

Due to ROE on Friday, October 14, 2022
Due to ISBE on Tuesday, November 15, 2022
SD/JA22

☒ School District
☐ Joint Agreement

ILLINOIS STATE BOARD OF EDUCATION
School Business Services Department
100 North First Street, Springfield, Illinois 62777-0001
217/785-8779

**Illinois School District/Joint Agreement
Annual Financial Report ***
June 30, 2022

<u>School District/Joint Agreement Information</u> <i>(See instructions on inside of this page.)</i>		<u>Accounting Basis:</u>		<u>Certified Public Accountant Information</u>	
School District/Joint Agreement Number: 34049095026		<input type="checkbox"/> CASH <input checked="" type="checkbox"/> ACCRUAL		Name of Auditing Firm: EDER, CASELLA & CO.	
County Name: LAKE				Name of Audit Manager: CHERYDEN JUERGENSEN	
Name of School District/Joint Agreement (use drop-down arrow to locate district, RCDT will populate): Lake Zurich CUSD 95		School District Lookup Tool School District Directory		Address: 5400 WEST ELM STREET, SUITE 203	
Address: 823 SOUTH RAND RD.		<u>Filing Status:</u> Submit electronic AFR directly to ISBE via IWAS -School District Financial Reports system (for auditor use only) Annual Financial Report (AFR) Instructions 0		City: MCHENRY	
City: LAKE ZURICH				State: IL	
Email Address: DEAN.ROMANO@LZ95.ORG				Zip Code: 60050	
Zip Code: 60047				Phone Number: 815-344-1300	
				Fax Number: 815-344-1320	
				IL License Number (9 digit): 065-026816	
				Expiration Date: 12/31/2024	
				Email Address: CPAS@EDERCASELLA.COM	
<u>Annual Financial Report</u> Type of Auditor's Report Issued: <input type="checkbox"/> Qualified <input type="checkbox"/> Adverse <input type="checkbox"/> Disclaimer <input checked="" type="checkbox"/> Unqualified		Annual Financial Report Questions 217-785-8779 or finance1@isbe.net Single Audit Questions 217-782-5630 or GATA@isbe.net		ISBE Use Only	
<input type="checkbox"/> Reviewed by District Superintendent/Administrator		<input type="checkbox"/> Reviewed by Township Treasurer (Cook County only) Name of Township: _____			
District Superintendent/Administrator Name (Type or Print):		Township Treasurer Name (type or print)		RegionalSuperintendent/Cook ISC Name (Type or Print):	
Email Address:		Email Address:		Email Address:	
Telephone:	Fax Number:	Telephone:	Fax Number:	Telephone:	Fax Number:
Signature & Date:		Signature & Date:		Signature & Date:	

* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100).

ISBE Form SD50-35/JA50-60 (05/22-version1)

34-049-0950-26_AFR22 Lake Zurich CUSD 95

This form is based on 23 Illinois Administrative Code, Subtitle A, Chapter I, Subchapter C, Part 100.

In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule. Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

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INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

This form complies with Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing).

[23, Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C \(Part 100\)](#)

- Round all amounts to the nearest dollar.** Do not enter cents. (Exception: 9 Month ADA on PCTC OEPP Tab)
- Any errors left unresolved by the Audit Checklist/Balancing Schedule must be explained in the itemization page.
- Be sure to break all links in AFR** before submitting to ISBE. If links are not broken, amounts entered have changed when opening the AFR.
- Submit AFR Electronically**
 - The Annual Financial Reports (AFR) must be submitted directly through the School District Financial Reports system in IWAS by the Auditor (not from the school district) on before November 15 with the exception of Extension Approvals. (Please see AFR Instructions for complete submission procedures). **Note: CD/Disk no longer accepted.**
[IWAS](#)
 - AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (*.wpd) or Adobe (*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.
Note: In Windows 7 and above, files can be saved in Adobe Acrobat (*.pdf) and embedded even if you do not have the software.
- Submit Paper Copy of AFR with Signatures**
 - The auditor must send three paper copies of the AFR form (cover through page 9 at minimum) to the School District with the auditor signature.
Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as necessary.
 - Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.
 - Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.
 - If the 15th falls on a Saturday, the due date is the Friday before. If the 15th falls on a Sunday, the due date is the Monday after.
 - Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Auditing Standards" were utilized.
[Federal Single Audit 2 CFR 200.500](#)
- Requesting an Extension of Time** must be submitted in writing via email or letter to the Regional Office of Education (at the discretion of the ROE). Approval may be provided up to and no later than December 15 annually. After December 15, audits are considered late and out of compliance per Illinois School Code.
- Qualifications of Auditing Firm**
 - School district/joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program, for the current peer review period.
 - A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the governmental activities and each major fund (audited financial statements) (not presented here) of

Lake Zurich Community Unit School District No. 95

as of and for the year ended June 30, 2022 and have issued our report dated October 7, 2022, which collectively comprise Lake Zurich Community Unit School District No. 95's basic financial statements. The basic financial statements have been audited; however, they are not presented as part of this Annual Financial Report form. The basic financial statements should be read in conjunction with the following auditors' opinion. Our opinion reads as follows:

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of

Lake Zurich Community Unit School District No. 95

as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lake Zurich Community Unit School District No. 95 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 16 to the financial statements, the District implemented GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lake Zurich Community Unit School District No. 95's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Zurich Community Unit School District No. 95's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2022 on our consideration of Lake Zurich Community Unit School District No. 95's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Lake Zurich Community Unit School District No. 95's internal control over financial reporting and compliance.

These regulatory-based financial statements are issued to comply with regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than, and differs from, accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying regulatory-based financial statements as listed in the table of contents of this Annual Financial Report form are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. Such information, except for the financial profile information, estimated financial profile summary, supplementary schedules, statistical section, estimated indirect cost rate for federal programs, administrative cost worksheet, and itemization schedules, which were not audited, has been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management of the District, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 7, 2022

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

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

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

Lake Zurich Community Unit School District No. 95

as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Lake Zurich Community Unit School District No. 95's basic financial statements, and have issued our report thereon dated October 7, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake Zurich Community Unit School District No. 95's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our

audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

McHenry, Illinois
October 7, 2022

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. *Reporting Entity*

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

B. *Basic Financial Statements – Government-Wide Financial Statements*

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

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

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

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

The District does not allocate indirect costs.

NOTES TO FINANCIAL STATEMENTS (Continued)

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation.

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

C. *Basic Financial Statements – Fund Financial Statements*

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

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

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

Governmental Funds

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

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

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

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

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

D. *Basis of Accounting*

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

1. Accrual

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

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Modified Accrual

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

E. *Cash and Cash Equivalents and Investments*

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

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

No District fund had a cash overdraft at June 30, 2022.

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

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

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Expenses*

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

H. *Inventories*

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

I. *Interfund Activity*

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

NOTES TO FINANCIAL STATEMENTS (Continued)

J. *Capital Assets*

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

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

K. *Deferred Outflows and Inflows of Resources*

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

L. *Compensated Absences*

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

M. *Long-Term Obligations*

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

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

N. *Government-Wide Net Position*

Net position is divided into three components:

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

NOTES TO FINANCIAL STATEMENTS (Continued)

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

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

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

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

- **Unassigned** – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in special revenue, debt services, and capital projects funds.

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

P. *Property Tax Calendar and Revenues*

The District's property tax is levied each calendar year on all taxable real property located in the District's district on or before the last Tuesday in December. The 2021 levy was passed by the Board on December 2, 2021. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

NOTES TO FINANCIAL STATEMENTS (Continued)

Q. *Estimates*

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

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

Investments

As of June 30, 2022, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pool	\$ 37,355,681	\$ 37,355,681	\$ -	\$ -	\$ -
U.S. Treasury Securities	50,473,782	39,733,035	10,740,747	-	-
Total	<u>\$ 87,829,463</u>	<u>\$ 77,088,716</u>	<u>\$ 10,740,747</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

Credit Risk. State law limits investments based on credit risk. The District has an investment policy that would further limit its investment choices. As of June 30, 2022, the District's investments were rated as follows:

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

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2022:

NOTES TO FINANCIAL STATEMENTS (Continued)

Investments by fair value level	6/30/2022	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
State Investment Pool	\$ 37,355,681	\$ -	\$ 37,355,681
US Treasury Securities	50,473,782	50,473,782	-
Certificates of Deposit	519,210	-	519,210
Total Investments by fair value level	<u>\$ 88,348,673</u>	<u>\$ 50,473,782</u>	<u>\$ 37,874,891</u>

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

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Adjustments	Increases	Decreases	Balance June 30, 2022
Governmental Activities					
Capital Assets not being depreciated					
Land	\$ 11,953,158	\$ -	\$ -	\$ -	\$ 11,953,158
Construction in Progress	7,504,105	-	5,481,844	836,848	12,149,101
Total Capital Assets not being depreciated	<u>\$ 19,457,263</u>	<u>\$ -</u>	<u>\$ 5,481,844</u>	<u>\$ 836,848</u>	<u>\$ 24,102,259</u>
Other Capital Assets					
Building and Building Improvements	\$ 198,460,289	\$ 3,142,345	\$ 2,123,458	\$ -	\$ 203,726,092
Site Improvements and Infrastructure	12,122,367	-	1,544,427	-	13,666,794
Capitalized Equipment	10,613,461	-	2,696,696	1,840,681	11,469,476
Total Other Capital Assets at historical cost	<u>\$ 221,196,117</u>	<u>\$ 3,142,345</u>	<u>\$ 6,364,581</u>	<u>\$ 1,840,681</u>	<u>\$ 228,862,362</u>
Less Accumulated Depreciation for					
Building and Building Improvements	\$ 62,074,365	\$ 256,625	\$ 3,897,822	\$ -	\$ 66,228,812
Site Improvements and Infrastructure	5,451,925	-	601,663	-	6,053,588
Capitalized Equipment	5,172,259	-	978,716	460,170	5,690,805
Total Accumulated Depreciation	<u>\$ 72,698,549</u>	<u>\$ 256,625</u>	<u>\$ 5,478,201</u>	<u>\$ 460,170</u>	<u>\$ 77,973,205</u>
Other Capital Assets, Net	<u>\$ 148,497,568</u>	<u>\$ 2,885,720</u>	<u>\$ 886,380</u>	<u>\$ 1,380,511</u>	<u>\$ 150,889,157</u>
Governmental Activities Capital Assets, Net	<u>\$ 167,954,831</u>	<u>\$ 2,885,720</u>	<u>\$ 6,368,224</u>	<u>\$ 2,217,359</u>	<u>\$ 174,991,416</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Transportation	\$ 654,456
Food Services	30,678
Unallocated	4,793,067
Total Governmental Activities Depreciation Expense	<u>\$ 5,478,201</u>

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2022 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance July 1, 2021	Additions	Retirement	Balance July 1, 2022	Amounts Due Within One Year
Governmental Activities:					
Long-Term Debt					
GO Limited Tax School					
Bonds, Series 2017	\$ 680,000	\$ -	\$ 680,000	\$ -	\$ -
GO Bond, Series 2019	36,750,000	-	1,435,000	35,315,000	1,490,000
GO Bond, Series 2020	33,915,000	-	1,680,000	32,235,000	1,770,000
GO Bond, Series 2021	5,350,000	-	480,000	4,870,000	1,190,000
Copier Purchase Agreement	305,146	-	149,818	155,328	155,328
Admin Building Purchase Agreement	2,575,321	-	201,223	2,374,098	210,467
Total Long-Term Debt	<u>\$ 79,575,467</u>	<u>\$ -</u>	<u>\$ 4,626,041</u>	<u>\$ 74,949,426</u>	<u>\$ 4,815,795</u>
Other Long-Term Liabilities					
Bond Premiums	\$ 7,774,036	\$ -	\$ 474,078	\$ 7,299,958	\$ 474,078
Compensated Absences	339,017	282,416	339,017	282,416	282,416
Total Other Long-Term Liabilities	<u>\$ 8,113,053</u>	<u>\$ 282,416</u>	<u>\$ 813,095</u>	<u>\$ 7,582,374</u>	<u>\$ 756,494</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 87,688,520</u>	<u>\$ 282,416</u>	<u>\$ 5,439,136</u>	<u>\$ 82,531,800</u>	<u>\$ 5,572,289</u>

Bonds

and notes payable consisted of the following at June 30, 2022:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
GO Bond, Series 2019	1/15/2039	4.00%	\$ 36,750,000	\$ 35,315,000
GO Bond, Series 2020	1/15/2036	2.125% - 5.00%	33,915,000	32,235,000
GO Bond, Series 2021	1/15/2026	0.6% - 0.9%	5,350,000	4,870,000
Copier Purchase Agreement	11/5/2022	2.35%	747,727	155,328
Admin Building Purchase Agreement	4/30/2024	4.50%	3,142,345	2,374,098
Total			<u>\$ 79,905,072</u>	<u>\$ 74,949,426</u>

At June 30, 2022 the annual debt service requirements to service long-term debt are:

Year Ending June 30	Principal	Interest	Total
2023	\$ 4,815,795	\$ 2,714,496	\$ 7,530,291
2024	6,783,631	2,528,487	9,312,118
2025	4,805,000	2,287,158	7,092,158
2026	4,945,000	2,115,348	7,060,348
2027	3,895,000	1,934,868	5,829,868
2028-2032	22,110,000	7,023,440	29,133,440
2033-2037	22,120,000	3,058,472	25,178,472
2038-2039	5,475,000	330,600	5,805,600
	<u>\$ 74,949,426</u>	<u>\$ 21,992,869</u>	<u>\$ 96,942,295</u>

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
Bonds and Notes Payable	Debt Services Fund
Compensated Absences	Education Fund, Operations and Maintenance Fund and Transportation Fund

Reconciliation to the Statement of Net Position

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

NOTES TO FINANCIAL STATEMENTS (Continued)

	Due Within One Year	Due in More Than One Year	Total
Bonds and Notes Payable	\$ 4,815,795	\$ 70,133,631	\$ 74,949,426
Bond Premiums, net of amortization	474,078	6,825,880	7,299,958
Compensated Absences	282,416	-	282,416
	<u>\$ 5,572,289</u>	<u>\$ 76,959,511</u>	<u>\$ 82,531,800</u>

NOTE 6 - NET INVESTMENT IN CAPITAL ASSETS CALCULATION

Net investment in capital asset calculation as of June 30, 2022 was as follows:

Governmental Activities

Capital Assets, Net of Accumulated Depreciation	\$ 174,991,416
Less:	
Capital Related Debt	(82,249,384)
Investment in Capital Assets	<u>\$ 92,742,032</u>

NOTE 7 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2021 tax levy. The unavailable revenue is 50% of the 2021 tax levy. These taxes are unavailable as only a portion of the taxes (approximately 50%) are collected before the end of the fiscal year and the District does not consider the remaining amounts to be available and does not budget for their use until the following fiscal year. The District has determined that 50% of the 2021 tax levy (\$44,857,596) and 50% of the 2020 tax levy, plus back taxes, less uncollectible amounts (\$43,276,596) are allocable for use in fiscal year 2022. Therefore, 50% of each of these levies are recorded in these financial statements as property taxes revenue. A summary of tax rates, assessed valuations, and extensions for tax years 2021, 2020, and 2019 is as follows:

TAX YEAR	2021		2020		2019	
ASSESSED VALUATION	\$1,723,218,851		\$1,721,018,622		\$1,731,428,495	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.7312	\$ 64,296,276	3.6945	\$ 63,583,687	3.5758	\$ 61,911,935
Special Education	0.0454	781,928	0.0358	616,950	0.0328	568,393
Operations and Maintenance	0.7134	12,292,857	0.7366	12,676,524	0.7217	12,495,391
Debt Service	0.4136	7,126,820	0.4130	7,108,358	0.4632	8,019,232
Transportation	0.1296	2,233,671	0.0810	1,394,473	0.0762	1,319,054
Municipal Retirement	0.0373	642,916	0.0364	627,191	0.0334	577,812
Social Security	0.0807	1,390,086	0.0742	1,277,443	0.0680	1,176,887
Working Cash	0.0282	486,534	0.0195	335,650	0.0148	255,715
PTAB/CE Recapture	0.0269	464,097	-	-	-	-
	<u>5.2063</u>	<u>\$ 89,715,185</u>	<u>5.0912</u>	<u>\$ 87,620,276</u>	<u>4.9857</u>	<u>\$ 86,324,419</u>

NOTE 8 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2022, none of the District's funds had expenditures that exceeded budgeted amounts.

NOTE 9 - RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

General Information About the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2021>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or ½% of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout program that expire on June 30, 2024. Once program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2021 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2022, State of Illinois contributions recognized by the District were based on the State's proportionate share of the pension expense associated with the District, and the District recognized revenue and expenditures of 23,529,303 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Districts contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were \$270,880 and are deferred because they were paid after the June 30, 2021 measurement date.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, 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, 2022, the District pension contribution was 10.31% of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$39,797 were paid from federal and special trust funds that required District contributions of \$4,097. These contributions are deferred because they were paid after the June 30, 2021 measurement date.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the District paid \$2,761 to TRS for employer contributions due on salary increases in excess of 6% 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, 2021, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the District follows below:

District's proportionate share of the net pension liability	\$ 3,914,114
State's proportionate share of the net pension liability associated with the District	328,044,361
Total	<u>\$ 331,958,475</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The employer'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, 2021, relative to the contributions of all participating TRS employers

NOTES TO FINANCIAL STATEMENTS (Continued)

and the State during that period. At June 30, 2021, the District's proportion was 0.00501737%, which was a decrease of 0.0002913% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$23,529,303 and revenue of \$23,529,303 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources	Net Outflow s of Resources
Differences between expected and actual experience	\$ 22,453	\$ (16,138)	\$ 6,315
Net difference between projected and actual earnings on pension plan investments	-	(262,546)	(262,546)
Changes of assumptions	1,735	(19,341)	(17,606)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(858,784)	(858,784)
Employer contributions subsequent to the measurement date	270,880	-	270,880
	<u>\$ 295,068</u>	<u>\$ (1,156,809)</u>	<u>\$ (861,741)</u>

\$270,880 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 reporting year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30	
2023	\$ (457,405)
2024	(308,629)
2025	(177,325)
2026	(162,106)
2027	(27,156)
	<u>\$ (1,132,621)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, including inflation

In the June 30, 2021 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. In the June 30, 2020 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2017.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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	16.7%	6.2%
U.S. equities small/mid cap	2.2%	7.4%
International equities developed	10.6%	6.9%
Emerging market equities	4.5%	9.2%
U.S. bonds core	3.0%	1.6%
Cash equivalents	2.0%	0.1%
TIPS	1.0%	0.8%
International debt developed	1.0%	0.4%
Emerging international debt	4.0%	4.4%
Real estate	16.0%	5.8%
Private Debt	10.0%	6.5%
Hedge Funds	10.0%	3.9%
Private Equity	15.0%	10.4%
Infrastructure	4.0%	6.3%
Total	100.0%	

Discount Rate

At June 30, 2021, the discount rate used to measure total pension liability was 7.00%, which was the same as the June 30, 2020 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, 2021 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	\$ 4,847,549	\$ 3,914,114	\$ 3,138,772

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2021 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTES TO FINANCIAL STATEMENTS (Continued)

B. *Illinois Municipal Retirement Fund*

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	214
Inactive plan members entitled to but not yet receiving benefits	269
Active plan members	249
Total	<u>732</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2021 was 9.38%. For the fiscal year ended June 30, 2022, the District contributed \$817,126 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/(Asset)

The components of the net pension liability/(asset) of the IMRF actuarial valuation performed as of December 31, 2019, and a measurement date as of December 31, 2021, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 35,094,280
IMRF Fiduciary Net Position	38,137,280
District's Net Pension Liability/(Asset)	(3,043,000)
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	108.67%

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

Actuarial Assumptions

The total pension liability/(asset) above was determined by an actuarial valuation performed as of December 31, 2021 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.25%
Salary Increases	2.85% to 13.75% including inflation
Interest Rate	7.25%
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study for the period 2017-2019.

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

NOTES TO FINANCIAL STATEMENTS (Continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2021:

Asset Class	Target Allocation	Projected Return
Equities	39.0%	1.90%
International Equities	15.0%	3.15%
Fixed Income	25.0%	-0.60%
Real Estate	10.0%	3.30%
Alternatives	10.0%	
Private Equity		5.50%
Hedge Funds		N/A
Commodities		1.70%
Cash Equivalents	1.0%	-0.90%
	<u>100.0%</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2021. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 1.84%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability/(Asset) (A)-(B)
Balances at December 31, 2020	\$ 32,898,828	\$ 33,031,071	\$ (132,243)
Changes for the year:			
Service Cost	\$ 850,470	\$ -	\$ 850,470
Interest on the Total Pension Liability	2,360,771	-	2,360,771
Differences Between Expected and Actual			
Experience of the Total Pension Liability	507,620	-	507,620
Contributions - Employer	-	842,787	(842,787)
Contributions - Employee	-	404,323	(404,323)
Net Investment Income	-	5,540,384	(5,540,384)
Benefit Payments, including Refunds			
of Employee Contributions	(1,523,409)	(1,523,409)	-
Other (Net Transfer)	-	(157,876)	157,876
Net Changes	\$ 2,195,452	\$ 5,106,209	\$ (2,910,757)
Balances at December 31, 2021	\$ 35,094,280	\$ 38,137,280	\$ (3,043,000)

NOTES TO FINANCIAL STATEMENTS (Continued)

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

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

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	\$ 1,013,870	\$ (3,043,000)	\$ (6,293,970)

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

For the year ended June 30, 2022, the District recognized pension expense/(income) of (\$305,124). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Deferred Outflow s of Resources	Deferred Inflow s of Resources	Net Outflow s of Resources
Differences between expected and actual experience	\$ 480,940	\$ -	\$ 480,940
Changes of assumptions	-	110,098	(110,098)
Net difference between projected and actual earnings on pension plan investments	-	4,202,071	(4,202,071)
Total deferred amounts to be recognized in pension expense in future periods	\$ 480,940	\$ 4,312,169	\$ (3,831,229)
Pension contributions made subsequent to the measurement date	397,106	-	397,106
Total deferred amounts related to pensions	\$ 878,046	\$ 4,312,169	\$ (3,434,123)

\$397,106 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflow s of Resources
2022	\$ (727,710)
2023	(1,435,349)
2024	(1,035,896)
2025	(632,274)
Total	\$ (3,831,229)

C. Social Security

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

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

A. Teacher Health Insurance Security Fund (THIS)

General Information About the OPEB Plan

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

Benefits Provided

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Contributions

For the fiscal year ended June 30, 2022, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the THIS make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher's salary. For the fiscal year ended June 30, 2021, the employee contribution was 1.24% of salary and the employer contribution was 0.92% of each teacher's salary. The Department of Central Management Services determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THISF), an amount equal to the amount certified by the Board of Trustees of THIS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to THIS by the employer.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2022, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$561,299 in benefit contributions from the State of Illinois.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state benefit support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 38,235,022
State's proportionate share of the net pension liability associated with the District	51,841,067
Total	<u>\$ 90,076,089</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to June 30, 2021. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2021, relative to the contributions of all participating THIS employers and the State during that period. At June 30, 2021, the District's proportion was 0.1733590%, which was a decrease of 0.002991% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized benefit income of \$455,054 and on-behalf revenue/expense of \$561,299 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ (1,788,587)	\$ (1,788,587)
Net difference between projected and actual earnings on pension plan investments	603	(733)	(130)
Changes of assumptions	13,200	(14,317,293)	(14,304,093)
Changes in proportion and differences between employee contributions and proportionate share of contributions	996,976	(2,049,495)	(1,052,519)
Employer contributions subsequent to the measurement date	312,913	-	312,913
	<u>\$ 1,323,692</u>	<u>\$ (18,156,108)</u>	<u>\$ (16,832,416)</u>

\$312,913 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year Ending June 30	
2023	\$ (6,924,081)
2024	(4,671,947)
2025	(2,684,301)
2026	(2,453,919)
2027	(411,081)
	<u>\$ (17,145,329)</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Costs	Trend for fiscal year 2022 based on expected increases used to develop average costs. For fiscal years ending on or after 2023, trend starts at 8.00% for non-Medicare costs and post-Medicare costs, and gradually decreases to an ultimate trend of 4.25%.

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

The actuarial assumptions that were used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	0.32%
	100.0%	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 1.92% as of June 30, 2021, and 2.45% as of June 30, 2020. 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, THIS's fiduciary net position at June 30, 2021 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2021, the discount rate used to measure the total OPEB liability was 1.92%.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 1.92%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (0.92%) or 1 percentage-point higher (2.92%) than the current rate.

	1% Decrease 0.92%	Current Discount Rate 1.92%	1% Increase 2.92%
Employer's proportionate share of the net OPEB liability	\$ 45,931,483	\$ 38,235,022	\$ 32,134,473

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher. The key trend rates are 8.00% in 2023 decreasing to an ultimate trend rate of 4.25% in 2038.

	1% Decrease (a)	Healthcare Cost Valuation Rate	1% Increase (b)
Employer's proportionate share of the net OPEB liability	\$ 30,609,036	\$ 38,235,022	\$ 48,594,289

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate trend rate of 3.25% in 2038.

NOTES TO FINANCIAL STATEMENTS (Continued)

- (b) One percentage point increase in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2038.

B. *Retiree Insurance Plan*

Plan Overview

In addition to providing the pension benefits described in Note 9, the District provides post-employment benefits other than pensions (“OPEB”) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the District’s governmental activities.

Benefits Provided

The District provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under the Illinois Municipal Retirement Fund (IMRF). IMRF employees may continue coverage into retirement on the District plan if they pay the entire premium. Dependents may also continue coverage on a pay-all basis. Coverage may continue for as long as required contributions are paid. All health care benefits are provided through the District’s insured health plan. The benefit levels are the same as those afforded to active employees.

Eligibility

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

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

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

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

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

Membership

Membership in the plan consisted of the following at July 1, 2021, the date of the latest actuarial valuation:

Active employees	244
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	4
Total	<u>248</u>

Total OPEB Liability

The District’s total OPEB liability was measured as of June 30, 2022, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

NOTES TO FINANCIAL STATEMENTS (Continued)

Actuarial Method	Entry Age Normal
Discount rate	4.09%
Inflation	3.00%
Salary Rate Increase	4.00%
Health Care Trend	
	Initial Trend Rate PPO plan - 5.00%
	HMO IL and Blue Adv. HMP Plans - 6.00%
	Ultimate Trend Rate 4.50%
	FY the Ultimate Rate is Reached Fiscal Year 2038
Mortality	<i>Active Employees</i> - PubG.H-2010(B) Mortality Table - General (below -median income) with future mortality improvement using Scale MP-2020
	<i>Retirees</i> - IPubG.H-2010(B) Mortality Table - General (below -median income), Male adjusted 106% and Female adjusted 105% tables, with future mortality improvement using scale MP-2020
Election at Retirement	10% of active employees will elect coverage at retirement
Marital Status	40% of employees electing coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2021 through June 30, 2022. Assumption changes reflect a change in the discount rate of 1.91% from 2.18% for the beginning of the year values and 4.09% for the disclosure date.

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

Discount Rate

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

A rate of 4.09% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2022.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	\$ 338,056	\$ -	\$ 338,056
Changes for the year:			
Service Cost	\$ 23,632	\$ -	\$ 23,632
Interest on Total OPEB Liability	6,888	-	6,888
Actuarial Experience	29,748	-	29,748
Assumption Changes	112,644	-	112,644
Benefit Payments	(44,222)	-	(44,222)
Net Changes	\$ 128,690	\$ -	\$ 128,690
Balances at June 30, 2022	\$ 466,746	\$ -	\$ 466,746

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

Plan's Total OPEB Liability/(Asset)		
1% Decrease	Valuation Rate	1% Increase
\$ 486,122	\$ 466,746	\$ 448,336

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

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

Plan's Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Valuation Rate	1% Increase
\$ 441,467	\$ 466,746	\$ 494,982

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$68,930. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources	Net Inflow s of Resources
Differences Between Expected and Actual Experience	\$ 26,092	\$ 14,763	\$ 11,329
Changes of Assumptions	257,016	44,701	212,315
Total	<u>\$ 283,108</u>	<u>\$ 59,464</u>	<u>\$ 223,644</u>

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of active employees (8.14 years) in the postretirement plan.

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

Year ending June 30	Net Outflow s of Resources
2023	\$ 38,410
2024	38,410
2025	38,410
2026	39,638
2027	30,762
Thereafter	38,014
	<u>\$ 223,644</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - DEFICIT FUND BALANCE

No fund had a deficit fund balance at June 30, 2022.

NOTE 12 - INTERFUND TRANSFERS

The following funds were transferred for the year ended June 30, 2022:

Transfer from	Transfer to	Amount
General Fund	Debt Services Fund	161,047
Operations and Maintenance Fund	Debt Services Fund	312,996
Operations and Maintenance Fund	Capital Projects Fund	4,300,000

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

NOTE 13 - JOINT VENTURE – LAKE COUNTY AREA VOCATIONAL SYSTEM (LCAVS)

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

A summary of financial condition (cash basis) of LCAVS at June 30, 2021 (most recent information available) is as follows:

Assets	\$ 34,307,531
Liabilities	\$ 1,026
Fund Equity	34,306,505
	<u>\$ 34,307,531</u>
Revenues Received	\$ 12,221,326
Expenditures Disbursed	12,944,548
Net Increase/(Decrease) in Fund Balance	<u>\$ (723,222)</u>

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

NOTE 14 - RISK MANAGEMENT

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

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

The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC,

NOTES TO FINANCIAL STATEMENTS (Continued)

management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

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

During the year ended June 30, 2022, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in the past three years. The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2022, there were no significant adjustments in premiums based on actual experience.

NOTE 15 - CONSTRUCTION COMMITMENTS

The District has entered into contracts for building repairs at various schools. The total amount of outstanding contracts is \$14,904,023. As of June 30, 2022, \$2,216,988 has been accrued to be paid on these contracts of which \$638,329 is retainage payable.

NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLE/NET POSITION ADJUSTMENT

The District has implemented GASB Statement No. 87, *Leases*. This statement establishes financial reporting standards related to leases. Implementation of this standard resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. There have been no changes to the previously issued audited financial statements which would be required on a retrospective basis. During the evaluation of the ongoing leases, it was noted that the District's administrative building, which is currently being leased with the intent to purchase at the expiration of the lease, should be added as a capital asset. The addition of the building and related accumulated depreciation resulted in a net position adjustment of \$2,885,720.

NOTE 17 - LEGAL DEBT LIMITATION

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

2021 EAV	\$ 1,723,218,851
Rate	13.8%
Debt Margin	\$ 237,804,201
Current Debt	74,949,426
Remaining Debt Margin	<u>\$ 162,854,775</u>

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited

Lake Zurich Community Unit School District No. 95's

compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lake Zurich Community Unit School District No. 95's major federal programs for the year ended June 30, 2022. Lake Zurich Community Unit School District No. 95's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Lake Zurich Community Unit School District No. 95 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 11, 2022

Lake Zurich Community Unit School District No. 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Year 7/1/20-6/30/21 (E)	Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/20-6/30/21 (C)	Year 7/1/21-6/30/22 (D)		Year 7/1/20-6/30/21 Pass through to Subrecipients	Year 7/1/21-6/30/22 (F)	Year 7/1/21-6/30/22 Pass through to Subrecipients			
CHILD NUTRITION CLUSTER											
U.S. Department of Agriculture passed through Illinois State Board of Education											
Food Donation Program (Non-Cash Commodities) (M)	10.555	22-4299-00		41,387			41,387			41,387	n/a
National School Lunch Program * (M)	10.555	21-4210-00		296,586			296,586			296,586	n/a
Covid-19 ARP National School Lunch Program * (M)	10.555	21-4210-BT		614			614			614	n/a
National School Lunch Program * (M)	10.555	22-4210-00		1,433,186			1,433,186			1,433,186	n/a
Covid-19 ARP Nutrition Supply Chain Assistance * (M)	10.555	22-4210-SC		70,509			70,509			70,509	n/a
U.S Department of Defense passed through Illinois State Board of Education											
Food Donation Program (Non-Cash Commodities) (M)	10.555	22-4299-00		52,984			52,984			52,984	n/a
Subtotal CFDA 10.555				1,895,266			1,895,266			1,895,266	
U.S. Department of Agriculture passed through Illinois State Board of Education											
Summer Food Service Program * (M)	10.559	21-4225-00	966,503	21,201	966,503		21,201			987,704	n/a
Subtotal CFDA 10.559			966,503	21,201	966,503		21,201			987,704	
Total Child Nutrition Cluster			966,503	1,916,467	966,503		1,916,467			2,882,970	
Subtotal CFDA "10"			966,503	1,916,467	966,503		1,916,467			2,882,970	
U.S. Department of Education passed through Illinois State Board of Education											
Title I - Low Income **	84.010	21-4300-00	43,633	97,735	43,633		97,735			141,368	221,218
Title I - Low Income **	84.010	22-4300-00		52,583			52,583			52,583	276,225
Subtotal CFDA 84.010			43,633	150,318	43,633		150,318			193,951	

Lake Zurich Community Unit School District No. 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Year 7/1/20-6/30/21 (E)	Expenditure/Disbursements ⁴		Year 7/1/21-6/30/22 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/20-6/30/21 (C)	Year 7/1/21-6/30/22 (D)		Year 7/1/20-6/30/21 Pass through to Subrecipients	Year 7/1/21-6/30/22 (F)				
Title II - Teacher Quality **	84.367	21-4932-00	51,798	1,147	51,798		1,147			52,945	84,463
Title II - Teacher Quality **	84.367	22-4932-00		75,490			75,490			75,490	109,089
Subtotal CFDA 84.367			51,798	76,637	51,798		76,637			128,435	
Title III - IEP **	84.365	21-4905-00		6,300			6,300			6,300	8,400
Title III - LIPLEP **	84.365	21-4909-00	27,101	23,276	27,101		23,276			50,377	52,960
Title III - LIPLEP **	84.365	22-4909-00		17,922			17,922			17,922	48,908
Subtotal CFDA 84.365			27,101	47,498	27,101		47,498			74,599	
Title IV, Part A - Student Support & Academic Enrichment **	84.424	21-4400-00	598	17,304	598		17,304			17,902	18,486
Title IV, Part A - Student Support & Academic Enrichment **	84.424	22-4400-00		550			550			550	12,747
Subtotal CFDA 84.424			598	17,854	598		17,854			18,452	
Covid-19 - Elementary and Secondary Emergency Relief Fund (M)	84.425D	21-4998-E2	33,600	558,343	33,600		558,343			591,943	607,482
Covid-19 ARP - LEA and COOP American Rescue Plan (M)	84.425U	22-4998-E3		52,629			52,629			52,629	1,369,478
Covid-19 - Elementary and Secondary Emergency Relief Fund * (M)	84.425D	22-4998-ER		13,786			13,786			13,786	13,806
Subtotal CFDA 84.425			33,600	624,758	33,600		624,758			658,358	
SPECIAL EDUCATION CLUSTER											
Special Education - IDEA Flow Through	84.027	21-4620-00	895,575	9,483	893,967		9,483			903,450	1,323,000
Special Education - IDEA Flow Through	85.027	21-4620-EI	78,130	0	71,659		6,471			78,130	153,600
Special Education - IDEA Flow Through	84.027	22-4620-00		1,174,716			1,144,998		29,718	1,174,716	1,739,087
Special Education - IDEA - Room & Board **	84.027	21-4625-00	217,121	96,921	217,121		96,921			314,042	n/a
Special Education - IDEA - Room & Board **	84.027	22-4625-00		274,403			274,403			274,403	n/a
Subtotal CFDA 84.027			1,190,826	1,555,523	1,182,747		1,532,276		29,718	2,744,741	

Lake Zurich Community Unit School District No. 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Year 7/1/20-6/30/21 (E)	Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/20-6/30/21 (C)	Year 7/1/21-6/30/22 (D)		Year 7/1/20-6/30/21 Pass through to Subrecipients	Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/21-6/30/22 Pass through to Subrecipients			
Special Education - Preschool	84.173	21-4600-00	20,044	-1,502	18,542		0			18,542	58,900
Special Education - Preschool	84.173	22-4600-00		54,319			54,319			54,319	61,422
Subtotal CFDA 84.173			20,044	52,817	18,542		54,319			72,861	
Total Special Education Cluster			1,210,870	1,608,340	1,201,289		1,586,595		29,718	2,817,602	
U.S. Department of Education passed through Lake County Area Vocational System											
V.E Perkins - Title IIC - Secondary	84.048	22-4745-00		16,432			16,432			16,432	16,432
Subtotal CFDA 84.048				16,432			16,432			16,432	
Total CFDA "84"			1,367,600	2,541,837	1,358,019		2,520,092		29,718	3,907,829	
MEDICAID CLUSTER											
U.S. Department of Health and Human Services											
Passed Through Illinois Department of Healthcare and Family Services											
Medicaid Matching Funds - Admin Outreach	93.778	22-4991-00		101,060			101,060			101,060	n/a
Subtotal CFDA 93.778				101,060			101,060			101,060	
Total Medicaid Cluster				101,060			101,060			101,060	
Total CFDA "93"				101,060			101,060			101,060	

Lake Zurich Community Unit School District No. 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Year 7/1/20-6/30/21 (E)	Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/20-6/30/21 (C)	Year 7/1/21-6/30/22 (D)		Year 7/1/20-6/30/21 Pass through to Subrecipients	Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/21-6/30/22 Pass through to Subrecipients			
Federal Communications Commission											
COVID-19 Emergency Connectivity Fund Program	32.009	22-4998-00		10,800			10,800			10,800	n/a
Total Federal Assistance			2,334,103	4,570,164	2,324,522		4,548,419		29,718	6,902,659	
* Project End 9/30											
** Project End 8/31											

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

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

The accompanying notes are an integral part of this schedule.

-
- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)
- ⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of Lake Zurich Community Unit School District No. 95 under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, and used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

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

NOTE 3 - INDIRECT COST RATE

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

NOTE 4 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2022.

NOTE 5 - FEDERAL LOANS

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

NOTE 6 - DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (UNAUDITED)

The District was not a recipient of federally donated PPE.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

- 1) Summary of auditor's results:
 - a) The auditor's report expresses an unmodified opinion on whether the financial statements of Lake Zurich Community Unit School District No. 95 were prepared in accordance with GAAP.
 - b) No significant deficiencies are reported during the audit of the financial statements. No material weaknesses are reported.
 - c) No instances of noncompliance material to the financial statements of Lake Zurich Community Unit School District No. 95, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
 - d) No significant deficiencies in internal control over major federal award programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.
 - e) The auditor's report on compliance for the major federal award programs for Lake Zurich Community Unit School District No. 95 expresses an unmodified opinion on all major federal programs.
 - f) There are no audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a).
 - g) The programs tested as major programs were: Child Nutrition Cluster (CFDA #10.555 and #10.559) and Covid-19 Elementary and Secondary Emergency Relief Fund (CFDA #84.425D and 84.425U).
 - h) The threshold used for distinguishing between Type A and Type B programs was \$750,000.
 - i) Lake Zurich Community Unit School District No. 95 was determined to be a low-risk auditee.
- 2) There were no findings related to the financial statements which are required to be reported.
- 3) There were no findings related to federal awards which are required to be reported.

Lake Zurich Community Unit School District No. 95
34-049-0950-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2022 - NONE 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year **2021** would be assigned a reference number of **2021-001, 2021-002**, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

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

Lake Zurich Community Unit School District No. 95

34-049-0950-26

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ending June 30, 2022

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2022 - NONE** 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

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

6. Passed Through: _____

7. Federal Agency: _____

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

9. Condition¹⁵ _____

10. Questioned Costs¹⁶ _____

11. Context¹⁷ _____

12. Effect _____

13. Cause _____

14. Recommendation _____

15. Management's response¹⁸ _____

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

¹⁶ Identify questioned costs as required by §200.516 (a)(3 - 4).

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

Lake Zurich Community Unit School District No. 95
34-049-0950-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2022

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> ²⁰
2021-001	During the audit it was determined that for fiscal year 2021 incorrect rates were used for claiming meal reimbursements.	District submitted corrections for the questioned costs. Procedures were implemented to ensure review of claims by someone other than the person submitting the claims.
2021-002	During the audit it was determined that for one of the days selected for testing, the number of meals on the summary reports prepared by grant personnel, and used to submit claims for reimbursement, did not match the number of meals on the tally sheets prepared while serving the meals.	Management improved their monitoring procedures to ensure that any discrepancies are caught and corrected promptly.

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

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ Current Status should include one of the following:

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

AUDITOR'S QUESTIONNAIRE

INSTRUCTIONS: If your review and testing of state, local, and federal Programs revealed any of the following statements to be true, then check the box on the left and attach the appropriate findings/comments.

PART A - FINDINGS

- ☐ 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interested statements pursuant to the *Illinois Government Ethics Act*. [5 ILCS 420/4A-101]
- ☐ 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to *Illinois School Code* [105 ILCS 5/8-2; 10-20.19; 19-6].
- ☐ 3. One or more contracts were executed or purchases made contrary to the provisions of the *Illinois School Code* [105 ILCS 5/10-20.21].
- ☐ 4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted [30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.].
- ☐ 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
- ☐ 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- ☐ 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- ☐ 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *Illinois State Revenue Sharing Act* [30 ILCS 115/12].
- ☐ 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization per *Illinois School Code* [105 ILCS 5/10-22.33, 20-4 and 20-5].
- ☐ 10. One or more interfund loans were outstanding beyond the term provided by statute *Illinois School Code* [105 ILCS 5/10-22.33, 20-4, 20-5].
- ☐ 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization per *Illinois School Code* [105 ILCS 5/17-2A].
- ☐ 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- ☐ 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to *Illinois School Code* [105 ILCS 5/2-3.27; 2-3.28].
- ☐ 14. At least one of the following forms was filed with ISBE late: The FY21 AFR (ISBE FORM 50-35), FY21 Annual Statement of Affairs (ISBE Form 50-37) and FY22 Budget (ISBE FORM 50-36). Explain in the comments box below in pursuant to *Illinois School Code* [105 ILCS 5/3-15.1; 5/10-17; 5/17-1].

PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to the Illinois School Code [105 ILCS 5/1A-8] .

- ☐ 15. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by *Illinois School Code* [105 ILCS 5/17-16 or 34-23 through 34-27].
- ☐ 16. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- ☐ 17. The district has issued school or teacher orders for wages as permitted in *Illinois School Code* [105 ILCS 5/8-16, 32-7.2 and 34-76] or issued funding bonds for this purpose pursuant to *Illinois School Code* [105 ILCS 5/8-6; 32-7.2; 34-76; and 19-8].
- ☐ 18. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

PART C - OTHER ISSUES

- ☐ 19. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- ☐ 20. Findings, other than those listed in Part A (above), were reported (e.g. student activity findings). These findings may be described extensively in the financial notes.
- ☒ 21. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: 2/12/1995 (Ex: 00/00/0000)
- ☐ 22. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3120, 3500, 3510, 3950) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score. In FY 2022, identify those late payments recorded as Intergovernmental Receivables, Other Receivables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

24. Enter the date that the district used to accrue mandated categorical payments

Date 6/30/2022

25. For the listed mandated categorical (Revenue Code (3100, 3120, 3500, 3510, 3950) that were vouchered prior to June 30, but not released until after year end as reported in ISBE Financial Reimbursement Information System (FRIS), enter the amounts that were accrued in the chart below.

Account Name	3100	3120	3500	3510	3950	Total
Deferred Revenues (490)						
Mandated Categoricals Payments (3100, 3120, 3500, 3510, 3950)						\$-
Direct Receipts/Revenue						
Mandated Categoricals Payments (3100, 3120, 3500, 3510, 3950)	240,100		131,260	254,938		\$626,298
Total						\$626,298


- Revenue Code (3100-Sp Ed Private Facilities, 3120-Sp Ed Regular Orphanage Individual, 3500-Regular/Vocational Transportation, 3510-Sp Ed Transportation, 3950-Regular Orphans & Foster Children)

PART E - QUALIFICATIONS OF AUDITING FIRM

- School district/joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review.
- A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

Comments Applicable to the Auditor's Questionnaire:**Eder, Casella & Co***Name of Audit Firm (print)*

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.


Signature

10/12/2022
mm/dd/yyyy

Note: A PDF (of the Audit Questionnaire) with signature is acceptable for this page. Enter the location on signature line e.g. PDF in Opinion Page with signature

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	FINANCIAL PROFILE INFORMATION												
2													
3	<i>Required to be completed for school districts only.</i>												
4													
5	A. Tax Rates (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	Tax Year 2021				Equalized Assessed Valuation (EAV):				1,723,218,851				
8													
9	Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash				
10	Rate(s): 0.037312		+ 0.007134		+ 0.001296		= 0.045740		0.000282				
11													
12													
13	A tax rate must be entered in the Educational, Operations and Maintenance, Transportation, and Working Cash boxes above. If the tax rate is zero, enter "0".												
14	B. Results of Operations *												
15													
16	Receipts/Revenues		Disbursements/Expenditures		Excess/ (Deficiency)		Fund Balance						
17	94,920,939		89,055,989		5,864,950		80,044,893						
18	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
19													
20													
21	C. Short-Term Debt **												
22	CPPRT Notes		TAWs		TANs		TO/EMP. Orders		EBF/GSA Certificates				
23	0		+ 0		+ 0		+ 0		+ 0				
24	Other		Total										
25	0		= 0										
26	** The numbers shown are the sum of entries on page 26.												
27													
28													
29	D. Long-Term Debt												
30	Check the applicable box for long-term debt allowance by type of district.												
31													
32	<input type="checkbox"/>	a. 6.9% for elementary and high school districts,				237,804,201							
33	<input checked="" type="checkbox"/>	b. 13.8% for unit districts.											
34													
35	Long-Term Debt Outstanding:												
36													
37	c. Long-Term Debt (Principal only)				Acct								
38	Outstanding:.....				511		74,949,426						
39													
40													
41	E. Material Impact on Financial Position												
42	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.												
43	Attach sheets as needed explaining each item checked.												
44													
45	<input type="checkbox"/>	Pending Litigation											
46	<input type="checkbox"/>	Material Decrease in EAV											
47	<input type="checkbox"/>	Material Increase/Decrease in Enrollment											
48	<input type="checkbox"/>	Adverse Arbitration Ruling											
49	<input type="checkbox"/>	Passage of Referendum											
50	<input type="checkbox"/>	Taxes Filed Under Protest											
51	<input type="checkbox"/>	Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)											
52	<input type="checkbox"/>	Other Ongoing Concerns (Describe & Itemize)											
53													
54	Comments:												
55													
56													
57													
58													
59													
60													
61													
62													

	A	B	C	D	E	F	G	H	I	K	L	M	N	O	P	Q	R
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ESTIMATED FINANCIAL PROFILE SUMMARY

[Financial Profile Website](#)

District Name: Lake Zurich CUSD 95

District Code: 34049095026

County Name: LAKE

1. Fund Balance to Revenue Ratio:

Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)

Funds 10, 20, 40, 70 + (50 & 80 if negative)

Total

80,044,893.00

Ratio

0.888

Score

4

Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)

Funds 10, 20, 40, & 70,

90,146,896.00

Weight

0.35

Value

1.40

Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)

Minus Funds 10 & 20

(4,774,043.00)

(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)

2. Expenditures to Revenue Ratio:

Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)

Funds 10, 20 & 40

Total

89,055,989.00

Ratio

0.988

Score

4

Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)

Funds 10, 20, 40 & 70,

90,146,896.00

Adjustment

0

Weight

0.35

Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)

Minus Funds 10 & 20

(4,774,043.00)

(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)

0

Value

1.40

Possible Adjustment:

3. Days Cash on Hand:

Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)

Funds 10, 20 40 & 70

Total

78,532,920.00

Days

317.46

Score

4

Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)

Funds 10, 20, 40 divided by 360

247,377.75

Weight

0.10

Value

0.40

4. Percent of Short-Term Borrowing Maximum Remaining:

Tax Anticipation Warrants Borrowed (P26, Cell F6-7 & F11)

Funds 10, 20 & 40

Total

0.00

Percent

100.00

Score

4

EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)

(.85 x EAV) x Sum of Combined Tax Rates

66,997,025.71

Weight

0.10

Value

0.40

5. Percent of Long-Term Debt Margin Remaining:

Long-Term Debt Outstanding (P3, Cell H38)

Total

74,949,426.00

Percent

68.48

Score

3

Total Long-Term Debt Allowed (P3, Cell H32)

237,804,201.44

Weight

0.10

Value

0.30

Total Profile Score:

3.90 *

Estimated 2023 Financial Profile Designation:

RECOGNITION

*

Total Profile Score may change based on data provided on the Financial Profile Information page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2022

	A	B	C	D	E	F	G	H	I	J	K
1	ASSETS		(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	(Enter Whole Dollars)	Acct. #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	CURRENT ASSETS (100)										
4	Cash (Accounts 111 through 115) ¹		28,538,860	6,300,620	2,039,622	2,279,279	739,422	12,687,106	2,076,031	0	0
5	Investments	120	28,309,532	6,512,527	2,107,424	2,371,029	764,002	13,109,338	2,145,042	0	0
6	Taxes Receivable	130	36,156,949	6,805,255	3,945,366	1,236,547	1,125,458	256,922	269,342	0	0
7	Interfund Receivables	140	0	0	0	0	0	0	0	0	0
8	Intergovernmental Accounts Receivable	150	1,305,385	0	0	386,197	0	0	0	0	0
9	Other Receivables	160	0	74,948	0	0	0	0	0	0	0
10	Inventory	170	0	0	0	0	0	0	0	0	0
11	Prepaid Items	180	589,304	0	1,600	6,400	0	0	0	0	0
12	Other Current Assets (Describe & Itemize)	190	0	0	0	0	0	0	0	0	0
13	Total Current Assets		94,900,030	19,693,350	8,094,012	6,279,452	2,628,882	26,053,366	4,490,415	0	0
14	CAPITAL ASSETS (200)										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	260									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	Total Capital Assets										
24	CURRENT LIABILITIES (400)										
25	Interfund Payables	410	0	0	0	0	0	0	0	0	0
26	Intergovernmental Accounts Payable	420	0	0	0	0	0	0	0	0	0
27	Other Payables	430	353,270	393,587	0	41,795	0	2,373,239	0	0	0
28	Contracts Payable	440	0	0	0	0	0	638,329	0	0	0
29	Loans Payable	460	0	0	0	0	0	0	0	0	0
30	Salaries & Benefits Payable	470	4,517,975	48,185	0	73,239	61,393	0	0	0	0
31	Payroll Deductions & Withholdings	480	193,112	4,647	0	18,567	0	0	0	0	0
32	Deferred Revenues & Other Current Liabilities	490	32,167,446	6,146,429	3,563,410	1,116,835	1,016,504	232,049	243,267	0	0
33	Due to Activity Fund Organizations	493	0	0	0	0	0	0	0	0	0
34	Total Current Liabilities		37,231,803	6,592,848	3,563,410	1,250,436	1,077,897	3,243,617	243,267	0	0
35	LONG-TERM LIABILITIES (500)										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	Total Long-Term Liabilities										
38	Reserved Fund Balance	714					466,580				
39	Unreserved Fund Balance	730	57,668,227	13,100,502	4,530,602	5,029,016	1,084,405	22,809,749	4,247,148	0	0
40	Investment in General Fixed Assets										
41	Total Liabilities and Fund Balance		94,900,030	19,693,350	8,094,012	6,279,452	2,628,882	26,053,366	4,490,415	0	0
42											
43	ASSETS /LIABILITIES for Student Activity Funds										
44	CURRENT ASSETS (100) for Student Activity Funds										
45	Student Activity Fund Cash and Investments	126	79,022								
46	Total Student Activity Current Assets For Student Activity Funds		79,022								
47	CURRENT LIABILITIES (400) For Student Activity Funds										
48	Total Current Liabilities For Student Activity Funds		0								
49	Reserved Student Activity Fund Balance For Student Activity Funds	715	79,022								
50	Total Student Activity Liabilities and Fund Balance For Student Activity Funds		79,022								
51											
52	Total ASSETS /LIABILITIES District with Student Activity Funds										
53	Total Current Assets District with Student Activity Funds		94,979,052	19,693,350	8,094,012	6,279,452	2,628,882	26,053,366	4,490,415	0	0
54	Total Capital Assets District with Student Activity Funds										
55	CURRENT LIABILITIES (400) District with Student Activity Funds										
56	Total Current Liabilities District with Student Activity Funds		37,231,803	6,592,848	3,563,410	1,250,436	1,077,897	3,243,617	243,267	0	0
57	LONG-TERM LIABILITIES (500) District with Student Activity Funds										
58	Total Long-Term Liabilities District with Student Activity Funds										
59	Reserved Fund Balance District with Student Activity Funds	714	79,022	0	0	0	466,580	0	0	0	0
60	Unreserved Fund Balance District with Student Activity Funds	730	57,668,227	13,100,502	4,530,602	5,029,016	1,084,405	22,809,749	4,247,148	0	0
61	Investment in General Fixed Assets District with Student Activity Funds										
62	Total Liabilities and Fund Balance District with Student Activity Funds		94,979,052	19,693,350	8,094,012	6,279,452	2,628,882	26,053,366	4,490,415	0	0

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2022

	A	B	L	M	N
1	ASSETS			Account Groups	
2	(Enter Whole Dollars)	Acct. #	Agency Fund	General Fixed Assets	General Long-Term Debt
3	CURRENT ASSETS (100)				
4	Cash (Accounts 111 through 115) ¹				
5	Investments	120			
6	Taxes Receivable	130			
7	Interfund Receivables	140			
8	Intergovernmental Accounts Receivable	150			
9	Other Receivables	160			
10	Inventory	170			
11	Prepaid Items	180			
12	Other Current Assets (Describe & Itemize)	190			
13	Total Current Assets		0		
14	CAPITAL ASSETS (200)				
15	Works of Art & Historical Treasures	210			
16	Land	220		11,953,158	
17	Building & Building Improvements	230		200,583,747	
18	Site Improvements & Infrastructure	240		13,666,794	
19	Capitalized Equipment	250		11,469,476	
20	Construction in Progress	260		12,149,101	
21	Amount Available in Debt Service Funds	340			4,530,602
22	Amount to be Provided for Payment on Long-Term Debt	350			70,418,824
23	Total Capital Assets			249,822,276	74,949,426
24	CURRENT LIABILITIES (400)				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Loans Payable	460			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493			
34	Total Current Liabilities		0		
35	LONG-TERM LIABILITIES (500)				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			74,949,426
37	Total Long-Term Liabilities				74,949,426
38	Reserved Fund Balance	714			
39	Unreserved Fund Balance	730			
40	Investment in General Fixed Assets			249,822,276	
41	Total Liabilities and Fund Balance		0	249,822,276	74,949,426
42					
43	ASSETS /LIABILITIES for Student Activity Funds				
44	CURRENT ASSETS (100) for Student Activity Funds				
45	Student Activity Fund Cash and Investments	126			
46	Total Student Activity Current Assets For Student Activity Funds				
47	CURRENT LIABILITIES (400) For Student Activity Funds				
48	Total Current Liabilities For Student Activity Funds				
49	Reserved Student Activity Fund Balance For Student Activity Funds	715			
50	Total Student Activity Liabilities and Fund Balance For Student Activity Funds				
51					
52	Total ASSETS /LIABILITIES District with Student Activity Funds				
53	Total Current Assets District with Student Activity Funds		0		
54	Total Capital Assets District with Student Activity Funds			249,822,276	74,949,426
55	CURRENT LIABILITIES (400) District with Student Activity Funds				
56	Total Current Liabilities District with Student Activity Funds		0		
57	LONG-TERM LIABILITIES (500) District with Student Activity Funds				
58	Total Long-Term Liabilities District with Student Activity Funds				74,949,426
59	Reserved Fund Balance District with Student Activity Funds	714	0		
60	Unreserved Fund Balance District with Student Activity Funds	730	0		
61	Investment in General Fixed Assets District with Student Activity Funds			249,822,276	
62	Total Liabilities and Fund Balance District with Student Activity Funds		0	249,822,276	74,949,426

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2022

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	RECEIPTS/REVENUES										
4	LOCAL SOURCES	1000	68,875,131	12,555,285	7,075,689	1,816,782	2,047,951	539,617	412,014	0	0
5	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT	2000	0	0		0	0				
6	STATE SOURCES	3000	5,078,871	50,000	0	1,544,777	0	0	0	0	0
7	FEDERAL SOURCES	4000	4,588,079	0	0	0	56,247	0	0	0	0
8	Total Direct Receipts/Revenues		78,542,081	12,605,285	7,075,689	3,361,559	2,104,198	539,617	412,014	0	0
9	Receipts/Revenues for "On Behalf" Payments ²	3998	24,090,602	0	0	0	0	0		0	0
10	Total Receipts/Revenues		102,632,683	12,605,285	7,075,689	3,361,559	2,104,198	539,617	412,014	0	0
11	DISBURSEMENTS/EXPENDITURES										
12	Instruction	1000	49,906,312				929,037			0	
13	Support Services	2000	25,598,468	6,773,920		6,376,132	1,222,462	14,870,531		0	0
14	Community Services	3000	89,404	0		0	6,267			0	
15	Payments to Other Districts & Governmental Units	4000	299,125	12,628	0	0	0	0		0	0
16	Debt Service	5000	0	0	7,513,945	0	0			0	0
17	Total Direct Disbursements/Expenditures		75,893,309	6,786,548	7,513,945	6,376,132	2,157,766	14,870,531		0	0
18	Disbursements/Expenditures for "On Behalf" Payments ²	4180	24,090,602	0	0	0	0	0		0	0
19	Total Disbursements/Expenditures		99,983,911	6,786,548	7,513,945	6,376,132	2,157,766	14,870,531		0	0
20	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures ³		2,648,772	5,818,737	(438,256)	(3,014,573)	(53,568)	(14,330,914)	412,014	0	0
21	OTHER SOURCES/USES OF FUNDS										
22	OTHER SOURCES OF FUNDS (7000)										
23	PERMANENT TRANSFER FROM VARIOUS FUNDS										
24	Abolishment of the Working Cash Fund ¹²	7110									
25	Abatement of the Working Cash Fund ¹²	7110	0	0	0	0	0	0		0	0
26	Transfer of Working Cash Fund Interest	7120	0	0	0	0	0	0		0	0
27	Transfer Among Funds	7130	0	0		0					
28	Transfer of Interest	7140	0	0	0	0	0	0	0	0	0
29	Transfer from Capital Project Fund to O&M Fund	7150		0							
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund ⁴	7160		0							
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	7170			0						
32	SALE OF BONDS (7200)										
33	Principal on Bonds Sold	7210	0	0	0	0		0	0	0	0
34	Premium on Bonds Sold	7220	0	0	0	0		0	0	0	0
35	Accrued Interest on Bonds Sold	7230	0	0	0	0		0	0	0	0
36	Sale or Compensation for Fixed Assets ⁶	7300	0	0	0	1,994,130	0	0		0	0
37	Transfer to Debt Service to Pay Principal on GASB 87 Leases ¹³	7400			357,306						
38	Transfer to Debt Service to Pay Interest on GASB 87 Leases ¹³	7500			116,737						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			0						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			0						
41	Transfer to Capital Projects Fund	7800						4,300,000			
42	ISBE Loan Proceeds	7900	0	0	0	0	0	0			0
43	Other Sources Not Classified Elsewhere	7990	0	0	0	0	0	0	0	0	0
44	Total Other Sources of Funds		0	0	474,043	1,994,130	0	4,300,000	0	0	0
45	OTHER USES OF FUNDS (8000)										

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2022

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
46	PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)										
47	Abolishment or Abatement of the Working Cash Fund ¹²	8110							0		
48	Transfer of Working Cash Fund Interest ¹²	8120							0		
49	Transfer Among Funds	8130	0	0		0					
50	Transfer of Interest	8140	0	0	0	0	0	0		0	
51	Transfer from Capital Project Fund to O&M Fund	8150						0			
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund ⁴	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	8170									0
54	Taxes Pledged to Pay Principal on GASB 87 Leases ¹³	8410	155,328	201,978							
55	Grants/Reimbursements Pledged to Pay Principal on GASB 87 Leases ¹³	8420	0	0							
56	Other Revenues Pledged to Pay Principal on GASB 87 Leases ¹³	8430	0	0							
57	Fund Balance Transfers Pledged to Pay Principal on GASB 87 Leases ¹³	8440	0	0							
58	Taxes Pledged to Pay Interest on GASB 87 Leases ¹³	8510	5,719	111,018							
59	Grants/Reimbursements Pledged to Pay Interest on GASB 87 Leases ¹³	8520	0	0							
60	Other Revenues Pledged to Pay Interest on GASB 87 Leases ¹³	8530	0	0							
61	Fund Balance Transfers Pledged to Pay Interest on GASB 87 Leases ¹³	8540	0	0							
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610	0	0							
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620	0	0							
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630	0	0							
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640	0	0							
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710	0	0							
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720	0	0							
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730	0	0							
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740	0	0							
70	Taxes Transferred to Pay for Capital Projects	8810	0	0							
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820	0	0							
72	Other Revenues Pledged to Pay for Capital Projects	8830	0	4,300,000							
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840	0	0							
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910	0	0		0	0	0			0
75	Other Uses Not Classified Elsewhere	8990	0	0	0	0	0	0	0	0	0
76	Total Other Uses of Funds		161,047	4,612,996	0	0	0	0	0	0	0
77	Total Other Sources/Uses of Funds		(161,047)	(4,612,996)	474,043	1,994,130	0	4,300,000	0	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		2,487,725	1,205,741	35,787	(1,020,443)	(53,568)	(10,030,914)	412,014	0	0
79	Fund Balances without Student Activity Funds - July 1, 2021		55,180,502	11,894,761	4,494,815	6,049,459	1,604,553	32,840,663	3,835,134	0	0
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	Fund Balances without Student Activity Funds - June 30, 2022		57,668,227	13,100,502	4,530,602	5,029,016	1,550,985	22,809,749	4,247,148	0	0
84											
85	Student Activity Fund Balance - July 1, 2021		68,986								
86	RECEIPTS/REVENUES -Student Activity Funds										
87	Total Student Activity Direct Receipts/Revenues	1799	705,502								
88	DISBURSEMENTS/EXPENDITURES -Students Activity Funds										
89	Total Student Activity Disbursements/Expenditures	1999	695,466								
90	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures ³		10,036								
91	Student Activity Fund Balance - June 30, 2022		79,022								
92											
93	RECEIPTS/REVENUES (with Student Activity Funds)										

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2022

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
94	LOCAL SOURCES	1000	69,580,633	12,555,285	7,075,689	1,816,782	2,047,951	539,617	412,014	0	0
95	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT	2000	0	0		0	0				
96	STATE SOURCES	3000	5,078,871	50,000	0	1,544,777	0	0	0	0	0
97	FEDERAL SOURCES	4000	4,588,079	0	0	0	56,247	0	0	0	0
98	Total Direct Receipts/Revenues		79,247,583	12,605,285	7,075,689	3,361,559	2,104,198	539,617	412,014	0	0
99	Receipts/Revenues for "On Behalf" Payments ²	3998	24,090,602	0	0	0	0	0		0	0
100	Total Receipts/Revenues		103,338,185	12,605,285	7,075,689	3,361,559	2,104,198	539,617	412,014	0	0
101	DISBURSEMENTS/EXPENDITURES (with Student Activity Funds)										
102	Instruction	1000	50,601,778				929,037				
103	Support Services	2000	25,598,468	6,773,920		6,376,132	1,222,462	14,870,531		0	0
104	Community Services	3000	89,404	0		0	6,267				
105	Payments to Other Districts & Governmental Units	4000	299,125	12,628	0	0	0	0		0	0
106	Debt Service	5000	0	0	7,513,945	0	0			0	0
107	Total Direct Disbursements/Expenditures		76,588,775	6,786,548	7,513,945	6,376,132	2,157,766	14,870,531		0	0
108	Disbursements/Expenditures for "On Behalf" Payments ²	4180	24,090,602	0	0	0	0	0		0	0
109	Total Disbursements/Expenditures		100,679,377	6,786,548	7,513,945	6,376,132	2,157,766	14,870,531		0	0
110	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures ³		2,658,808	5,818,737	(438,256)	(3,014,573)	(53,568)	(14,330,914)	412,014	0	0
111	OTHER SOURCES/USES OF FUNDS (with Student Activity Funds)										
112	OTHER SOURCES OF FUNDS (7000)										
113	Total Other Sources of Funds		0	0	474,043	1,994,130	0	4,300,000	0	0	0
114	OTHER USES OF FUNDS (8000)										
115	Total Other Uses of Funds		161,047	4,612,996	0	0	0	0	0	0	0
116	Total Other Sources/Uses of Funds		(161,047)	(4,612,996)	474,043	1,994,130	0	4,300,000	0	0	0
117	Fund Balances (All sources with Student Activity Funds) - June 30, 2022		57,747,249	13,100,502	4,530,602	5,029,016	1,550,985	22,809,749	4,247,148	0	0