,842,432	2,628,741	3,114,862	38,465	64,898,418
Fund Balances at End of Year	\$ 58,753,902	\$ 4,117,077	\$ 9,478,218	\$ 3,635,818	\$ 1,818,528	\$ 740,813	\$ 78,544,356

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2020

Net Change in Total Fund Balances	\$	13,645,938
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Amounts reported for governmental activities in the Statement of Activities are different because:

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2019 to 2020 consists of: (238,345)

Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital Outlay	\$	10,034,485	
Depreciation		<u>(7,842,653)</u>	
Capital Outlay in excess of depreciation			2,191,832

Repayment of principal and accreted interest payable on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond principal retirement		10,125,000	
Capital leases - return of leased assets to lessor		1,339,190	
Capital leases - principal payments		<u>1,793,519</u>	
Total retirement of debt			13,257,709

Issuance of capital leases are reported as an other financing source on the government funds, however, they are recorded as a liability on the government-wide statements (3,229,943)

Loss on sale of assets, net of proceeds, not included on fund statements (621,364)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

Change in long-term compensated absences		(122,884)	
Change in net OPEB liability		(4,493,694)	
Change in deferred outflows for OPEB		317,901	
Change in deferred inflows for OPEB		559,706	
Change in net pension liability		6,457,116	
Change in deferred outflows for pensions		(761,721)	
Change in deferred inflows for pensions		(4,030,110)	
Change in accrued interest on debt		178,460	
Amortization of loss amount on refunding		(104,280)	
Amortization of bond premiums		1,054,686	
Amortization of bond discounts		<u>(6,082)</u>	
Total expenses of non-current resources			(950,902)

A liability that was due to the Illinois State Board of Education for adjustments to the District's claims for special education and transportation was incurred in a prior fiscal year. That liability was repaid in equal installments beginning in fiscal year 2018. As such, a long term liability was recorded at the government-wide financial statement level in the prior fiscal year. 997,695

Change in Net Position of Governmental Activities	\$	<u>25,052,620</u>
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Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020

	Agency Funds		Total
	Student Activity Funds	Hope Wall	
ASSETS			
Cash	\$ 876,099	\$ 2,020,898	\$ 2,896,997
Investments	-	2,431,808	2,431,808
Total Assets	\$ 876,099	\$ 4,452,706	\$ 5,328,805
LIABILITIES			
Liabilities			
Accounts Payable	\$ -	\$ 451,083	\$ 451,083
Salary and Wages Payable	-	578,748	578,748
Amount due from other Districts	-	3,422,875	3,422,875
Due to Student Groups	876,099	-	876,099
Total Liabilities	\$ 876,099	\$ 4,452,706	\$ 5,328,805

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of West Aurora School District 129 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

Reporting Entity: The District is a public school system governed by an elected board. As required by GAAP, these financial statements present the District (the primary government) and, if applicable, its component units. The definition of a component unit is a legally separate organization for which the District is financially accountable and the other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the component unit's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the District. The District may also be financially accountable if the component unit is fiscally dependent on the District, regardless of whether the component unit has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. There are no component units included in the District's reporting entity.

Also, the District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

Basis of Presentation: The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. The government-wide statements report the financial information of the District, except for fiduciary activities. The effect of interfund activity has been removed from these statements. The governmental activities column reports activities that are normally supported by taxes and intergovernmental revenues.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues, which are not classified as program revenues, such as property taxes and general state aid, are presented as general revenues of the District.

Fund Financial Statements – The accounts of the District in the governmental fund financial statements are organized and operated on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, net outflows, liabilities, net inflows, reserves, fund balance, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. The economic resources measurement focus means all assets, deferred inflows, deferred outflows and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The District has reported three categories of program revenues in the statement of activities: (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the District's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Governmental funds are used to account for the District's general government activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available." "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Also, on-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System and the Teachers' Health Insurance Security Fund) have been recognized in the financial statements.

Revenues considered to be susceptible to accrual include property taxes, replacement taxes, certain state and federal aid, and interest income. Amounts have been recognized as receivables for these revenue sources. All other revenue items are considered to be measurable and available when cash is received by the District and are recognized as revenue at that time.

Unearned revenue is reported on the governmental fund balance sheet. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria. Unearned revenues also arise when resources are received prior to the government having a legal claim to them. In a subsequent period, when both recognition criteria are met or when the government has a legal claim to the resources, the liability is removed and the revenue recognized.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which arises only under the accrual basis of accounting that qualifies for reporting in this category. The first item, unearned property taxes, is reported in the statement of net position. These amounts are deferred and organized as an inflow of resources in the period that the amounts become available. The District also reports deferred inflows of

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

resources for pension-related reporting due to the related inflows of pension related resources not being considered earned, which is also reported in the statement of net position. Finally, the District reports deferred inflows of resources for OPEB-related reporting due to the related inflows of OPEB related resources not being considered earned, which is also reported in the statement of net position.

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The District has three items which arises only under the accrual basis of accounting that qualifies for reporting in this category. The first item is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also reports deferred outflows of resources for pension-related reporting due to the related outflows of pension related resources not being considered incurred, which is also reported in the statement of net position. Finally, the District reports deferred outflows of resources for OPEB-related reporting due to the related outflows of OPEB related resources not being considered incurred, which is also reported in the statement of net position.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental information, (due mainly to the inclusion of capital asset and long-term debt activity in the District-wide presentation) a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental information of the government-wide presentation.

Fund Details: The District reports the following major governmental funds:

- 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. It consists of three accounts. The Education account is used for most of the instructional and administrative aspects of the District's operations. The revenue consists primarily of state government aid and local property taxes. The Working Cash account is for all financial resources held by the District for making temporary interfund loans to the Education Account and Transportation Fund as needed. The Tort account is for all financial resources held for settling tort-related expenditures.
- Operations and Maintenance Fund – The fund is used for expenditures made for repair and maintenance of District property. Revenue consists primarily of local property taxes.
- Debt Service Fund – This fund accounts for the periodic principal and interest payments on the bond issues of the District. The primary revenue source is local property taxes levied specifically for debt service.
- Transportation Fund – This fund accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.
- Site and Construction Fund – This fund accounts for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities, with the primary resource being proceeds from capital construction bonds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to the major governmental funds mentioned above, the District uses the following governmental fund types:

- Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Funds, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes. The District's IMRF/Social Security Fund is presented as a Special Revenue Fund.
- Capital Projects Fund – The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities. The District's Fire Prevention and Safety Fund is presented as a Capital Projects Fund.

Fiduciary Funds (Trust and Agency Funds) – Fiduciary Funds (Trust and Agency Funds) are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. A brief description of the District's Fiduciary Fund is as follows:

- Agency Funds – The Agency Funds include Student Activity Funds and Hope Wall cash accounts. These funds are custodial in nature and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for the Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. The cash account for Hope Wall is included due to the funds being held in the District's name.

Restricted Resources Policy: When expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the District's policy to apply restricted resources first and then unassigned resources as needed.

Assets, Liabilities, Deferred Inflows and Deferred Outflows and Net Position or Equity:

Deposits and Investments – State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool (Illinois Funds). Investments are stated at fair value, except for the Illinois Funds. The Illinois Funds is an external investment pool administered by the Illinois State Treasurer that is recorded at amortized cost. Changes in fair value of investments are recorded as investment income.

Receivables and Payables – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year, if any, are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans.) All other outstanding balances between funds are reported as "due to/from other funds." These amounts are eliminated in the governmental activities column in the statement of net position.

Property Tax Revenues – The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2019 levy ordinance was approved during the December 9, 2019 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District has a statutory tax rate limit in various operating funds subject to change only by approval of the voters of the District. Also, the District is subject to the Property Tax Extension Limitation Act, which in general limits the increase in the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the year, preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation.

Property taxes are collected by the Kane County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on June 1 and the second due on the later of September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2019 property tax levy is recorded as a receivable, net of estimated uncollectible amounts approximating 1%. The District considers that 50% of the 2019 levy is to be used to finance operations in fiscal 2020. The District has determined that 50% of the 2019 levy is to be used to finance operations in fiscal 2021 and has deferred the corresponding receivable.

Personal Property Replacement Taxes – Personal property replacement taxes are first allocated to funds where taxes were automatically abated by the county clerk and to the Municipal Retirement/Social Security Fund, with the balance allocated to the remaining funds at the discretion of the District.

Capital Assets – Capital assets, which include land, land improvements, buildings, building improvements, vehicles, machinery, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	25 - 125 years
Building improvements	12 - 50 years
Machinery and equipment	5 - 50 years

The District does not depreciate land or construction in progress.

Compensated Absences – Employees who work a 12-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. A limit of 40 days may be carried over into the next year. The entire compensated absences liability is reported on the government-wide financial statements.

Due to the nature of the policies on sick leave and the fact that any liability can be transferred to TRS for service credit, no liability is provided in the financial statements for accumulated unpaid sick leave.

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 amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year the bonds are issued.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 expenditures.

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

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

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

Other Postemployment Benefits - For purposes of measuring the District's other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Illinois Department of Central Management Services Teachers' Health Insurance Security Fund (THIS) and additions to/deductions from THIS plan's net position has been determined on the same basis as they are reported by the THIS plan. For this purpose, the THIS plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Restricted Net Position – For the government-wide financial statements, net position is reported as restricted when constraints placed on net position use are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Eliminations and Reclassifications – In the process of aggregating data for the government-wide financial statements, amounts reported as interfund activity and balances were eliminated or reclassified.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates – Management of the District has made certain estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

NOTE 2 – FUND BALANCES

The components of fund balance include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact. As of June 30, 2020, the District does not have any nonspendable fund balance.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation
- c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the District, the Board of Education is the highest level of decision making. In order to commit fund balance for a specific purpose, the Board of Education must pass a resolution specifying the commitment. As of June 30, 2020, the District does not have any commitments of fund balance.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Education designated for that purpose. The intended use is established by an official designated for that purpose. The Superintendent and the Chief Financial Officer have been designated by the Board of Education for this purpose.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, negative fund balance in the other funds is reported as unassigned.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the District will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the District will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

It is the goal of the District to maintain a year-end fund balance in the District's operating funds equal to at least 25% in aggregate of the budgeted operating expenditures for the current fiscal year.

As of the year ended June 30, 2020, there were no funds with deficit fund balances.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 3 – INTERFUNDS AND TRANSFERS

As of June 30, 2020, there were no interfund balances. During the fiscal year ended June 30, 2020, there was a transfer of \$227,340 from the Operations and Maintenance Fund to the General Fund related to the reimbursement of operating expenditures.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash in the Custody of the District: The carrying amount of cash was \$16,067,611 at June 30, 2020, while the bank balances were \$16,161,255. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. government or purchased through a commercial insurance company.

Investments under the Custody of the Treasurer: The District participates in the Bloom Township School Treasurer’s (BTST) cash and investment pool. BTST is a non-rated, external investment pool. The investment in the pool is carried on the Joint Agreement books at cost determined on a first-in, first-out basis. The Treasurer maintains records that segregate the cash and investment balances by District. Earnings on investments, including gains and losses on sales of investments, are allocated monthly based upon the District’s percentage participating in the cash and investment pool. No entity is permitted to borrow from another entity through deficit spending within the Treasurer’s cash and investment pool.

Investing is performed in accordance with investment policies adopted by the BTST complying with the Illinois Compiled Statutes. Overall credit ratings are not applicable for the cash and investment pool as a whole. Financial information, fair value and investment risk disclosures regarding the cash and investment pool’s underlying investments may be obtained directly from BTST at 3311 Chicago Road, South Chicago Heights, IL 60411. At June 30, 2020, the fair value of all pooled cash and investments held by BTST was \$659,322,001 and the amount of cash and investments allocated to the District on a cost basis was \$67,106,947. Additionally, there is sinking fund deposit investment of \$380,000 as of June 30, 2020.

Reconciliation:

	<u>Notes</u>	
Cash – book value of District deposits – per note above		\$ 16,067,611
Investments – per note above		<u>67,486,947</u>
Total		<u>\$ 83,554,558</u>
	<u>Financial Statements</u>	
Cash per statement of net position		\$ 11,996,972
Investments per statement of net position		59,597,779
Restricted cash per statement of net position		1,173,642
Restricted investments per statement of net position		5,457,360
Cash per statement of fiduciary assets and liabilities		2,896,997
Investments per statement of fiduciary assets and liabilities		<u>2,431,808</u>
Total		<u>\$ 83,554,558</u>

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 5 - CAPITAL ASSETS

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

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 11,292,685	\$ -	\$ -	\$ 11,292,685
Construction in progress	16,425,151	6,716,050	(23,141,201)	-
Total capital assets not being depreciated	27,717,836	6,716,050	(23,141,201)	11,292,685
Capital assets being depreciated:				
Buildings	166,747,400	16,774,563	-	183,521,963
Land Improvements	23,690,970	6,058,677	-	29,749,647
Machinery and equipment	17,534,911	3,626,396	(1,393,160)	19,768,147
Total capital assets being depreciated, gross	207,973,281	26,459,636	(1,393,160)	233,039,757
Accumulated depreciation:				
Buildings	52,132,207	4,066,379	-	56,198,586
Land Improvements	5,219,497	1,137,334	-	6,356,831
Machinery and equipment	5,559,134	2,638,940	(771,796)	7,426,278
Total accumulated depreciation	62,910,838	7,842,653	(771,796)	69,981,695
Capital assets being depreciated, net of depreciation	145,062,443	18,616,983	(621,364)	163,058,062
Total governmental activities, capital assets, net of depreciation	\$ 172,780,279	\$ 25,333,033	\$ (23,762,565)	\$ 174,350,747

Depreciation expense was charged to the functions of the District as follows:

Governmental Activities		
Regular Programs	\$	38,707
Special Ed Programs		1,998
Other Instruction		47,971
Pupil Support Services		668
Instructional Staff		398
Business Services		6,611,226
Operations and Maintenance		65,421
Transportation		877,381
Central		198,883
Total depreciation expense	\$	7,842,653

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - LONG-TERM OBLIGATIONS

General Obligation Bonds – General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Refunding - 2010A	3.10% - 3.55%	\$ 6,910,000
Refunding - 2014A	2.75% - 3.00%	3,560,000
Refunding - 2014B	2.00%	910,000
Refunding - 2015	5.00%	16,305,000
School - 2015C	2.00% - 5.00%	17,920,000
School - 2016	4.25%	26,470,000
School - 2016A	2.00% - 4.00%	6,530,000
School - 2017A	2.70% - 4.00%	6,040,000
School - 2017B	2.25% - 5.00%	8,780,000
Refunding - 2018	3.05% - 4.00%	9,075,000
		<u>\$ 102,500,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30	General Obligation Bonds with scheduled interest payments		Total Debt Service
	Principal	Interest	
2021	\$ 10,550,000	\$ 4,200,534	\$ 14,750,534
2022	10,895,000	3,854,953	14,749,953
2023	10,295,000	3,387,353	13,682,353
2024	9,730,000	2,949,575	12,679,575
2025	10,120,000	2,498,225	12,618,225
2026-2030	24,440,000	7,738,450	32,178,450
2031-2035	-	5,624,875	5,624,875
2036	26,470,000	1,124,975	27,594,975
Total	<u>\$ 102,500,000</u>	<u>\$ 31,378,940</u>	<u>\$ 133,878,940</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 13.80% of the most recent available equalized assessed valuation of the District. As of June 30, 2020, the statutory debt limit for the District was \$243,092,768, providing a remaining debt margin of \$140,592,768.

In 2004, the District entered into a lease/financing agreement with the Illinois Development Finance Authority for \$790,000 to pay the costs of improving the District's facilities. The District received proceeds in the amount of \$785,500 and deposited them in the Site and Construction Fund. The proceeds were received net of issuance costs of \$4,500.

In 2005, the District entered into another lease/financing agreement with the Illinois Development Finance Authority for \$2,000,000 to pay the costs of improving the District's facilities. The District received proceeds in the amount of \$2,000,000 and deposited them in the Site and Construction Fund.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

Qualified Energy Conservation Bonds – In 2016, the District issued \$4,865,000 of Qualified Energy Conservation Bonds to pay the costs of improving certain District facilities. The District received proceeds in the amount of \$4,776,839 and deposited them in the Site and Construction Fund.

Qualified Zone Academy Bonds – In 2016, the District issued \$3,338,000 of Qualified Zone Academy Bonds to pay the costs of improving certain District facilities. The District received proceeds in the amount of \$3,278,554 and deposited them in the Site and Construction Fund.

Qualified School Construction Bonds – In 2017, the District issued \$11,840,000 of Qualified Zone Academy Bonds to pay the costs of improving certain District facilities. The District received proceeds in the amount of \$11,791,838 and deposited them in the Site and Construction Fund.

The annual debt service requirements for the above agreements are as follows:

Fiscal Year Ending June 30	QZAB and QECB Bonds with scheduled interest payments		Total Debt Service
	Principal	Interest	
2021	\$ 790,000	\$ 756,114	\$ 1,546,114
2022	2,000,000	756,114	2,756,114
2023	-	756,114	756,114
2024	459,000	756,114	1,215,114
2025	465,000	750,377	1,215,377
2026-2030	7,279,000	2,883,445	10,162,445
2031-2035	-	2,492,320	2,492,320
2036-2040	-	2,492,320	2,492,320
2041-2042	11,840,000	996,928	12,836,928
Total	\$ 22,833,000	\$ 12,639,846	\$ 35,472,846

Capital Leases – The District has entered into various lease agreements as lessee for financing the acquisition of technology equipment and school buses. The lease agreements qualify as capital leases for accounting purposes; therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2020, \$9,085,470 of capital assets was acquired through capital leases. The total accumulated depreciation on these assets is \$3,671,760 leaving a net book value of \$5,413,710. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

Fiscal Year Ending June 30	Capital Leases with scheduled interest payments		Total Debt Service
	Principal	Interest	
2021	\$ 3,354,328	\$ 233,061	\$ 3,587,389
2022	1,625,032	91,542	1,716,574
2023	267,716	17,716	285,432
2024	112,366	7,544	119,910
2025	54,268	2,748	57,016
Total	\$ 5,413,710	\$ 352,611	\$ 5,766,321

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

The following is a schedule of changes in long-term debt for the year ended June 30, 2020:

	Balances June 30, 2019	Additions	Reductions	Balances June 30, 2020	Principal Due Within 1 Year
Bonds payable:					
General obligation bonds	\$ 112,625,000	\$ -	\$ (10,125,000)	\$ 102,500,000	\$10,550,000
Less unamortized charges:					
Unamortized discount	(11,262)	-	6,082	(5,180)	-
Unamortized premium	6,547,225	-	(1,054,686)	5,492,539	-
Total bonds payable	119,160,963	-	(11,173,604)	107,987,359	10,550,000
Capital leases	5,316,476	3,229,943	(3,132,709)	5,413,710	3,354,328
Qualified Zone Academy Bonds	6,128,000	-	-	6,128,000	790,000
Qualified Energy Conservation Bond	4,865,000	-	-	4,865,000	-
Qualified School Construction Bonds	11,840,000	-	-	11,840,000	-
Other liabilities:					
Due to Illinois State Board of Education	997,695	-	(997,695)	-	-
Compensated Absences	475,220	122,884	-	598,104	-
Total long-term liabilities	<u>\$ 148,783,354</u>	<u>\$ 3,352,827</u>	<u>\$ (15,304,008)</u>	<u>\$ 136,832,173</u>	<u>\$14,694,328</u>

The obligations for the capital leases will be repaid from the fund where the proceeds were issued. The general obligation bonds and the qualified zone academy bonds will be repaid from the Debt Service Fund.

See Notes 9 and 10 related to long-term obligations related to employee retirement systems and other post employment benefits.

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation claims. These risks for general liability, workers' compensation, and other coverages besides medical are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years. There were no significant reductions in insurance coverage from the prior year.

The District is a member of the Collective Liability Insurance Cooperative (CLIC). CLIC insures all of the District's general liability claims up to \$1,000,000 per occurrence or \$3,000,000 of annual aggregate loss. The District also has excess liability coverage for any claims exceeding these amounts up to an annual aggregate of \$35,000,000.

The District has purchased workers' compensation and employers' liability insurance through CLIC, which handles claims up to \$1,000,000 per occurrence. The District was self-insured for medical coverage that is provided to District personnel. Expenditures are recorded as incurred in the form of direct contributions from the District to the provider for payment of employee health claims and administration fees. The District's liability will not exceed \$150,000 per employee as provided by stop-loss provisions incorporated in the plan.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 7 - RISK MANAGEMENT (Continued)

At June 30, 2020, total unpaid claims, including an estimate for claims that have been incurred but not reported (IBNR) to the administrative agent, amount to \$536,644. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2019 and 2020, changes in the liability reported in the Education Fund for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payable Beginning of Year	Claims Payable Beginning of Year
Fiscal Year 2019	\$ 699,364	\$ 11,699,195	\$ 11,457,562	\$ 940,997
Fiscal Year 2020	940,997	10,669,782	11,074,135	536,644

NOTE 8 - JOINT AGREEMENTS

The District is a member of the Hope Wall Joint Agreement that provides certain special education services to residents of East Aurora Community Unit School District 131 and West Aurora Community Unit School District 129. Each District owns one-half of the land and one-half of all real property that the services take place on. West Aurora serves as the administrative District for all components of Hope Wall. Both Districts approve the plan and budget for Hope Wall. The operating and capital costs of the building are shared equally (50%) between the Districts and the program costs are allocated between the two Districts based on the average daily enrollment. It is also a member of the risk management pool listed above. For further detailed information on the assets, liabilities, revenues and expenditures of Hope Wall, please see the separately issued financial statements. A copy of these financial statements can be obtained by contacting the District office.

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS

Illinois Municipal Retirement System

IMRF Plan Description: The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section. 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).

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

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

Employees Covered by Benefit Terms: As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	467
Inactive Plan Members entitled to but not yet receiving benefits	660
Active Plan Members	<u>611</u>
Total	<u>1,738</u>

Contributions: As set by statute, the District's Regular Plan Members are required to contribute 4.50% 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 7.59%. For the fiscal year ended June 30, 2020, the District contributed \$1,888,501 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions: The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 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 adjustment 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.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2019 IMRF annual actuarial evaluation. The investment rate of return of 7.25% is unchanged from the prior year. There were no other significant changes in assumptions. There were no benefit changes during the year. The District is not aware of any changes that have occurred subsequent to the measurement date that are expected to have a significant effect on the net pension liability.

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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60%-7.60%
Cash Equivalents	<u>1%</u>	1.85%
Total	<u>100%</u>	

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Single Discount Rate: A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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).

Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was not blended with the AA rated general obligation bond index to arrive at the discount rates used to determine the total pension liability.

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%, which is unchanged from the prior measurement year. The last year the plan is expected to be fully funded is December 31, 2119.

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/18	\$ 77,743,055	\$ 64,082,427	\$13,660,628
Changes for the year:			
Service Cost	1,942,706	-	1,942,706
Interest on the Total Pension Liability	5,550,599	-	5,550,599
Differences Between Expected and Actual Experience of the Total Pension Liability	760,224	-	760,224
Assumption Changes	-	-	-
Contributions - Employer	-	1,726,691	(1,726,691)
Contributions - Employee	-	879,616	(879,616)
Net Investment Income	-	12,216,274	(12,216,274)
Benefit Payments, including Refunds of Employee Contributions	(4,308,845)	(4,308,845)	-
Other (Net Transfer)	-	(203,178)	203,178
Net Changes	<u>3,944,684</u>	<u>10,310,558</u>	<u>(6,365,874)</u>
Balances at 12/31/19	<u>\$ 81,687,739</u>	<u>\$ 74,392,985</u>	<u>\$ 7,294,754</u>

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the District, calculated using a Single Discount Rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability	\$ 17,669,440	\$ 7,294,754	\$ (1,242,255)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2020, the District recognized pension expense of \$2,432,948. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 562,823	\$ 36,390
Assumption changes	971,755	540,381
Net difference between projected and actual earnings on pension plan investments	-	3,118,453
Contributions made subsequent to the measurement date	1,163,998	-
	<u>\$ 2,698,576</u>	<u>\$ 3,695,224</u>

In 2020, there was \$1,163,998 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year ending June 30:	
2021	\$ (643,693)
2022	(410,326)
2023	421,249
2024	<u>(1,527,876)</u>
Total	<u>\$ (2,160,646)</u>

Teachers' Retirement System

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 active nonannuitants 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.

(Continued)

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2019>; 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 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the 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 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 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 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

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

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 employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$8,688,502 in pension contributions from the state of Illinois.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2.2 formula contributions: Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$480,903, 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 District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2020, the District pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$1,647,662 were paid from federal and special trust funds that required employer contributions of \$150,192. 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 District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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 \$48,368 to TRS for employer contributions due on salary increases in excess of 6 percent, \$16,835 for salary increases in excess of 3 percent and \$0 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, 2020, 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 were as follows:

District's proportionate share of the net pension liability	\$ 8,369,748
State's proportionate share of the net pension liability associated with the District	<u>595,665,800</u>
Total	<u>\$ 604,035,548</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 0.01032 percent, which is a decrease of 0.00054 percent from its proportion measured as of June 30, 2018.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$1,660,336 and revenue of \$64,674,453 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
Differences between Expected and Actual Experience	\$ 137,241	\$ -
Net difference between Projected and Actual Earnings on Pension Plan Investments	13,259	-
Changes of Assumptions	187,539	160,656
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	534,574	9,016,264
District Contributions Subsequent to the Measurement Date	631,095	-
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	\$ 1,503,708	\$ 9,176,920

\$631,095 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal 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 ended June 30:	
2021	\$ (2,058,631)
2022	(2,464,455)
2023	(2,553,720)
2024	(1,198,241)
2025	(29,260)
Total	\$ (8,304,307)

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 percent
Salary increases	4.00% - 9.50%, varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience, which is unchanged from the prior valuation. The rates were based on a fully-generational basis using projection table MP-2017, which is an update from the prior valuation which used projection table MP-2014.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
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	<u>100.0</u>	%		

Discount Rate: At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was unchanged from 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 of 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 percent, 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 percent) or 1 percentage point higher (8.00 percent) than the current rate.

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
\$ 10,222,914	\$ 8,369,748	\$ 6,846,077

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

Below is a summary of the various pension items:

	IMRF	TRS	Total
Deferred Outflows of Resources			
Employer Contributions	\$ 1,163,998	\$ 631,095	\$ 1,795,093
Experience	562,823	137,241	700,064
Assumptions	971,755	187,539	1,159,294
Proportionate Share	-	534,574	534,574
Investments	-	13,259	13,259
Total	<u>\$ 2,698,576</u>	<u>\$ 1,503,708</u>	<u>\$ 4,202,284</u>
Net Pension Liability	<u>\$ 7,294,754</u>	<u>\$ 8,369,748</u>	<u>\$ 15,664,502</u>
Deferred Inflows of Resources			
Experience	\$ 36,390	\$ -	\$ 36,390
Assumptions	540,381	160,656	701,037
Proportionate Share	-	9,016,264	9,016,264
Investments	3,118,453	-	3,118,453
Total	<u>\$ 3,695,224</u>	<u>\$ 9,176,920</u>	<u>\$ 12,872,144</u>
Pension Expense	<u>\$ 2,432,948</u>	<u>\$ 1,660,336</u>	<u>\$ 4,093,284</u>

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

Teacher Health Insurance Security Fund

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 is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuityants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuityants 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." Prior reports are available under "Healthcare and Family Services."

(Continued)

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits provided: The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the CMS. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employees Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expense by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring, Springfield, Illinois, 62706.

Contributions: Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2020. State of Illinois contributions were \$1,028,141, and the District recognized revenue and expenditures of this amount during the year. The District also makes contributions to the THIS Fund, which are defined by state statute. The District's THIS Fund contribution was 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2020, the District paid \$762,594 to the THIS Fund, which was 100 percent of the required contribution.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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

At June 30, 2020, the District reported a liability of \$90,698,327 for its proportionate share of the collective net OPEB liability. This liability reflects a reduction for State OPEB Support:

District's proportionate share of the collective net OPEB liability	\$ 90,698,327
State's proportionate share that is associated with the District	<u>122,587,564</u>
Total	<u>\$ 213,285,891</u>

The collective net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the collective 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 collective net OPEB liability was based on the District's fiscal year 2019 contributions to the OPEB plan relative to the fiscal year 2019 contributions of all participating entities. The District's proportion of the collective net OPEB liability for June 30, 2019 was based on the District's fiscal year 2018 contributions to the OPEB plan relative to the fiscal year 2018 contributions of all participating entities. At June 30, 2019, the District's proportion was 0.327698 percent, which was a decrease of 0.000346 percent from its proportion measured as of June 30, 2018 (0.328044 percent). The proportion of the State's net OPEB liability attributable to the District was 0.770% which is unchanged from the prior year.

For the year ended June 30, 2020, the District recognized OPEB expense of \$4,098,812. The District's proportionate share of collective OPEB expense is recognized as an on-behalf payment as both revenue and expense in the District's financial statements. The basis of allocation used is the actual OPEB expense for contributing Districts. As a result, the District recognized on-behalf revenue and OPEB expense of \$5,228,739.

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
Differences between expected and actual experience	\$ -	\$ 1,505,067
Assumption changes	34,385	10,396,982
Net difference between projected and actual earnings on OPEB plan investments	-	2,970
Change in proportionate and difference between District contributions and proportionate share of contributions	1,689,891	2,018,205
Contributions made subsequent to the measurement date	<u>762,594</u>	<u>-</u>
	<u>\$ 2,486,870</u>	<u>\$ 13,923,224</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$762,594 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2021.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ending June 30:	
2021	\$ (2,355,425)
2022	(2,355,425)
2023	(2,355,185)
2024	(2,354,683)
2025	(1,887,050)
Thereafter	(891,180)
Total	<u>\$ (12,198,948)</u>

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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 increases includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	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 decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

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

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

The following changes were made in assumptions from the previous actuarial valuation of June 30, 2017. The discount rate was changed from 3.62% at June 30, 2018 to 3.13% at June 30, 2019. The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year end June 30, 2019, premium changes through plan year end 2020, and expectation of future trend increases after June 30, 2019. The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2019. Per capita claim costs for plan year end June 30, 2019, were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year 2020. Healthcare plan participation rates by plan were updated based on observed experience.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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 THIS 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 3.13% as of June 30, 2019, and 3.62% as of June 30, 2018, a decrease of 0.49%.

During the Plan year ending June 30, 2019, the trust earned \$397,000 in interest and due to a significant benefit payable, the market value of assets at June 30, 2019, was \$68.0 million. Given the significant benefit payable, low asset value and pay-as-you-go funding policy, the long-term expected rate of return was set to zero.

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the discount rate: The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
District's proportionate share of the collective net OPEB Liability	\$ 109,052,460	\$ 90,698,327	\$ 76,202,727

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates: The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or lower than the current healthcare cost trend rates. 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 4.50% in 2027 for Medicare coverage.

	1% Decrease ^(a)	Healthcare Cost Trend Rates Assumption	1% Increase ^(b)
District's proportionate share of the collective net OPEB Liability	\$ 73,276,953	\$ 90,698,327	\$ 114,228,393

(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

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

OPEB plan fiduciary net position: Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued THIS financial report.

West Aurora School District 129 Postretirement Health Plan

Plan Description: This is a single employer plan administered by the District Board, with no separate report issued. The District Board has the authority to change the plan. Non-Certified personnel who retire from the District shall be eligible to receive hospital and medical coverage at a subsidized cost. Retirement for Non-Certified personnel is defined as age 55 and 25 years of service, or age 60 and 8 years of service or combined age and service of 85. Membership in the plan as of June 30, 2020, the most recent information available, consisted of 357 active plan members.

Contributions: The District follows a pay-as-you go funding policy. The District does not have a trust dedicated exclusively to the payment of OPEB benefits. This means the District pays the costs of the benefits as they become due. The costs are equal to the benefits distributed or claimed in the year. The District is not required to, and currently does not advance fund the cost of benefits that will become due and payable in the future. The plan members do not have a required contribution as determined by the District Board.

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 the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	N/A - no assets
Assumptions:	
Discount Rate	2.44%
Rate of Return	N/A - no assets
Payroll Increases	3.50%
Healthcare Trend Ratios	7.50% in fiscal 2021 trending to 3.50% ultimate
Mortality Rates	RP-2014 Base Rates projected to 2025 with Scale MP-2019.
Retirement Rates	5.00% at age 55, scaling up to 100.00% at age 65.
Disability Rates	0.10% at age 25, scaling up to .20% at age 65.
Withdrawal Rates	0.30% at age 20, scaling up to .01% at age 60.
Marriage	50% of employees were assumed to have participating spouses. Females were assumed to be three years younger than males.
Participation Rate	75% of employees currently enrolled in medical plans were assumed to participate in the plan

Assumption Changes: The mortality table had been changed to reflect more current trends. The discount rate was changed to 2.44% as of June 30, 2020 from 3.50% as of June 30, 2019.

Discount Rate: The discount rate used to measure the total OPEB liability was 2.44% for determining the liability. The discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds. The underlying index used is the Bond Buyer 20-Bond GO Index as of June 30, 2020.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in Total OPEB Liability:

	2020
Balances at June 30, 2019	\$ 3,989,545
Changes for the year:	
Service cost	389,063
Interest	138,630
Benefit changes	(31,357)
Actuarial experience	(951,099)
Assumptions changes	733,595
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds	(57,370)
Other Changes	-
Net changes	221,461
Balances at June 30, 2020	\$ 4,211,006

OPEB Expense: For the year ended June 30, 2020, the District recognized OPEB expense of \$339,525.

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
Differences between expected and actual non-investment experience	\$ -	\$ 1,067,597
Changes of assumptions	1,001,688	1,569,962
Total	\$ 1,001,688	\$ 2,637,559

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year Ended June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 99,384	\$ 256,194
2022	99,384	256,194
2023	99,384	256,194
2024	99,384	256,194
2025	99,384	256,194
Thereafter	504,768	1,356,589
Total	\$ 1,001,688	\$ 2,637,559

Rate Sensitivity: The following tables present a rate sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

(Continued)

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The table below presents the total OPEB liability of the District calculated using the discount rate of 2.44% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 1.44%	Current Rate 2.44%	1% Increase 3.44%
Total OPEB Liability	\$ 5,633,298	\$ 4,211,006	\$ 3,178,929

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 7.5% to 3.0% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (1)	Current Healthcare Cost Trend Rate (2)	1% Increase (3)
Total OPEB Liability	\$ 2,952,990	\$ 4,211,006	\$ 5,454,638

- (1) 6.5% decreasing to 3.0%
- (2) 7.5% decreasing to 3.0%
- (3) 8.5% decreasing to 4.0%

Summary of OPEB items:

	Teacher Health Insurance Security Fund	West Aurora School District 129 Postretirement Health Plan	Total
Net other-post employment benefits liabilities	\$ 90,698,327	\$ 4,211,006	\$ 94,909,333
Deferred Outflows of Resources	2,486,870	1,001,688	3,488,558
Deferred Inflows of Resources	13,923,224	2,637,559	16,560,783
OPEB expense	4,098,812	339,525	4,438,337

(Continued)

NOTE 11 – NEW ACCOUNTING PRONOUNCEMENTS

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Upon the District's adoption of GASB Statement No. 95, the effective date of the Statement was delayed for the District until the fiscal year ended June 30, 2021. Management has not determined what impact, if any, this Statement will have on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Upon the District's adoption of GASB Statement No. 95, the effective date of the Statement was delayed for the District until the fiscal year ended June 30, 2022. Management has not determined what impact, if any, this Statement will have on its financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization to improve the relevance of financial statement information. Upon the District's adoption of GASB Statement No. 95, the effective date of the Statement was delayed for the District until the fiscal year ended June 30, 2021. This Statement will have no effect on the District.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Upon the District's adoption of GASB Statement No. 95, the effective date of the Statement was delayed for the District until the fiscal year ended June 30, 2023. Management has not determined what impact, if any, this Statement will have on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit OPEB plan, the applicability of Statements 73 and 74 to reporting assets accumulated for postemployment benefits, the applicability of Statement 84 to postemployment benefit arrangements, measurement of liabilities and assets related to asset retirement obligations in a government acquisition, and reference to nonrecurring fair value measurements of assets and liabilities in authoritative literature. The topics within this Statement that were not effective for the District's fiscal year ended June 30, 2020 were, upon the District's adoption of GASB Statement No. 95, delayed for the District until the fiscal year ended June 30, 2022. Management has not determined what impact, if any, this Statement will have on its financial statements.

(Continued)

NOTE 11 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an interbank offered rate. The primary provisions of this Statement are effective for the District's fiscal year ended June 30, 2021. This Statement will have no effect on the District.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and to provide guidance for accounting and financial reporting for availability payment arrangements. This Statement is effective for the District's fiscal year ended June 30, 2023. Management has not determined what impact, if any, this Statement will have on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement is effective for the District's fiscal year ended June 30, 2023. Management has not determined what impact, if any, this Statement will have on its financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units when a potential component unit does not have a governing board and the primary government performs those duties; (2) mitigate costs associated with reporting; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The topics within this Statement that were not effective for the District's fiscal year ended June 30, 2020 are effective for the District's fiscal year ended June 30, 2022. Management has not determined what impact, if any, this Statement will have on its financial statements.

NOTE 12 – CONSTRUCTION COMMITMENTS

At June 30, 2020, the District did not have any outstanding construction commitments.

NOTE 13 – TAX ABATEMENTS

The District entered into a property tax abatement agreement with a local business utilizing its statutory authority under the Illinois School Code. Under the Code, the District may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the District. For the fiscal year ended June 30, 2020, the District abated property taxes totaling \$56,368 under this program.

(Continued)

NOTE 14 – COVID-19 IMPACT

During December 2019, the Novel Coronavirus (COVID-19) was discovered in the country of China and has since spread to other countries, including the U.S. The COVID-19 was subsequently declared a worldwide pandemic by the World Health Organization. On March 13, 2020, the President declared a National Emergency Concerning the COVID-19 outbreak. The District anticipates an economic impact resulting from the effects of the COVID-19 outbreak on the national, state, and local economies. On March 13, 2020 the District decided to shut down all of its schools and commenced e-learning for all students. The District administration office was also closed, and staff had to adapt to a work-from-home environment. Students have also started the 2020-2021 school year learning remotely, while staff have been encouraged to return to buildings.

The District continued to receive a majority of revenues as anticipated in the 2019-2020 budget. The only revenues which were negatively impacted were some local sources in food service and activity/athletic fees for canceled spring events. These make up a very small portion of the total District operating revenues. On the expenditure side, the District did have some substantial savings from having buildings empty. The major sources of savings were utility savings, reduced overtime, not needing substitute teachers, and transportation savings.

Moving into the 2020-2021 school year, COVID-19 remains a major concern at the District and state level. Evidence based funding is expected to remain at prior year levels, but local and state tax revenues continues to be negatively affected, which could put downward pressure on future revenues.

Required Supplementary Information
 Illinois Municipal Retirement Fund
 Schedule of Changes in the Net Pension Liability and Related Ratios
 For the Prior Six Fiscal Years

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 1,942,706	\$ 1,805,878	\$ 1,933,440	\$ 1,866,825	\$ 1,683,612	\$ 1,721,246
Interest on the Total Pension Liability	5,550,599	5,362,569	5,299,747	4,992,375	4,687,833	4,199,033
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	760,224	(81,414)	60,263	818,834	1,071,653	1,211,367
Changes of Assumptions	-	2,174,125	(2,406,555)	(171,680)	80,777	2,696,027
Benefit Payments, Including Refunds of Employee Contributic	(4,308,845)	(4,232,172)	(3,738,808)	(3,499,881)	(3,420,897)	(2,995,259)
Net Change in Total Pension Liability	3,944,684	5,028,986	1,148,087	4,006,473	4,102,978	6,832,414
Total Pension Liability - Beginning	<u>77,743,055</u>	<u>72,714,069</u>	<u>71,565,982</u>	<u>67,559,509</u>	<u>63,456,531</u>	<u>56,624,117</u>
Total Pension Liability - Ending	<u>\$ 81,687,739</u>	<u>\$ 77,743,055</u>	<u>\$ 72,714,069</u>	<u>\$ 71,565,982</u>	<u>\$ 67,559,509</u>	<u>\$ 63,456,531</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,726,691	\$ 1,976,127	\$ 1,987,608	\$ 1,937,011	\$ 1,843,096	\$ 1,701,149
Contributions - Employees	879,616	863,294	841,261	806,218	765,338	703,099
Net Investment Income	12,216,274	(3,972,518)	10,808,372	3,910,617	283,825	3,291,501
Benefit Payments, Including Refunds of Employee Contributic	(4,308,845)	(4,232,172)	(3,738,808)	(3,499,881)	(3,420,897)	(2,995,259)
Other (Net Transfer)	(203,178)	543,120	(1,551,025)	233,527	527,103	216,179
Net Change in Plan Fiduciary Net Position	10,310,558	(4,822,149)	8,347,408	3,387,492	(1,535)	2,916,669
Plan Fiduciary Net Position - Beginning	<u>64,082,427</u>	<u>68,904,576</u>	<u>60,557,168</u>	<u>57,169,676</u>	<u>57,171,211</u>	<u>54,254,542</u>
Plan Fiduciary Net Position - Ending	<u>\$ 74,392,985</u>	<u>\$ 64,082,427</u>	<u>\$ 68,904,576</u>	<u>\$ 60,557,168</u>	<u>\$ 57,169,676</u>	<u>\$ 57,171,211</u>
Net Pension Liability - Ending	<u>\$ 7,294,754</u>	<u>\$ 13,660,628</u>	<u>\$ 3,809,493</u>	<u>\$ 11,008,814</u>	<u>\$ 10,389,833</u>	<u>\$ 6,285,320</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.07%	82.43%	94.76%	84.62%	84.62%	90.10%
Covered Valuation Payroll	\$ 19,524,211	\$ 18,772,947	\$ 18,263,171	\$ 17,722,051	\$ 16,689,049	\$ 15,074,778
Net Pension Liability as a Percentage of Covered Valuation Payroll	37.36%	72.77%	20.86%	62.12%	62.26%	41.69%

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

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information
 Illinois Municipal Retirement Fund
 Schedule of Employer Contributions
 For the Prior Ten Fiscal Years

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
6/30/2020	\$ 1,888,501	\$ 1,888,501	\$ -	\$ 19,646,639	9.61%
6/30/2019	1,936,482	1,936,482	-	21,250,460	9.11%
6/30/2018	2,099,062	2,099,062	-	20,030,664	10.48%
6/30/2017	1,934,500	1,934,500	-	19,649,631	9.84%
6/30/2016	1,894,904	1,894,904	-	18,832,522	10.06%
6/30/2015	1,763,873	1,763,873	-	16,939,912	10.41%
6/30/2014	1,748,337	1,748,337	-	14,042,870	12.45%
6/30/2013	1,545,503	1,545,503	-	12,636,986	12.23%
6/30/2012	1,424,231	1,424,231	-	11,998,572	11.87%
6/30/2011	1,370,965	1,370,965	-	11,788,179	11.63%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2019 Contribution Rates:

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:	3.50%
Price Inflation:	2.50%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.25% to 14.25%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 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 rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment 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.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2017, actuarial valuation; note two year lag between valuation and rate setting.

WEST AURORA SCHOOL DISTRICT 129
 Required Supplementary Information
 Teacher's Retirement System
 Schedule of the District's Proportionate Share of the Net Pension Liability
 For the Prior Six Fiscal Years

	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.0103%	0.0109%	0.0297%	0.0290%	0.0269%	0.0308%
District's Proportionate Share of the Net Pension Liability	\$ 8,369,748	\$ 8,460,990	\$ 22,708,429	\$ 22,859,142	\$ 17,623,553	\$ 18,742,787
State's Proportionate Share of the Net Pension Liability associated with the District	<u>595,665,800</u>	<u>579,613,300</u>	<u>573,851,835</u>	<u>604,413,336</u>	<u>476,123,942</u>	<u>458,566,350</u>
Total	<u>\$ 604,035,548</u>	<u>\$ 588,074,290</u>	<u>\$ 596,560,264</u>	<u>\$ 627,272,478</u>	<u>\$ 493,747,495</u>	<u>\$ 477,309,137</u>
District's payroll	\$ 80,180,556	\$ 77,801,933	\$ 76,045,713	\$ 73,751,383	\$ 74,363,134	N/A
District's proportionate share of the net pension liability as a percentage of its payroll	10.44%	10.88%	29.86%	30.99%	23.70%	N/A
Plan fiduciary net position as a percentage of the total pension liability	39.60%	40.00%	39.30%	36.40%	41.50%	43.00%

Notes to Schedule:

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

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

3. Changes of Assumptions

For the 2019 measurement year, there were no changes in assumptions from the 2018 measurement year.

For the 2018 measurement year, the mortality rates were updated to be based on a full-generational basis using projection table MP-2017 from MP-2014, salary increases increased to 4.00% to 9.00% from 3.25% to 9.25%, and the municipal bond index increased to 3.87% from 3.58%.

For the 2017 measurement year, there were no changes in assumptions from the 2016 measurement year.

For the 2016 measurement year, the assumed investment rate of return was 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.

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.

For the 2014 measurement year, the assumed investment rate of return was also 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. However, salary increases were assumed to vary by age.

WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information
 Teacher's Retirement System
 Schedule of Employer Contributions
 For the Prior Six Fiscal Years

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 631,095	\$ 669,792	\$ 699,388	\$ 1,263,030	\$ 1,164,164	\$ 958,583
Contributions in relation to the contractually required contribution	<u>631,095</u>	<u>669,792</u>	<u>699,388</u>	<u>1,263,030</u>	<u>1,164,164</u>	<u>958,583</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District payroll	\$ 82,914,582	\$ 80,180,556	\$ 77,801,933	\$ 76,045,713	\$ 73,751,383	\$ 74,353,134
Contributions as a Percentage of Payroll	0.76%	0.84%	0.90%	1.66%	1.58%	1.29%

Notes to Schedule:

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

2. Changes of Assumptions

For the 2019 measurement year, there were no changes in assumptions from the 2018 measurement year.

For the 2018 measurement year, the mortality rates were updated to be based on a full-generational basis using projection table MP-2017 from MP-2014, salary increases increased to 4.00% to 9.00% from 3.25% to 9.25%, and the municipal bond index increased to 3.87% from

For the 2017 measurement year, there were no changes in assumptions from the 2016 measurement year.

For the 2016 measurement year, the assumed investment rate of return was 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.

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.

For the 2014 measurement year, the assumed investment rate of return was also 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. However, salary increases were assumed to vary by age.

WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information
 District's Postretirement Health Plan
 Schedule of Changes in the District's Total Other Post-employment Benefits Liability and Related Ratios
 June 30, 2020

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 389,062	\$ 352,928	\$ 536,451
Interest	138,630	121,536	170,204
Changes of Benefit Terms	(31,357)	-	-
Difference Between Expected and Actual Experience	(951,099)	-	(260,053)
Changes in Assumptions	733,595	401,186	(2,024,693)
Benefit Payments	(57,370)	(53,120)	(18,393)
Other Changes	-	-	-
Net Change in Total OPEB Liability	<u>221,461</u>	<u>822,530</u>	<u>(1,596,484)</u>
Total OPEB Liability - Beginning	<u>3,989,545</u>	<u>3,167,015</u>	<u>4,763,499</u>
Total OPEB Liability - Ending (a)	<u>\$ 4,211,006</u>	<u>\$ 3,989,545</u>	<u>\$ 3,167,015</u>
Covered Payroll	\$ 10,677,343	\$ 10,771,824	\$ 10,407,559
Total OPEB Liability as a Percentage of Covered Valuation Payroll	39.44%	37.04%	30.43%

Notes to Schedule: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available. The District's Postretirement Health Plan is not administered through a trust or equivalent arrangement.

WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information
 Teachers' Health Insurance Security Fund
 Schedule of the District's Proportionate Share of the Net Other Post-employment Benefits Liability
 June 30, 2020

	2020	2019	2018
District's proportion of the collective net OPEB liability	0.327698%	0.328044%	0.336933%
District's proportionate share of the collective net OPEB liability	\$ 90,698,327	\$ 86,426,094	\$ 87,432,543
State's Proportionate Share of the Collective Net OPEB Liability associated with the District	<u>122,587,564</u>	<u>116,272,568</u>	<u>114,907,761</u>
Total	<u>\$213,285,891</u>	<u>\$202,698,662</u>	<u>\$202,340,304</u>
District's covered payroll	\$ 80,180,556	\$ 77,801,933	\$ 76,045,713
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	113%	111%	115%
Plan fiduciary net position as a percentage of total OPEB liability	0.25%	-0.07%	-0.17%

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

WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information
 Teachers' Health Insurance Security Fund
 Schedule of Employer Contributions
 June 30, 2020

	2020	2019	2018
Contractually required contribution	\$ 762,594	\$ 738,705	\$ 684,652
Contributions in relation to the statutorily required contribution	<u>(762,594)</u>	<u>(738,705)</u>	<u>(684,652)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$80,180,556	\$77,801,933	\$76,045,713
Contributions as a Percentage of covered employee payroll	0.95%	0.95%	0.90%

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

WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information
 Budgetary Comparison Schedule
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 General Fund and Major Special Revenue Funds
 Year Ended June 30, 2020

	General Fund		Variance from Final Budget Positive (Negative)
	Original and Final Budget	Actual	
Revenues			
Property Taxes	\$ 61,500,000	\$ 61,672,213	\$ 172,213
Replacement Taxes	1,200,000	1,366,560	166,560
State Sources	54,605,070	61,628,774	7,023,704
Federal Sources	15,788,702	14,123,936	(1,664,766)
Interest	200,000	1,232,495	1,032,495
Other	<u>2,376,000</u>	<u>2,162,772</u>	<u>(213,228)</u>
Total Revenues	<u>135,669,772</u>	<u>142,186,750</u>	<u>6,516,978</u>
Expenditures			
Current:			
Instruction:			
Regular Programs	54,643,520	52,767,433	1,876,087
Special Programs	19,137,032	18,541,734	595,298
Other Instructional Programs	16,365,248	14,874,081	1,491,167
Support Services:			
Pupils	10,568,925	10,540,040	28,885
Instructional Staff	6,159,562	5,345,294	814,268
General Administration	1,264,752	1,262,900	1,852
School Administration	6,036,183	5,903,433	132,750
Business	5,348,290	6,677,200	(1,328,910)
Transportation	16,382	4,859	11,523
Operations and Maintenance	877,104	668,603	208,501
Central	5,563,085	5,218,529	344,556
Other Support Services	134,991	111,002	23,989
Community Services	1,291,010	1,086,068	204,942
Payments to Other Districts & Govt. Units	7,458,751	6,471,973	986,778
Capital Outlay	686,474	1,363,118	(676,644)
Debt Service - Interest and Charges	-	39,497	(39,497)
Debt Service - Principal	-	729,671	(729,671)
Total Expenditures	<u>135,551,309</u>	<u>131,605,435</u>	<u>3,945,874</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>118,463</u>	<u>10,581,315</u>	<u>10,462,852</u>
Other Financing Sources and Uses			
Capital Lease Proceeds	-	901,542	901,542
Transfer In	-	227,340	227,340
Transfer Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>1,128,882</u>	<u>1,128,882</u>
Net Change in Fund Balances	<u>\$ 118,463</u>	<u>11,710,197</u>	<u>\$ 11,591,734</u>
Fund Balances at Beginning of Year		<u>47,043,705</u>	
Fund Balances at End of Year		<u>\$ 58,753,902</u>	

(Continued)

Special Revenue Fund			Special Revenue Fund		
Operations and Maintenance Fund			Transportation Fund		
Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
\$ 12,050,000	\$ 12,142,200	\$ 92,200	\$ 4,050,000	\$ 4,120,879	\$ 70,879
-	-	-	-	-	-
4,500,000	5,500,000	1,000,000	4,900,000	5,404,077	504,077
-	-	-	-	-	-
-	-	-	-	672	672
<u>780,000</u>	<u>1,359,443</u>	<u>579,443</u>	<u>50,000</u>	<u>42,535</u>	<u>(7,465)</u>
<u>17,330,000</u>	<u>19,001,643</u>	<u>1,671,643</u>	<u>9,000,000</u>	<u>9,568,163</u>	<u>568,163</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
556,000	-	556,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,336,398	1,462,717	(126,319)	-	-	-
-	-	-	7,348,145	7,362,931	(14,786)
10,157,950	9,749,596	408,354	-	-	-
-	-	-	-	-	-
-	-	-	100,000	-	100,000
-	-	-	-	-	-
-	-	-	-	-	-
4,765,000	5,675,126	(910,126)	-	2,328,401	(2,328,401)
-	-	-	157,625	134,307	23,318
-	-	-	<u>1,182,915</u>	<u>1,063,848</u>	<u>119,067</u>
<u>16,815,348</u>	<u>16,887,439</u>	<u>(72,091)</u>	<u>8,788,685</u>	<u>10,889,487</u>	<u>(2,100,802)</u>
<u>514,652</u>	<u>2,114,204</u>	<u>1,599,552</u>	<u>211,315</u>	<u>(1,321,324)</u>	<u>(1,532,639)</u>
-	-	-	-	2,328,401	2,328,401
-	-	-	-	-	-
-	(227,340)	(227,340)	-	-	-
-	(227,340)	(227,340)	-	2,328,401	2,328,401
\$ <u>514,652</u>	1,886,864	\$ <u>1,372,212</u>	\$ <u>211,315</u>	1,007,077	\$ <u>795,762</u>
	<u>2,230,213</u>			<u>2,628,741</u>	
	\$ <u>4,117,077</u>			\$ <u>3,635,818</u>	

WEST AURORA SCHOOL DISTRICT 129
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2020

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data: Budgeted amounts for the governmental funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America (GAAP) with the exception of the General Fund Education Account. That fund uses a budgetary basis of reporting. A reconciliation of the budgetary basis to GAAP is as follows:

	Revenues	Expenditures
General Fund Education Account - Budgetary Basis	\$ 142,068,254	\$ 131,605,435
To adjust for State of Illinois TRS On-Behalf Contributions Received	9,716,643	-
To adjust for State of Illinois TRS On-Behalf Contributions Made	-	9,716,643
 General Fund Education Account - GAAP Basis	 \$ 151,784,897	 \$ 141,322,078

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and a means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of an ordinance. By the last Tuesday in December, a tax levy ordinance is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control devise during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.
7. The budget amounts presented in the financial statements are original and final as the District did not pass a budget amendment during the fiscal year.
8. The General Fund – Working Cash Account was not budgeted for the fiscal year.

Excess of Actual Expenditures Over Budget: The following funds had an excess of actual expenditures over budget for the fiscal year.

<u>Fund</u>	<u>Excess</u>
Operations and Maintenance Fund	\$ 72,091
Transportation Fund	2,100,802
Fire Prevention and Safety Fund	14,903

General Fund
Balance Sheet - By Account
June 30, 2020

	Education Account	Working Cash Account	Tort Account	Total General Fund
ASSETS				
Cash	\$ 6,843,378	\$ -	\$ -	\$ 6,843,378
Investments	33,240,649	14,253,044	270,419	47,764,112
Restricted cash - insurance	1,173,642	-	-	1,173,642
Restricted investments - insurance	5,077,360	-	-	5,077,360
Receivables (net of allowance for uncollectibles):				
Property Taxes	35,770,548	-	-	35,770,548
Intergovernmental	6,978,767	-	-	6,978,767
Total Assets	\$ 89,084,344	\$ 14,253,044	\$ 270,419	\$ 103,607,807
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Cash Overdraft	\$ -	\$ -	\$ 267,458	\$ 267,458
Accounts Payable	1,312,857	-	-	1,312,857
Salaries and Wages Payable	10,186,774	-	-	10,186,774
Claims Payable	536,644	-	-	536,644
Total Liabilities	12,036,275	-	267,458	12,303,733
Deferred Inflows:				
Unearned Property Taxes	30,849,259	-	-	30,849,259
Unavailable Grant Revenues	1,700,913	-	-	1,700,913
Total Deferred Inflows	32,550,172	-	-	32,550,172
Fund Balances:				
Assigned				
Insurance	5,714,358	-	-	5,714,358
Unassigned	38,783,539	14,253,044	2,961	53,039,544
Total Fund Balances	44,497,897	14,253,044	2,961	58,753,902
Total Liabilities, Deferred Inflows and Fund Balances	\$ 89,084,344	\$ 14,253,044	\$ 270,419	\$ 103,607,807

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - By Account
Year Ended June 30, 2020

	Education <u>Account</u>	Working Cash <u>Account</u>	Tort <u>Account</u>	Total <u>General Fund</u>
Revenues				
Property Taxes	\$ 61,672,213	\$ -	\$ -	\$ 61,672,213
Replacement Taxes	1,366,560	-	-	1,366,560
State Sources	61,513,239	-	115,535	61,628,774
Federal Sources	14,123,936	-	-	14,123,936
Interest	1,229,534	-	2,961	1,232,495
Other	2,162,772	-	-	2,162,772
On-behalf Payments Received from State	<u>9,716,643</u>	<u>-</u>	<u>-</u>	<u>9,716,643</u>
Total Revenues	<u>151,784,897</u>	<u>-</u>	<u>118,496</u>	<u>151,903,393</u>
Expenditures				
Current:				
Instruction:				
Regular Programs	52,767,433	-	-	52,767,433
Special Programs	18,541,734	-	-	18,541,734
Other Instructional Programs	14,874,081	-	-	14,874,081
Support Services:				
Pupils	10,540,040	-	-	10,540,040
Instructional Staff	5,345,294	-	-	5,345,294
General Administration	1,262,900	-	-	1,262,900
School Administration	5,903,433	-	-	5,903,433
Business	6,677,200	-	-	6,677,200
Transportation	4,859	-	-	4,859
Operations and Maintenance	668,603	-	-	668,603
Central	5,218,529	-	-	5,218,529
Other Supporting Services	111,002	-	-	111,002
Community Services	1,086,068	-	-	1,086,068
Payments to Other Districts & Govt. Units	6,471,973	-	-	6,471,973
On-behalf Payments made by State	9,716,643	-	-	9,716,643
Capital Outlay	1,363,118	-	-	1,363,118
Debt Service - Principal	729,671	-	-	729,671
Debt Service - Interest and Charges	<u>39,497</u>	<u>-</u>	<u>-</u>	<u>39,497</u>
Total Expenditures	<u>141,322,078</u>	<u>-</u>	<u>-</u>	<u>141,322,078</u>
Excess of Revenues over Expenditures	<u>10,462,819</u>	<u>-</u>	<u>118,496</u>	<u>10,581,315</u>
Other Financing Sources				
Capital Lease Proceeds	901,542	-	-	901,542
Transfers In	<u>227,340</u>	<u>-</u>	<u>-</u>	<u>227,340</u>
Total Other Financing Sources	<u>1,128,882</u>	<u>-</u>	<u>-</u>	<u>1,128,882</u>
Net Change in Fund Balances	<u>11,591,701</u>	<u>-</u>	<u>118,496</u>	<u>11,710,197</u>
Fund Balances at Beginning of Year	<u>32,906,196</u>	<u>14,253,044</u>	<u>(115,535)</u>	<u>47,043,705</u>
Fund Balances at End of Year	<u>\$ 44,497,897</u>	<u>\$ 14,253,044</u>	<u>\$ 2,961</u>	<u>\$ 58,753,902</u>

General Fund - Education Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

Revenues	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Local Sources			
General Levy	\$ 54,900,000	\$ 54,950,932	\$ 50,932
Special Education Levy	6,600,000	6,721,281	121,281
Corporate Personal Property Replacement	1,200,000	1,366,560	166,560
Summer School Tuition from Pupils or Parents	10,000	-	(10,000)
CTE - Tuition from Other Districts	-	67,670	67,670
CTE - Tuition from Other Sources	-	362,583	362,583
Special Education Tuition from other LEAs	-	2,668	2,668
Adult Tuition from Other Sources	-	14,230	14,230
Interest on Investments	200,000	1,229,534	1,029,534
Sales to Pupils - Lunch	350,000	211,573	(138,427)
Sales to Pupils - Breakfast	40,000	11,371	(28,629)
Sales to Pupils - A La Carte	300,000	296,466	(3,534)
Sales to Adults	10,000	-	(10,000)
Admissions - Athletics	45,000	42,357	(2,643)
Admissions - Other	20,000	7,415	(12,585)
Other District/School Activity Revenue	20,000	9,570	(10,430)
Fees	185,000	202,315	17,315
Book Store Sales	20,000	18,712	(1,288)
Rentals - Regular Textbooks	683,500	744,805	61,305
Rentals	2,500	2,410	(90)
Contribution and Donations from Private Sources	-	10,277	10,277
Drivers' Education Fees	50,000	-	(50,000)
E-Rate	20,000	-	(20,000)
Sale of Vocational Projects	20,000	21,585	1,585
Other	600,000	136,765	(463,235)
Total Local Sources	<u>65,276,000</u>	<u>66,431,079</u>	<u>1,155,079</u>
State Sources			
General State Aid	50,000,000	55,166,736	5,166,736
Special Education - Private Facility Tuition	1,600,000	1,551,502	(48,498)
Special Education - Orphanage	98,000	316,988	218,988
Program Improvements	97,070	90,970	(6,100)
State Free Lunch and Breakfast	60,000	62,146	2,146
Driver Education	100,000	80,533	(19,467)
Early Childhood Block Grant	2,650,000	4,175,289	1,525,289
Other Restricted Grants	-	69,075	69,075
Total State Sources	<u>54,605,070</u>	<u>61,513,239</u>	<u>6,908,169</u>
Federal Sources			
National School Lunch Program	3,200,000	3,306,304	106,304
School Breakfast Program	1,050,000	883,553	(166,447)
Fresh Fruit and Vegetables	-	24,456	24,456
Summer Food Service Admin/Program	-	1,827,877	1,827,877
Child and Adult Care Food Program	-	32,018	32,018
Title I - Low Income	3,683,266	2,800,192	(883,074)
Title IV - Student Support & Academic Enrichment Grant	-	223,450	223,450
21st Century	540,000	417,447	(122,553)
Fed Sp Ed IDEA Preschool	64,407	71,977	7,570
Fed Sp Ed IDEA Flowthrough	3,223,061	2,659,144	(563,917)
Fed Sp Ed IDEA Room & Board	-	47,866	47,866
CTE - Perkins - Title III E Tech Prep	135,379	122,166	(13,213)
Medicaid Matching Funds	1,400,000	901,748	(498,252)
Preschool Expansion	1,358,473	9,946	(1,348,527)
Emergency Immigrant Assistance	34,795	-	(34,795)

General Fund - Education Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Title III - Language Acquisition	\$ 334,081	\$ 207,850	\$ (126,231)
Title II - Teacher Quality	723,624	554,742	(168,882)
Elementary and Secondary School Emergency Relief Fund	<u>41,616</u>	<u>33,200</u>	<u>(8,416)</u>
Total Federal Sources	<u>15,788,702</u>	<u>14,123,936</u>	<u>(1,664,766)</u>
 Total Revenue	 <u>135,669,772</u>	 <u>142,068,254</u>	 <u>6,398,482</u>
 Expenditures			
Instruction			
Regular Programs			
Salaries	39,849,553	39,052,685	796,868
Employee Benefits	10,268,800	9,029,566	1,239,234
Purchased Services	415,870	744,181	(328,311)
Supplies and Materials	1,651,002	1,149,785	501,217
Capital Outlay	10,000	-	10,000
Non-Capitalized Equipment	<u>25,000</u>	<u>14,804</u>	<u>10,196</u>
Total Regular Programs	<u>52,220,225</u>	<u>49,991,021</u>	<u>2,229,204</u>
 Pre-K Programs			
Salaries	1,738,826	1,665,911	72,915
Employee Benefits	514,550	472,856	41,694
Purchased Services	19,785	16,914	2,871
Supplies and Materials	<u>160,134</u>	<u>123,878</u>	<u>36,256</u>
Total Pre-K Programs	<u>2,433,295</u>	<u>2,279,559</u>	<u>153,736</u>
 Special Education Programs			
Salaries	11,072,424	10,761,719	310,705
Employee Benefits	2,819,130	2,708,017	111,113
Purchased Services	330,000	289,894	40,106
Supplies and Materials	247,873	174,447	73,426
Capital Outlay	10,000	-	10,000
Other	<u>4,525,500</u>	<u>4,248,218</u>	<u>277,282</u>
Total Special Education Programs	<u>19,004,927</u>	<u>18,182,295</u>	<u>822,632</u>
 Special Education Programs Pre-K			
Salaries	119,755	359,439	(239,684)
Employee Benefits	<u>22,350</u>	<u>-</u>	<u>22,350</u>
Total Special Education Programs Pre-K	<u>142,105</u>	<u>359,439</u>	<u>(217,334)</u>
 Remedial & Supplemental Programs			
Salaries	971,007	1,201,667	(230,660)
Employee Benefits	494,600	412,427	82,173
Purchased Services	59,507	140,060	(80,553)
Supplies and Materials	1,338,524	772,057	566,467
Capital Outlay	<u>-</u>	<u>119,166</u>	<u>(119,166)</u>
Total Remedial & Supplemental Programs	<u>2,863,638</u>	<u>2,645,377</u>	<u>218,261</u>
 CTE Programs			
Salaries	38,550	68,113	(29,563)
Employee Benefits	900	3,685	(2,785)
Purchased Services	62,432	32,214	30,218
Supplies and Materials	194,634	208,602	(13,968)
Capital Outlay	<u>460,474</u>	<u>82,134</u>	<u>378,340</u>

General Fund - Education Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Total CTE Programs	\$ 756,990	\$ 394,748	\$ 362,242
Interscholastic Programs			
Salaries	2,299,390	2,400,779	(101,389)
Employee Benefits	343,950	338,970	4,980
Purchased Services	442,798	321,641	121,157
Supplies and Materials	325,100	254,473	70,627
Capital Outlay	91,000	7,558	83,442
Non-capitalized Equipment	12,000	10,886	1,114
Total Interscholastic Programs	<u>3,514,238</u>	<u>3,334,307</u>	<u>179,931</u>
Summer School Programs			
Salaries	263,498	134,497	129,001
Employee Benefits	20,205	13,835	6,370
Purchased Services	5,900	-	5,900
Supplies and Materials	4,500	411	4,089
Total Summer School Programs	<u>294,103</u>	<u>148,743</u>	<u>145,360</u>
Gifted Programs			
Salaries	329,255	307,760	21,495
Employee Benefits	70,800	70,902	(102)
Purchased Services	43,800	16,344	27,456
Supplies and Materials	8,800	10,786	(1,986)
Total Gifted Programs	<u>452,655</u>	<u>405,792</u>	<u>46,863</u>
Driver's Education Programs			
Salaries	316,590	308,694	7,896
Employee Benefits	90,300	91,456	(1,156)
Purchased Services	18,000	22,512	(4,512)
Total Driver's Education Programs	<u>424,890</u>	<u>422,662</u>	<u>2,228</u>
Bilingual Programs			
Salaries	6,507,091	6,318,594	188,497
Employee Benefits	1,519,700	1,379,807	139,893
Supplies and Materials	105,195	32,909	72,286
Total Bilingual Programs	<u>8,131,986</u>	<u>7,731,310</u>	<u>400,676</u>
Truant Alternative & Optional Programs			
Salaries	357,322	381,935	(24,613)
Employee Benefits	88,400	95,962	(7,562)
Purchased Services	2,500	-	2,500
Supplies and Materials	16,000	18,956	(2,956)
Other	14,000	-	14,000
Total Truant Alternative & Optional Programs	<u>478,222</u>	<u>496,853</u>	<u>(18,631)</u>
Total Instruction	<u>90,717,274</u>	<u>86,392,106</u>	<u>4,325,168</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	2,705,183	2,789,471	(84,288)
Employee Benefits	707,750	757,491	(49,741)
Purchased Services	100,500	93,912	6,588

General Fund - Education Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Supplies and Materials	\$ 129,950	\$ 163,966	\$ (34,016)
Total Social Work Services	<u>3,643,383</u>	<u>3,804,840</u>	<u>(161,457)</u>
Guidance Services			
Salaries	1,193,641	1,263,041	(69,400)
Employee Benefits	259,250	284,894	(25,644)
Purchased Services	5,680	16,880	(11,200)
Total Guidance Services	<u>1,458,571</u>	<u>1,564,815</u>	<u>(106,244)</u>
Health Services			
Salaries	1,042,387	1,069,681	(27,294)
Employee Benefits	288,000	308,392	(20,392)
Purchased Services	109,510	395	109,115
Supplies and Materials	20,000	15,495	4,505
Total Health Services	<u>1,459,897</u>	<u>1,393,963</u>	<u>65,934</u>
Psychological Services			
Salaries	1,245,885	1,098,043	147,842
Employee Benefits	253,600	304,509	(50,909)
Purchased Services	20,000	34,234	(14,234)
Supplies and Materials	31,450	25,226	6,224
Total Psychological Services	<u>1,550,935</u>	<u>1,462,012</u>	<u>88,923</u>
Speech Pathology and Audiology Services			
Salaries	1,725,739	1,625,761	99,978
Employee Benefits	443,500	471,288	(27,788)
Purchased Services	25,000	12,741	12,259
Supplies and Materials	31,400	16,087	15,313
Total Speech Pathology and Audiology Services	<u>2,225,639</u>	<u>2,125,877</u>	<u>99,762</u>
Other Support Services - Pupils			
Salaries	222,500	188,400	34,100
Employee Benefits	-	36	(36)
Purchased Services	6,000	-	6,000
Supplies and Materials	2,000	97	1,903
Total Other Support Services - Pupils	<u>230,500</u>	<u>188,533</u>	<u>41,967</u>
Total Pupils	<u>10,568,925</u>	<u>10,540,040</u>	<u>28,885</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	3,561,923	3,354,213	207,710
Employee Benefits	829,250	750,948	78,302
Purchased Services	743,987	473,532	270,455
Supplies and Materials	294,404	132,549	161,855
Other	-	87,300	(87,300)
Capital Outlay	12,000	26,462	(14,462)
Total Improvement of Instruction Services	<u>5,441,564</u>	<u>4,825,004</u>	<u>616,560</u>
Educational Media Services			
Supplies and Materials	9,650	10,832	(1,182)
Capital Outlay	-	1,375	(1,375)
Total Educational Media Services	<u>9,650</u>	<u>12,207</u>	<u>(2,557)</u>

General Fund - Education Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Assessment & Testing			
Salaries	\$ 211,750	\$ 209,473	\$ 2,277
Employee Benefits	57,500	56,607	893
Purchased Services	431,098	261,259	169,839
Supplies and Materials	8,000	8,581	(581)
Total Assessment & Testing	<u>708,348</u>	<u>535,920</u>	<u>172,428</u>
Total Instructional Staff	<u>6,159,562</u>	<u>5,373,131</u>	<u>786,431</u>
General Administration			
Board of Education Services			
Salaries	67,055	146,641	(79,586)
Employee Benefits	18,700	55,191	(36,491)
Purchased Services	14,900	3,939	10,961
Supplies and Materials	19,763	20,316	(553)
Other	16,500	25,743	(9,243)
Total Board of Education Services	<u>136,918</u>	<u>251,830</u>	<u>(114,912)</u>
Executive Administration Services			
Salaries	235,000	234,249	751
Employee Benefits	54,700	59,876	(5,176)
Purchased Services	157,068	168,737	(11,669)
Supplies and Materials	12,000	7,758	4,242
Other	15,000	36,065	(21,065)
Total Office of Superintendent	<u>473,768</u>	<u>506,685</u>	<u>(32,917)</u>
Special Area Administration Services			
Salaries	147,636	149,516	(1,880)
Employee Benefits	22,480	22,694	(214)
Purchased Services	71,400	44,984	26,416
Supplies and Materials	7,550	-	7,550
Total Special Area Administration Services	<u>249,066</u>	<u>217,194</u>	<u>31,872</u>
Tort Immunity Services			
Employee Benefits	120,000	43,704	76,296
Purchased Services	285,000	243,487	41,513
Total Tort Immunity Services	<u>405,000</u>	<u>287,191</u>	<u>117,809</u>
Total General Administration	<u>1,264,752</u>	<u>1,262,900</u>	<u>1,852</u>
School Administration			
Office of the Principal Services			
Salaries	4,672,618	4,669,751	2,867
Employee Benefits	1,117,900	995,984	121,916
Purchased Services	109,666	69,909	39,757
Supplies and Materials	134,899	166,884	(31,985)
Total Office of the Principal Services	<u>6,035,083</u>	<u>5,902,528</u>	<u>132,555</u>
Other Support Services - School Admin.			
Supplies and Materials	1,100	905	195
Total Other Support Services - School Admin.	<u>1,100</u>	<u>905</u>	<u>195</u>
Total School Administration	<u>6,036,183</u>	<u>5,903,433</u>	<u>132,750</u>
Business			
Direction of Business Support Services			

General Fund - Education Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Salaries	\$ 189,070	\$ 146,958	\$ 42,112
Employee Benefits	18,400	21,009	(2,609)
Purchased Services	76,275	89,370	(13,095)
Supplies and Materials	60,000	88,809	(28,809)
Total Direction of Business Support	<u>343,745</u>	<u>346,146</u>	<u>(2,401)</u>
Fiscal Services			
Salaries	426,903	401,730	25,173
Employee Benefits	96,100	54,389	41,711
Purchased Services	270,000	246,035	23,965
Total Fiscal Services	<u>793,003</u>	<u>702,154</u>	<u>90,849</u>
Operation and Maintenance of Plant Services			
Salaries	669,354	632,933	36,421
Employee Benefits	153,150	-	153,150
Purchased Services	54,600	-	54,600
Supplies and Materials	-	35,670	(35,670)
Total Operation and Maintenance of Plant Services	<u>877,104</u>	<u>668,603</u>	<u>208,501</u>
Pupil Transportation Services			
Purchased Services	16,382	4,859	11,523
Total Pupil Transportation Services	<u>16,382</u>	<u>4,859</u>	<u>11,523</u>
Food Services			
Salaries	267,592	290,065	(22,473)
Employee Benefits	12,950	10,854	2,096
Purchased Services	3,711,000	4,731,172	(1,020,172)
Supplies and Materials	120,000	596,809	(476,809)
Capital Outlay	100,000	104,381	(4,381)
Non-capitalized Equipment	100,000	-	100,000
Total Food Services	<u>4,311,542</u>	<u>5,733,281</u>	<u>(1,421,739)</u>
Total Business	<u>6,341,776</u>	<u>7,455,043</u>	<u>(1,113,267)</u>
Central			
Direction of Central Support Services			
Salaries	52,590	52,589	1
Employee Benefits	10,300	11,886	(1,586)
Supplies and Materials	20,000	11,052	8,948
Total Direction of Central Support Services	<u>82,890</u>	<u>75,527</u>	<u>7,363</u>
Planning, Research Development & Evaluation Services			
Purchased Services	18,000	20,000	(2,000)
Total Planning, Research Development & Evaluation Services	<u>18,000</u>	<u>20,000</u>	<u>(2,000)</u>
Information Services			
Salaries	234,275	229,043	5,232
Employee Benefits	23,700	42,030	(18,330)
Purchased Services	80,500	43,867	36,633
Supplies and Materials	8,000	9,982	(1,982)
Other	500	-	500

General Fund - Education Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Total Information Services	\$ 346,975	\$ 324,922	\$ 22,053
Staff Services			
Salaries	441,940	460,357	(18,417)
Employee Benefits	138,850	133,223	5,627
Purchased Services	85,278	98,745	(13,467)
Supplies and Materials	32,500	4,219	28,281
Total Staff Services	<u>698,568</u>	<u>696,544</u>	<u>2,024</u>
Data Processing Services			
Salaries	1,056,027	1,034,448	21,579
Employee Benefits	226,225	1,310	224,915
Purchased Services	1,964,900	1,352,746	612,154
Supplies and Materials	1,118,000	1,478,895	(360,895)
Capital Outlay	15,000	1,014,042	(999,042)
Other	1,500	-	1,500
Non-Capitalized Equipment	50,000	234,137	(184,137)
Total Data Processing Services	<u>4,431,652</u>	<u>5,115,578</u>	<u>(683,926)</u>
Total Central	<u>5,578,085</u>	<u>6,232,571</u>	<u>(654,486)</u>
Other Support Services			
Salaries	41,480	41,478	2
Employee Benefits	7,250	4,033	3,217
Purchased Services	82,261	63,918	18,343
Supplies and Materials	4,000	1,573	2,427
Total Other Support Services	<u>134,991</u>	<u>111,002</u>	<u>23,989</u>
Total Support Services	<u>36,084,274</u>	<u>36,878,120</u>	<u>(793,846)</u>
Community Services			
Salaries	708,921	657,239	51,682
Employee Benefits	179,600	156,404	23,196
Purchased Services	201,648	151,294	50,354
Supplies and Materials	196,841	121,131	75,710
Capital Outlay	4,000	8,000	(4,000)
Total Community Services	<u>1,291,010</u>	<u>1,094,068</u>	<u>196,942</u>
Payments to Other Districts & Govt. Units			
Payments for Regular Programs			
Purchased Services	-	12,254	(12,254)
Total Payments for Regular Programs	<u>-</u>	<u>12,254</u>	<u>(12,254)</u>
Payments for Special Education Programs			
Other	6,000,000	4,540,142	1,459,858
Total Payments for Special Education Programs	<u>6,000,000</u>	<u>4,540,142</u>	<u>1,459,858</u>
Other Payments to In-State Govt. Units			
Other	-	997,695	(997,695)
Purchased Services	1,258,751	763,487	495,264
Total Payments to In-State Govt. Units	<u>1,258,751</u>	<u>1,761,182</u>	<u>(502,431)</u>

General Fund - Education Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Payments for Regular Programs - Tuition			
Other	\$ 125,000	\$ 103,430	\$ 21,570
Total Payments for Regular Programs - Tuition	<u>125,000</u>	<u>103,430</u>	<u>21,570</u>
Payments for CTE Programs - Tuition			
Other	<u>75,000</u>	<u>54,965</u>	<u>20,035</u>
Total Payments for CTE Programs - Tuition	<u>75,000</u>	<u>54,965</u>	<u>20,035</u>
Total Payments to Other Districts & Govt. Units	<u>7,458,751</u>	<u>6,471,973</u>	<u>986,778</u>
Debt Service			
Principal on Debt	-	729,671	(729,671)
Interest on Long-Term Debt	<u>-</u>	<u>39,497</u>	<u>(39,497)</u>
Total Debt Service	<u>-</u>	<u>769,168</u>	<u>(769,168)</u>
Total Expenditures	<u>135,551,309</u>	<u>131,605,435</u>	<u>3,945,874</u>
Excess of Revenues over Expenditures	<u>118,463</u>	<u>10,462,819</u>	<u>10,344,356</u>
Other Financing Sources			
Capital Lease Proceeds	-	901,542	901,542
Transfer In	<u>-</u>	<u>227,340</u>	<u>227,340</u>
Total Other Financing Sources	<u>-</u>	<u>1,128,882</u>	<u>1,128,882</u>
Net Change in Fund Balance	<u>\$ 118,463</u>	11,591,701	<u>\$ 11,473,238</u>
Fund Balance at Beginning of Year		<u>32,906,196</u>	
Fund Balance at End of Year		<u>\$ 44,497,897</u>	

General Fund - Tort Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Final Budget Positive (Negative)
Revenue			
Local Sources			
Interest on Investments	\$ -	\$ 2,961	\$ 2,961
Total Local Sources	<u>-</u>	<u>2,961</u>	<u>2,961</u>
State Sources			
General State Aid	-	115,535	115,535
Total State Sources	<u>-</u>	<u>115,535</u>	<u>115,535</u>
Total Revenue	<u>-</u>	<u>118,496</u>	<u>118,496</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	118,496	<u>\$ 118,496</u>
Fund Balance at Beginning of Year		<u>(115,535)</u>	
Fund Balance at End of Year		<u>\$ 2,961</u>	

Operations and Maintenance Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Final Budget <u>Positive (Negative)</u>
Revenue			
Local Sources			
General Levy	\$ 12,050,000	\$ 12,142,200	\$ 92,200
Other Payments in Lieu of Taxes	-	326,541	326,541
Interest on Investments	-	22,784	22,784
Rentals	180,000	164,226	(15,774)
Impact Fees	200,000	675,900	475,900
Other Local Fees	370,000	110,169	(259,831)
Other Local Revenues	<u>30,000</u>	<u>59,823</u>	<u>29,823</u>
Total Local Sources	<u>12,830,000</u>	<u>13,501,643</u>	<u>671,643</u>
State Sources			
General State Aid	<u>4,500,000</u>	<u>5,500,000</u>	<u>1,000,000</u>
Total State Sources	<u>4,500,000</u>	<u>5,500,000</u>	<u>1,000,000</u>
Total Revenue	<u>17,330,000</u>	<u>19,001,643</u>	<u>1,671,643</u>
Expenditures			
Support Services			
Pupils			
Other Support Services			
Employee Benefits	6,000	-	6,000
Purchased Services	<u>550,000</u>	<u>-</u>	<u>550,000</u>
Total Other Support Services	<u>556,000</u>	<u>-</u>	<u>556,000</u>
Total Pupils	<u>556,000</u>	<u>-</u>	<u>556,000</u>
Support Services			
Business			
Direction of Business Support Services			
Salaries	168,298	174,347	(6,049)
Employee Benefits	41,600	54,986	(13,386)
Purchased Services	788,500	649,947	138,553
Supplies and Materials	11,000	24,016	(13,016)
Other Objects	<u>10,000</u>	<u>1,865</u>	<u>8,135</u>
Total Direction of Business Support Services	<u>1,019,398</u>	<u>905,161</u>	<u>114,237</u>
Facilities Acquisition and Construction Services			
Purchased Services	317,000	470,877	(153,877)
Capital Outlay	<u>4,350,000</u>	<u>5,615,622</u>	<u>(1,265,622)</u>
Total Facilities Acquisition and Construction Services	<u>4,667,000</u>	<u>6,086,499</u>	<u>(1,419,499)</u>
Operation & Maintenance of Plant Services			
Salaries	3,920,146	3,984,518	(64,372)
Employee Benefits	885,250	914,784	(29,534)
Purchased Services	2,347,400	2,471,932	(124,532)
Supplies and Materials	2,955,154	2,346,803	608,351
Capital Outlay	315,000	59,504	255,496
Non-capitalized Equipment	<u>50,000</u>	<u>31,559</u>	<u>18,441</u>
Total Operation & Maintenance of Plant Services	<u>10,472,950</u>	<u>9,809,100</u>	<u>663,850</u>

Operations and Maintenance Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Final Budget Positive (Negative)
Food Services			
Capital Outlay	\$ 100,000	\$ -	\$ 100,000
Purchased Services	-	86,679	(86,679)
Total Food Services	<u>100,000</u>	<u>86,679</u>	<u>13,321</u>
Total Business	<u>16,259,348</u>	<u>16,887,439</u>	<u>(628,091)</u>
 Total Support Services	 <u>16,815,348</u>	 <u>16,887,439</u>	 <u>(72,091)</u>
 Total Expenditures	 <u>16,815,348</u>	 <u>16,887,439</u>	 <u>(72,091)</u>
 Excess of Revenues over Expenditures	 <u>514,652</u>	 <u>2,114,204</u>	 <u>1,599,552</u>
 Other Financing Uses			
Transfers Out	-	(227,340)	(227,340)
Total Other Financing Uses	<u>-</u>	<u>(227,340)</u>	<u>(227,340)</u>
 Net Change in Fund Balance	 <u>\$ 514,652</u>	 1,886,864	 <u>\$ 1,372,212</u>
 Fund Balance at Beginning of Year		 <u>2,230,213</u>	
 Fund Balance at End of Year		 <u>\$ 4,117,077</u>	

Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Final Budget Positive (Negative)
Revenue			
Local Sources			
General Levy	\$ 13,950,000	\$ 14,078,137	\$ 128,137
Interest on Investments	-	2,342	2,342
Other	<u>1,662,245</u>	<u>1,071,634</u>	<u>(590,611)</u>
Total Local Sources	<u>15,612,245</u>	<u>15,152,113</u>	<u>(460,132)</u>
 Total Revenue	 <u>15,612,245</u>	 <u>15,152,113</u>	 <u>(460,132)</u>
 Expenditures			
Debt Service			
Interest on Long-Term Debt	5,384,949	5,384,949	-
Payments of Principal on Long-Term Debt	10,235,000	10,125,000	110,000
Other	<u>8,500</u>	<u>6,378</u>	<u>2,122</u>
Total Debt Service	<u>15,628,449</u>	<u>15,516,327</u>	<u>112,122</u>
 Total Expenditures	 <u>15,628,449</u>	 <u>15,516,327</u>	 <u>112,122</u>
 Net Change in Fund Balance	 <u>\$ (16,204)</u>	 <u>(364,214)</u>	 <u>\$ (348,010)</u>
 Fund Balance at Beginning of Year		 <u>9,842,432</u>	
 Fund Balance at End of Year		 <u><u>\$ 9,478,218</u></u>	

Transportation Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Final Budget Positive (Negative)
Revenues			
Local Sources			
General Levy	\$ 4,050,000	\$ 4,120,879	\$ 70,879
Interest on Investments	-	672	672
Other	50,000	42,535	(7,465)
Total Local Sources	<u>4,100,000</u>	<u>4,164,086</u>	<u>64,086</u>
State Sources			
General State Aid	1,000,000	931,922	(68,078)
Transportation - Regular	1,500,000	1,167,355	(332,645)
Transportation - Special Education	2,400,000	3,304,800	904,800
Total State Sources	<u>4,900,000</u>	<u>5,404,077</u>	<u>504,077</u>
Total Revenues	<u>9,000,000</u>	<u>9,568,163</u>	<u>568,163</u>
Expenditures			
Support Services			
Pupil Transportation Services			
Salaries	3,337,195	3,221,762	115,433
Employee Benefits	691,000	713,761	(22,761)
Purchased Services	2,974,950	3,037,471	(62,521)
Supplies and Materials	345,000	386,160	(41,160)
Capital Outlay	-	2,328,401	(2,328,401)
Non-Capitalized Equipment	-	3,777	(3,777)
Total Pupil Transportation Services	<u>7,348,145</u>	<u>9,691,332</u>	<u>(2,343,187)</u>
Other Support Services			
Purchased Services	100,000	-	100,000
Total Other Support Services	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Debt Service			
Interest on Long-Term Debt	157,625	134,307	23,318
Payments of Principal on Long-Term Debt	1,182,915	1,063,848	119,067
Total Debt Service	<u>1,340,540</u>	<u>1,198,155</u>	<u>142,385</u>
Total Expenditures	<u>8,788,685</u>	<u>10,889,487</u>	<u>(2,100,802)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>211,315</u>	<u>(1,321,324)</u>	<u>(1,532,639)</u>
Other Financing Sources			
Capital Lease Proceeds	-	2,328,401	2,328,401
Total Other Financing Sources	<u>-</u>	<u>2,328,401</u>	<u>2,328,401</u>
Net Change in Fund Balance	<u>\$ 211,315</u>	<u>1,007,077</u>	<u>\$ 795,762</u>
Fund Balance at Beginning of Year		<u>2,628,741</u>	
Fund Balance at End of Year		<u>\$ 3,635,818</u>	

Site and Construction Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Local Sources			
Interest on Investments	\$ 100,000	\$ 42,579	\$ (57,421)
Total Revenues	<u>100,000</u>	<u>42,579</u>	<u>(57,421)</u>
Expenditures			
Support Services			
Facility Acquisition & Construction Service			
Purchased Services	500,000	112,149	387,851
Supplies and Materials	500,000	78,325	421,675
Capital Outlay	<u>2,000,000</u>	<u>1,148,439</u>	<u>851,561</u>
Total Facility Acquisition & Construction Service	<u>3,000,000</u>	<u>1,338,913</u>	<u>1,661,087</u>
Total Expenditures	<u>3,000,000</u>	<u>1,338,913</u>	<u>1,661,087</u>
Net Change in Fund Balance	<u>\$ (2,900,000)</u>	(1,296,334)	<u>\$ 1,603,666</u>
Fund Balance at Beginning of Year		<u>3,114,862</u>	
Fund Balance at End of Year		<u>\$ 1,818,528</u>	

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2020

	Special Revenue Fund	Capital Project Fund	Total Nonmajor Funds
	IMRF/ Soc. Sec Fund	Fire Prevention and Safety Fund	
ASSETS			
Cash	\$ 836,341	\$ -	\$ 836,341
Investments	-	274	274
Receivables (net of allowance for uncollectibles):			
Property Taxes	2,403,342	-	2,403,342
Total Assets	\$ 3,239,683	\$ 274	\$ 3,239,957
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Cash Overdraft	\$ 426,452	\$ -	\$ 426,452
Total Liabilities	426,452	-	426,452
Deferred Inflows:			
Unearned Property Taxes	2,072,692	-	2,072,692
Fund Balances:			
Restricted			
IMRF	740,539	-	740,539
Life Safety Construction Projects	-	274	274
Total Fund Balances	740,539	274	740,813
Total Liabilities, Deferred Inflows and Fund Balances	\$ 3,239,683	\$ 274	\$ 3,239,957

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2020

	Special Revenue Fund IMRF/ Soc. Sec Fund	Capital Projects Fund Fire Prevention and Safety Fund	Total Nonmajor Funds
Revenues			
Property Taxes	\$ 4,140,833	\$ -	\$ 4,140,833
Replacement Taxes	900,000	-	900,000
Interest	669	273	942
Total Revenues	<u>5,041,502</u>	<u>273</u>	<u>5,041,775</u>
Expenditures			
Current:			
Instruction:			
Regular Programs	830,026	-	830,026
Special Programs	723,911	-	723,911
Other Instructional Programs	225,095	-	225,095
Support Services:			
Pupils	341,154	-	341,154
Instructional Staff	81,036	-	81,036
General Administration	42,505	-	42,505
School Administration	241,741	-	241,741
Business	130,230	-	130,230
Transportation	540,978	-	540,978
Operations and Maintenance	800,054	-	800,054
Central	272,426	-	272,426
Other	7,414	-	7,414
Community Services	87,954	-	87,954
Capital Outlay	-	14,903	14,903
Total Expenditures	<u>4,324,524</u>	<u>14,903</u>	<u>4,339,427</u>
Net Change in Fund Balances	<u>716,978</u>	<u>(14,630)</u>	<u>702,348</u>
Fund Balances at Beginning of Year	<u>23,561</u>	<u>14,904</u>	<u>38,465</u>
Fund Balances at End of Year	<u>\$ 740,539</u>	<u>\$ 274</u>	<u>\$ 740,813</u>

Illinois Municipal Retirement/Social Security Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Revenue			
Local Sources			
General Levy - IMRF	\$ 2,050,000	\$ 2,070,417	\$ 20,417
General Levy - Social Security	2,050,000	2,070,416	20,416
Corporate Personal Property			
Replacement Taxes	800,000	900,000	100,000
Interest on Investments	-	669	669
Total Local Sources	<u>4,900,000</u>	<u>5,041,502</u>	<u>141,502</u>
Total Revenue	<u>4,900,000</u>	<u>5,041,502</u>	<u>141,502</u>
Expenditures			
Instruction			
Employee Benefits			
Regular Programs	786,910	715,936	70,974
Pre-K Programs	86,800	92,074	(5,274)
Truant and Alternative Optional Programs	13,500	22,016	(8,516)
Special Education Programs	533,400	721,077	(187,677)
Special Education Programs Pre-K	4,100	2,834	1,266
Remedial & Supplemental Programs	79,600	15,304	64,296
CTE Programs	4,100	10,221	(6,121)
Interscholastic Programs	69,000	65,300	3,700
Summer School Programs	18,500	9,182	9,318
Gifted Programs	4,450	4,625	(175)
Drivers Education Programs	4,450	4,613	(163)
Bilingual Programs	124,160	115,850	8,310
Total Instruction	<u>1,728,970</u>	<u>1,779,032</u>	<u>(50,062)</u>
Support Services			
Pupils			
Employee Benefits			
Attendance and Social Work Services	106,550	97,172	9,378
Guidance Services	40,600	42,828	(2,228)
Health Services	122,400	122,249	151
Psychological Services	32,500	16,998	15,502
Speech Pathology and Audiology Services	61,500	57,071	4,429
Other Support Services	8,375	4,836	3,539
Total Pupils	<u>371,925</u>	<u>341,154</u>	<u>30,771</u>
Instructional Staff			
Employee Benefits			
Improvement of Instruction Services	83,800	77,892	5,908
Assessment and Testing	3,000	3,144	(144)
Total Instructional Staff	<u>86,800</u>	<u>81,036</u>	<u>5,764</u>
General Administration			
Employee Benefits			
Board of Education Services	11,300	21,424	(10,124)
Executive Administration Services	3,400	3,623	(223)
Special Area Administrative Services	25,000	17,458	7,542
Total General Administration	<u>39,700</u>	<u>42,505</u>	<u>(2,805)</u>

Illinois Municipal Retirement/Social Security Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
School Administration			
Employee Benefits			
Office of the Principal Services	\$ 272,775	\$ 241,741	\$ 31,034
Total School Administration	<u>272,775</u>	<u>241,741</u>	<u>31,034</u>
Business			
Employee Benefits			
Direction of Business Support Services	23,000	27,895	(4,895)
Fiscal Services	108,150	70,604	37,546
Facilities Acquisition & Construction Services	23,500	-	23,500
Operation & Maintenance	767,800	800,054	(32,254)
Pupil Transportation Services	540,000	540,978	(978)
Food Services	30,100	31,731	(1,631)
Total Business	<u>1,492,550</u>	<u>1,471,262</u>	<u>21,288</u>
Central			
Employee Benefits			
Direction of Central Support Services	9,200	9,191	9
Planning, Research, Development & Evaluation Services	1,150	-	1,150
Information Systems	35,550	28,509	7,041
Central Staff Services	52,200	56,828	(4,628)
Data Processing Services	187,600	177,898	9,702
Total Central	<u>285,700</u>	<u>272,426</u>	<u>13,274</u>
Other Support Services			
Employee Benefits			
Other Support Services	7,300	7,414	(114)
Total Support Services	<u>2,556,750</u>	<u>2,457,538</u>	<u>99,212</u>
Community Services			
Employee Benefits	98,150	87,954	10,196
Total Expenditures	<u>4,383,870</u>	<u>4,324,524</u>	<u>59,346</u>
Net Change in Fund Balance	<u>\$ 516,130</u>	716,978	<u>\$ 200,848</u>
Fund Balance at Beginning of Year		<u>23,561</u>	
Fund Balance at End of Year		<u>\$ 740,539</u>	

WEST AURORA SCHOOL DISTRICT 129

Fire Prevention and Safety Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
Revenues			
Local Sources			
Interest on Investments	\$ -	\$ 273	\$ 273
Total Revenues	<u>-</u>	<u>273</u>	<u>273</u>
Expenditures			
Support Services			
Facility Acquisition & Construction Services			
Capital Outlay	-	14,903	(14,903)
Total Facility Acquisition & Construction Services	<u>-</u>	<u>14,903</u>	<u>(14,903)</u>
Total Expenditures	<u>-</u>	<u>14,903</u>	<u>(14,903)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(14,630)</u>	<u>\$ (14,630)</u>
Fund Balance at Beginning of Year		<u>14,904</u>	
Fund Balance at End of Year		<u>\$ 274</u>	

Agency Fund - Student Activity Funds
 Schedule of Changes in Assets and Liabilities
 Year Ended June 30, 2020

	Balance <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2020</u>
ASSETS				
Cash	\$ 712,729	\$ 1,170,288	\$ 1,006,918	\$ 876,099
LIABILITIES				
Due to Student Groups:				
Administration	\$ 705	\$ -	\$ -	\$ 705
Fearn Elementary	40,538	22,730	19,818	43,450
Freeman Elementary	60,577	17,558	14,072	64,063
Goodwin Elementary	49,771	9,059	10,518	48,312
Greenman Elementary	9,005	13,726	3,884	18,847
Hall Elementary	4,594	8,615	5,953	7,256
Herget Middle	24,226	54,853	54,942	24,137
Hill Elementary	26,770	11,015	6,186	31,599
Hope Wall	34,998	15,467	15,707	34,758
Jefferson Middle	19,567	39,420	34,538	24,449
Jewel Middle	72,267	48,427	48,277	72,417
McCleery Elementary	7,508	9,942	6,164	11,286
Nicholson Elementary	4,453	5,083	3,800	5,736
Schneider Elementary	17,419	17,582	13,758	21,243
Smith Elementary	26,943	20,384	21,818	25,509
Todd Early Childhood	12,308	10,960	11,382	11,886
Washington Middle	58,888	53,825	63,882	48,831
West High	242,192	811,642	672,219	381,615
TOTAL LIABILITIES	\$ 712,729	\$ 1,170,288	\$ 1,006,918	\$ 876,099

Agency Fund - Hope Wall
 Schedule of Changes in Assets and Liabilities
 Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS				
Cash	\$ -	\$ -	\$ 2,020,898	\$ 2,020,898
Investments	1,185,546	2,431,808	(1,185,546)	2,431,808
Total Assets	<u>\$ 1,185,546</u>	<u>\$ 2,431,808</u>	<u>\$ 835,352</u>	<u>\$ 4,452,706</u>
LIABILITIES				
Liabilities				
Cash Overdraft	\$ 22,248	\$ -	\$ (22,248)	\$ -
Accounts Payable	16,424	451,083	(16,424)	451,083
Salary and Wages Payable	603,228	578,748	(603,228)	578,748
Amount due other other Districts	543,646	3,422,875	(543,646)	3,422,875
Total Liabilities	<u>\$ 1,185,546</u>	<u>\$ 4,452,706</u>	<u>\$ (1,185,546)</u>	<u>\$ 4,452,706</u>
