



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

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2023**

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
TABLE OF CONTENTS  
JUNE 30, 2023

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
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 <i>GOVERNMENT AUDITING STANDARDS</i>	4
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of the Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	18
Notes to Financial Statements	19
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	45
Illinois Municipal Retirement Fund – Schedule of Employer Contribution	46
Teachers' Retirement System of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net Pension Liability	47
Teachers' Retirement System of the State of Illinois – Schedule of Employer Contribution	48

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
TABLE OF CONTENTS  
JUNE 30, 2023

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Teachers' Health Insurance Security Fund of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net OPEB Liability	49
Teachers' Health Insurance Security Fund of the State of Illinois – Schedule of Employer Contribution	50
Other Post-Employment Benefit - Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	51
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	52
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Operations and Maintenance Fund	58
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Transportation Fund	59
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Illinois Municipal Retirement/Social Security Fund	60
Notes to Required Supplementary Information	62
SUPPLEMENTAL FINANCIAL INFORMATION	
Combining Balance Sheet – General Fund	63
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund – Educational Fund	65
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund – Working Cash Fund	71
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Services Fund	72
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund	73

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
TABLE OF CONTENTS  
JUNE 30, 2023

	PAGE
SUPPLEMENTAL FINANCIAL INFORMATION (Continued)	
Computation of Operating Expense Per Pupil and Per Capita Tuition Charge	74
ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION	
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance	75
Schedule of Expenditures of Federal Awards	78
Notes to the Schedule of Expenditures of Federal Awards	80
Schedule of Findings and Questioned Costs	81
Summary Schedule of Prior Audit Findings	84



## INDEPENDENT AUDITOR'S REPORT

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

### **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, 2023, 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, 2023, 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 15 to the financial statements, during the year, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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

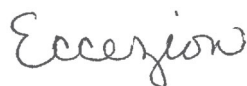
statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the 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 6, 2023 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.



Eccezion  
Consulting • CPAs • Technology

McHenry, Illinois  
October 6, 2023



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

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

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

Lake Zurich Community Unit School District No. 95

as of and for the year ended June 30, 2023, 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 6, 2023.

***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.

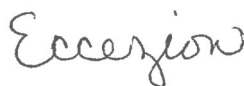


## ***Compliance and Other Matters***

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.



Eccezion  
Consulting • CPAs • Technology

McHenry, Illinois  
October 6, 2023

## REQUIRED SUPPLEMENTARY INFORMATION

# **Lake Zurich Community Unit School District No. 95**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

The Management's Discussion and Analysis of Lake Zurich Community Unit School District No. 95's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2023. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

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

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

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

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

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

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

The government-wide financial statements can be found on the pages listed in the table of contents.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

The basic fund financial statements can be found on the pages listed in the table of contents.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on the pages listed in the table of contents.

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

Supplemental financial information can be found on the pages listed in the table of contents.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$154,257,704 at the close of the most recent fiscal year.

The following table presents a summary of the District's net position for the years ended June 30, 2023 and 2022:

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

	Governmental Activities	
	FY 2023	FY 2022
<b>Assets</b>		
Current and Other Assets	\$ 157,985,086	\$ 165,648,234
Capital Assets	185,675,602	174,991,416
<b>Total Assets</b>	<b>\$ 343,660,688</b>	<b>\$ 340,639,650</b>
<b>Deferred Outflow s of Resources</b>		
Pension Expense - IMRF	\$ 3,681,868	\$ 480,940
Pension Expense - TRS	28,843	24,188
OPEB Expense - THIS	664,359	1,010,779
OPEB Expense - IMRF/TRS	233,842	283,108
Employer Pension Contribution - IMRF	407,528	397,106
Employer Pension Contribution - TRS	278,577	270,880
Employer OPEB Contribution - THIS	321,852	312,913
<b>Total Deferred Outflow s of Resources</b>	<b>\$ 5,616,869</b>	<b>\$ 2,779,914</b>
<b>Liabilities</b>		
Other Liabilities	\$ 9,975,053	\$ 9,931,215
Long-Term Liabilities Outstanding	77,240,752	82,531,800
Net Pension Liability - IMRF	4,864,928	-
Net Pension Liability - TRS	3,827,444	3,914,114
Other Postemployment Benefits Liability - THIS	11,585,838	38,235,022
Other Postemployment Benefits Liability - IMRF/TRS	455,820	466,746
<b>Total Liabilities</b>	<b>\$ 107,949,835</b>	<b>\$ 135,078,897</b>
<b>Deferred Inflow s of Resources</b>		
Unavailable Revenue - Property Taxes	\$ 47,199,210	\$ 44,857,596
Pension Revenue - IMRF	12,102	4,312,169
Pension Revenue - TRS	795,106	1,156,809
OPEB Revenue - THIS	39,014,271	18,156,108
OPEB Revenue - IMRF/TRS	49,329	59,464
<b>Total Deferred Inflow s of Resources</b>	<b>\$ 87,070,018</b>	<b>\$ 68,542,146</b>
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 108,716,091	\$ 92,742,032
Restricted	23,628,834	35,456,600
Unrestricted	21,912,779	11,599,889
<b>Total Net Position</b>	<b>\$ 154,257,704</b>	<b>\$ 139,798,521</b>

The net investment in capital assets (70.48% of total net position) represents assets such as land, buildings, and equipment less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (15.32%) represents resources that are subject to external restrictions on how they may be used.

The District's net position increased by \$14,459,183. Substantially, all of this increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses.

**Governmental Activities.** Governmental activities increased the District's net position by \$14,459,183. Key elements of this increase are as follows:

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

	Governmental Activities	
	FY 2023	FY 2022
Revenues:		
Program Revenues		
Charges for Services	\$ 4,822,367	\$ 4,081,318
Operating Grants and Contributions	33,279,640	31,393,644
Capital Grants and Contributions	173,987	272,081
General Revenues:		
Taxes		
Property Taxes	92,191,663	88,134,192
Other Payments in Lieu of Taxes	828,264	793,630
Grants and Contributions not Restricted to Specific Activities	4,051,792	4,046,118
Unrestricted Investment Earnings	2,406,169	92,938
TIF Revenues	552,861	544,699
Gain on Sale of Capital Assets	-	613,619
Miscellaneous	33,956	77,927
Total Revenues	<u>\$ 138,340,699</u>	<u>\$ 130,050,166</u>
Expenses:		
Instruction	\$ 77,813,556	\$ 74,302,449
Support Services	38,163,052	43,472,210
Community Services	99,125	92,470
Intergovernmental Payments	536,766	311,753
Interest and Fees on Long-Term Debt	2,168,129	2,981,397
Depreciation - Unallocated	5,100,889	4,793,067
Total Expenses	<u>\$ 123,881,516</u>	<u>\$ 125,953,346</u>
Change in Net Position	\$ 14,459,183	\$ 4,096,820
Net Position - Beginning	139,798,521	132,815,981
Net Position Adjustment	-	2,885,720
Net Position - Ending	<u>\$ 154,257,704</u>	<u>\$ 139,798,521</u>

- Operating Grants and Contributions increased by \$1,885,996 primarily due to an increase in ESSER grants (\$267,540), transportation grants (\$329,229), and state retirement contributions (\$2,414,675), offset partially by a decrease in Child Nutrition Cluster grants (\$1,286,281).
- Property Taxes increased by \$4,057,471 over the prior year due to an overall increase in rates and the EAV for the District.
- Unrestricted Investment Earnings increased by \$2,313,231 due to increased interest rates on investments and a better performing market compared to the prior year.
- The District's total expenses decreased \$2,071,830 (1.64%) primarily due to a \$6,557,650 decrease in facilities acquisition and construction services offset by a \$3,511,107 increase in Instruction expenses.

### Financial Analysis of the District's Funds

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

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

As of June 30, 2023, the District's six governmental funds reported combined ending fund balances of \$101,934,494, a decrease of \$7,080,757 in comparison with the prior year.

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

At June 30, 2023 the General Fund had an unassigned fund balance of \$63,462,238. This unassigned fund balance represents 58.70% of total General Fund expenditures.

The remaining five funds had a combined fund balance of \$36,411,294. The significant transactions of these funds for the year ended June 30, 2023 are summarized as follows:

	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund
Beginning Fund Balance	\$ 13,100,502	\$ 4,530,602	\$ 5,029,016	\$ 1,550,985	\$ 22,809,749
Net Change in Fund Balance	(2,690,374)	81,144	579,256	147,457	(8,727,043)
Ending Fund Balance	<u>\$ 10,410,128</u>	<u>\$ 4,611,746</u>	<u>\$ 5,608,272</u>	<u>\$ 1,698,442</u>	<u>\$ 14,082,706</u>

The Operations and Maintenance Fund had a decrease in fund balance due to interfund transfers to the Capital Projects Fund and a decrease in property taxes. The Transportation Fund had an increase in fund balance due to an increase in property taxes. The Capital Projects Fund had a decrease in fund balance due to expenditures for capital outlay and construction services being higher than the revenue and interfund transfers made by the Operations and Maintenance Fund.

### General Fund Budgetary Highlights

The District did not amend their budget during the year ended June 30, 2023.

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

- The difference between budgeted revenues and actual revenues was \$14,723,779 (unfavorable) which is 13.17% of total revenues. The most significant factor was state retirement contributions being lower than budgeted by \$15,328,459.
- The difference between budgeted expenditures and actual expenditures was \$17,708,724 (favorable) which is 16.38% of total expenditures. The most significant factor was state retirement contributions being lower than budgeted by \$15,328,459, followed by lower than expected student activity fund expenditures (\$597,755), private tuition – special education programs K-12 expenditures (\$683,747) and capital outlay expenditures (\$331,951).

### Capital Asset and Debt Administration

**Capital Assets.** At June 30, 2023, the District had invested \$185,675,602 (net of depreciation) in a broad range of capital assets, including land, building and building improvements, site improvements and infrastructure, capitalized equipment, and construction in progress. Total depreciation expense for the year was \$5,855,808.

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

- Major building improvement projects finalized in the current year at May Whitney Elementary and Lake Zurich High School for a total of \$13,540,094.
- Major land improvement project finalized in the current year related to the parking lot at Lake Zurich High School for a total of \$804,215.

- The District purchased various equipment, including two Lazar projectors, and a door access card reader for a total of \$201,639.
- The District purchased food service equipment of a refrigerator and a chiller for a total of \$347,831.

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

	Governmental Activities	
	2023	2022
Land	\$ 11,953,158	\$ 11,953,158
Building and Building Improvements	147,953,358	137,497,280
Site Improvements and Infrastructure	7,860,453	7,613,206
Capitalized Equipment	5,338,786	5,778,671
Construction in Progress	12,569,847	12,149,101
	<u>\$ 185,675,602</u>	<u>\$ 174,991,416</u>

For more detail on the District's capital assets, see Note 3 in the Notes to the Financial Statements.

**Long-Term Debt.** At June 30, 2023, the District had \$70,133,631 in long-term debt.

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

	Governmental Activities	
	2023	2022
Bonds	\$ 67,970,000	\$ 72,420,000
Lease/Purchase Agreements	2,163,631	2,529,426
Total	<u>\$ 70,133,631</u>	<u>\$ 74,949,426</u>

For more detail on the District's long-term debt, see Note 4 in the Notes to the Financial Statements.

### Economic Factors and Next Year's Budget

Fiscal year 2023 represents the 16th consecutive balanced budget adopted by the District. The District annually completes a five-year long-range plan to anticipate and address the revenue and expenses of the District. The District's 2022 assessed property values increased slightly. Standard and Poor's reaffirmed the District's AAA bond rating in 2020. \$5.3M in debt extension bonds were issued in January 2021 for the purpose of capital improvements. The District has a stable workforce and has a labor agreement with the District's certified staff through the 2025-2026 school year.

The fiscal year 2024 budget is balanced on an operating fund basis. The District will continue spending referendum dollars from the Site and Construction Fund and local funds where revenue was received in prior fiscal years for the referendum related capital improvement projects. The District has strong fund balances which provide additional resources through investment earnings and allow for the effective implementation of the newly adopted Strategic Plan, "Empower 95".

### Requests for Information

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

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



## BASIC FINANCIAL STATEMENTS

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 54,118,802
Investments, at Fair Value	50,185,294
Interest Receivable, net of allowance of \$0	1,297,317
Taxes Receivable, net of allowance of \$0	49,743,279
Due from Other Governments, net of allowance of \$0	1,386,716
Prepaid Expenses	1,253,678
Capital Assets:	
Land	11,953,158
Construction in Progress	12,569,847
Depreciable Buildings, Property, and Equipment, net of depreciation	161,152,597
Total Assets	<u>\$ 343,660,688</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Expense - IMRF	\$ 3,681,868
Deferred Pension Expense - TRS	28,843
Deferred OPEB Expense - THIS	664,359
Deferred OPEB Expense - IMRF/TRS	233,842
Deferred Employer Pension Contributions - IMRF	407,528
Deferred Employer Pension Contributions - TRS	278,577
Deferred Employer OPEB Contributions - THIS	321,852
Total Deferred Outflows of Resources	<u>\$ 5,616,869</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 349,277,557</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 3,168,938
Accrued Expenses	1,123,671
Payroll Liabilities	5,669,210
Unearned Revenue	13,234
Noncurrent Liabilities	
Due Within One Year	7,538,950
Due in More Than One Year	69,701,802
Net Pension Liability - IMRF	4,864,928
Net Pension Liability - TRS	3,827,444
Other Postemployment Benefits Liability - THIS	11,585,838
Other Postemployment Benefits Liability - IMRF/TRS	455,820
Total Liabilities	<u>\$ 107,949,835</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Property Taxes	\$ 47,199,210
Deferred Pension Revenue - IMRF	12,102
Deferred Pension Revenue - TRS	795,106
Deferred OPEB Revenue - THIS	39,014,271
Deferred OPEB Revenue - IMRF/TRS	49,329
Total Deferred Inflows of Resources	<u>\$ 87,070,018</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 108,716,091
Restricted for:	
Student Activity Funds	563,941
Operations and Maintenance	4,037,791
Debt Service	3,305,639
Transportation	3,977,716
Retirement	1,264,592
Future Capital Projects	10,479,155
Unrestricted/(Deficit)	21,912,779
Total Net Position	<u>\$ 154,257,704</u>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and Changes
		Services	Grants and	Grants and	in Net Position
			Contributions	Contributions	Governmental
					Activities
Governmental Activities					
Instruction					
Regular Programs	\$ 23,233,092	\$ 141,328	\$ 1,223,604	\$ -	\$ (21,868,160)
Pre-K Programs	9,652,429	-	-	-	(9,652,429)
Special Education Programs	10,080,196	-	1,695,734	-	(8,384,462)
Special Education Programs Pre-K	575,278	-	-	-	(575,278)
Other Instructional Programs	6,965,039	1,939,848	116,970	-	(4,908,221)
Student Activity Fund	802,245	845,278	-	-	43,033
State Retirement Contributions	26,505,277	-	26,505,277	-	-
Support Services					
Pupil	6,274,237	-	177,346	-	(6,096,891)
Instructional Staff	1,642,811	-	27,965	-	(1,614,846)
General Administration	2,360,551	-	-	-	(2,360,551)
School Administration	4,525,010	-	-	-	(4,525,010)
Business	840,491	-	-	-	(840,491)
Facilities Acquisition and Construction Services	-	-	-	173,987	173,987
Operations and Maintenance	7,001,166	134,171	64,028	-	(6,802,967)
Transportation	5,187,417	36,421	1,874,006	-	(3,276,990)
Food Services	1,956,669	1,725,321	550,064	-	318,716
Internal Services	21,440	-	-	-	(21,440)
Central	7,768,821	-	-	-	(7,768,821)
Other Support Services	584,439	-	-	-	(584,439)
Community Services	99,125	-	-	-	(99,125)
Intergovernmental Payments					
Payments to Other Districts and Governmental Units	536,766	-	1,044,646	-	507,880
Debt Services					
Interest and Fees	2,168,129	-	-	-	(2,168,129)
Depreciation - Unallocated	5,100,889	-	-	-	(5,100,889)
Total Governmental Activities	<u>\$ 123,881,516</u>	<u>\$ 4,822,367</u>	<u>\$ 33,279,640</u>	<u>\$ 173,987</u>	<u>\$ (85,605,522)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					\$ 85,046,567
Property Taxes, Levied for Debt Service					7,145,096
Other Payments in Lieu of Taxes					828,264
Grants and Contributions not Restricted to Specific Activities					4,051,792
Unrestricted Investment Earnings					2,406,169
TIF Revenues					552,861
Miscellaneous Income					33,956
Total General Revenues					<u>\$ 100,064,705</u>
Change in Net Position					\$ 14,459,183
Net Position - July 1, 2022					<u>139,798,521</u>
Net Position - June 30, 2023					<u>\$ 154,257,704</u>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
FUND FINANCIAL STATEMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 34,208,100	\$ 5,478,522	\$ 2,297,656	\$ 2,718,767	\$ 883,180	\$ 8,532,577	\$ 54,118,802
Investments, at Fair Value	31,709,117	5,078,302	2,129,807	2,540,155	818,661	7,909,252	50,185,294
Interest Receivable, net of allowance of \$0	1,222,369	74,948	-	-	-	-	1,297,317
Taxes Receivable, net of allowance of \$0	38,377,741	4,464,061	3,753,134	1,753,121	1,287,786	107,436	49,743,279
Due from Other Governments, net of allowance of \$0	922,886	-	-	463,830	-	-	1,386,716
Prepaid Items	1,247,480	393	1,708	4,097	-	-	1,253,678
<b>Total Assets</b>	<b>\$ 107,687,693</b>	<b>\$ 15,096,226</b>	<b>\$ 8,182,305</b>	<b>\$ 7,479,970</b>	<b>\$ 2,989,627</b>	<b>\$ 16,549,265</b>	<b>\$ 157,985,086</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 339,990	\$ 345,291	\$ -	\$ 119,307	\$ -	\$ 2,364,350	\$ 3,168,938
Payroll Liabilities	5,424,709	93,905	-	84,552	66,044	-	5,669,210
Unearned Revenue	13,234	-	-	-	-	-	13,234
<b>Total Liabilities</b>	<b>\$ 5,777,933</b>	<b>\$ 439,196</b>	<b>\$ -</b>	<b>\$ 203,859</b>	<b>\$ 66,044</b>	<b>\$ 2,364,350</b>	<b>\$ 8,851,382</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	\$ 36,386,560	\$ 4,246,902	\$ 3,570,559	\$ 1,667,839	\$ 1,225,141	\$ 102,209	\$ 47,199,210
<b>Total Deferred Inflows of Resources</b>	<b>\$ 36,386,560</b>	<b>\$ 4,246,902</b>	<b>\$ 3,570,559</b>	<b>\$ 1,667,839</b>	<b>\$ 1,225,141</b>	<b>\$ 102,209</b>	<b>\$ 47,199,210</b>
<b>FUND BALANCES</b>							
Nonspendable							
Prepaid Items	\$ 1,247,480	\$ 393	\$ 1,708	\$ 4,097	\$ -	\$ -	\$ 1,253,678
Restricted							
Student Activity Funds	563,941	-	-	-	-	-	563,941
Operations and Maintenance	-	4,037,791	-	-	-	-	4,037,791
Debt Service	-	-	3,305,639	-	-	-	3,305,639
Transportation	-	-	-	3,977,716	-	-	3,977,716
Illinois Municipal Retirement	-	-	-	-	731,134	-	731,134
Social Security	-	-	-	-	533,458	-	533,458
Capital Projects	-	-	-	-	-	10,479,155	10,479,155
Committed							
Construction Projects	-	-	-	-	-	1,981,587	1,981,587
Assigned							
Health Insurance Funds	249,541	-	-	-	-	-	249,541
Operations and Maintenance	-	6,371,944	-	-	-	-	6,371,944
Debt Service	-	-	1,304,399	-	-	-	1,304,399
Transportation	-	-	-	1,626,459	-	-	1,626,459
Illinois Municipal Retirement	-	-	-	-	433,850	-	433,850
Capital Projects	-	-	-	-	-	1,621,964	1,621,964
Unassigned	63,462,238	-	-	-	-	-	63,462,238
<b>Total Fund Balances</b>	<b>\$ 65,523,200</b>	<b>\$ 10,410,128</b>	<b>\$ 4,611,746</b>	<b>\$ 5,608,272</b>	<b>\$ 1,698,442</b>	<b>\$ 14,082,706</b>	<b>\$ 101,934,494</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 107,687,693</b>	<b>\$ 15,096,226</b>	<b>\$ 8,182,305</b>	<b>\$ 7,479,970</b>	<b>\$ 2,989,627</b>	<b>\$ 16,549,265</b>	<b>\$ 157,985,086</b>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
FUND FINANCIAL STATEMENTS  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023

Total Fund Balances - Governmental Funds	\$ 101,934,494
--	----------------

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

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

Deferred Pension Expense - IMRF	\$ 4,089,396	
Deferred Pension Expense - TRS	307,420	
Deferred OPEB Expense - THIS	986,211	
Deferred OPEB Expense - IMRF/TRS	233,842	
Deferred Pension Revenue - IMRF	(12,102)	
Deferred Pension Revenue - TRS	(795,106)	
Deferred OPEB Revenue - THIS	(39,014,271)	
Deferred OPEB Revenue - IMRF/TRS	<u>(49,329)</u>	
		(34,253,939)

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

Capital Assets	\$ 269,491,485	
Accumulated Depreciation on Capital Assets	<u>(83,815,883)</u>	
		185,675,602

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

Bond Premiums, net of related amortization	(6,825,880)
--	-------------

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds and Notes Payable	\$ (70,133,631)	
Accrued Interest on Long-Term Debt	(1,123,671)	
Compensated Absences Payable	(281,241)	
Net Pension Liability - IMRF	(4,864,928)	
Net Pension Liability - TRS	(3,827,444)	
Net OPEB Liability - THIS	(11,585,838)	
Total OPEB Liability - IMRF/TRS	<u>(455,820)</u>	
		<u>(92,272,573)</u>

Net Position of Governmental Activities	<u>\$ 154,257,704</u>
---	-----------------------

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$ 69,268,407	\$ 10,413,809	\$ 7,145,096	\$ 2,786,016	\$ 2,244,485	\$ 333,850	\$ 92,191,663
Payments in Lieu of Taxes	738,264	-	-	-	90,000	-	828,264
Tuition	459,778	-	-	-	-	-	459,778
Transportation Fees	-	-	-	36,421	-	-	36,421
Earnings on Investments	1,331,228	324,369	47,664	118,591	30,717	553,600	2,406,169
Food Services	1,725,321	-	-	-	-	-	1,725,321
District/School Activity Income	2,156,736	-	-	-	-	-	2,156,736
Textbooks	62,508	-	-	-	-	-	62,508
Other Local Sources	762,741	219,707	-	-	-	173,987	1,156,435
State Aid	5,204,041	50,000	-	1,874,006	-	-	7,128,047
Federal Aid	3,588,813	-	-	-	95,267	-	3,684,080
State Retirement Contributions	26,505,277	-	-	-	-	-	26,505,277
<b>Total Revenues</b>	<b>\$ 111,803,114</b>	<b>\$ 11,007,885</b>	<b>\$ 7,192,760</b>	<b>\$ 4,815,034</b>	<b>\$ 2,460,469</b>	<b>\$ 1,061,437</b>	<b>\$ 138,340,699</b>
<b>EXPENDITURES</b>							
Current							
Instruction							
Regular Programs	\$ 25,544,008	\$ -	\$ -	\$ -	\$ 342,768	\$ -	\$ 25,886,776
Pre-K Programs	9,479,199	-	-	-	173,230	-	9,652,429
Special Education Programs	10,337,693	-	-	-	340,528	-	10,678,221
Special Education Programs Pre-K	541,636	-	-	-	33,642	-	575,278
Other Instructional Programs	7,141,322	-	-	-	138,754	-	7,280,076
Student Activity Fund	802,245	-	-	-	-	-	802,245
State Retirement Contributions	26,505,277	-	-	-	-	-	26,505,277
Support Services							
Pupil	6,478,041	-	-	-	215,701	-	6,693,742
Instructional Staff	1,675,430	-	-	-	39,527	-	1,714,957
General Administration	2,459,480	-	-	-	40,487	-	2,499,967
School Administration	5,114,919	-	-	-	171,017	-	5,285,936
Business	926,213	-	-	-	40,697	-	966,910
Operations and Maintenance	-	6,759,306	-	-	193,097	-	6,952,403
Transportation	-	-	-	4,235,778	206,023	-	4,441,801
Food Services	1,908,600	-	-	-	-	-	1,908,600
Internal Services	21,440	-	-	-	-	-	21,440
Central	7,904,086	-	-	-	325,937	-	8,230,023
Other Support Services	559,513	-	-	-	44,919	-	604,432
Community Services	93,289	-	-	-	6,685	-	99,974
Intergovernmental Payments							
Payments to Other Districts and Governmental Units	524,250	12,516	-	-	-	-	536,766
Debt Services							
Principal	-	-	4,815,795	-	-	-	4,815,795
Interest and Fees	-	-	2,717,364	-	-	-	2,717,364
Capital Outlay	96,623	192,302	-	-	-	16,262,119	16,551,044
<b>Total Expenditures</b>	<b>\$ 108,113,264</b>	<b>\$ 6,964,124</b>	<b>\$ 7,533,159</b>	<b>\$ 4,235,778</b>	<b>\$ 2,313,012</b>	<b>\$ 16,262,119</b>	<b>\$ 145,421,456</b>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
Continued							
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,689,850	\$ 4,043,761	\$ (340,399)	\$ 579,256	\$ 147,457	\$ (15,200,682)	\$ (7,080,757)
OTHER FINANCING SOURCES (USES)							
Interfund Transfers	(161,047)	(6,734,135)	421,543	-	-	6,473,639	-
NET CHANGE IN FUND BALANCES	\$ 3,528,803	\$ (2,690,374)	\$ 81,144	\$ 579,256	\$ 147,457	\$ (8,727,043)	\$ (7,080,757)
FUND BALANCE - JULY 1, 2022	61,994,397	13,100,502	4,530,602	5,029,016	1,550,985	22,809,749	109,015,251
FUND BALANCE - JUNE 30, 2023	<u>\$ 65,523,200</u>	<u>\$ 10,410,128</u>	<u>\$ 4,611,746</u>	<u>\$ 5,608,272</u>	<u>\$ 1,698,442</u>	<u>\$ 14,082,706</u>	<u>\$ 101,934,494</u>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
FUND FINANCIAL STATEMENTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (7,080,757)

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

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

Depreciation Expense	\$ (5,855,808)	
Capital Outlays	16,551,042	
		10,695,234

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

Gain/(Loss) on Sale of Capital Assets		(11,048)
---------------------------------------	--	----------

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

Amortization of Bond Premiums	\$ 474,078	
Accrued Interest	75,157	
Compensated Absences	1,175	
Pension Expense - IMRF	(1,228,913)	
Pension Expense - TRS	182,112	
Pension Expense - THIS	5,131,594	
Pension Expense - IMRF/TRS	(74,567)	
		4,560,636

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

Pension Contributions - IMRF	\$ 832,402	
Pension Contributions - TRS	278,613	
OPEB Contributions - THIS	321,946	
OPEB Contributions - IMRF/TRS	46,362	
		1,479,323

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

Repayment of Long-Term Debt		4,815,795
-----------------------------	--	-----------

Change in Net Position of Governmental Activities		\$ 14,459,183
---	--	---------------

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



LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. *Reporting Entity***

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

The District does not allocate indirect costs.

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.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel, and administrative involvement of the board of education.

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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.

### 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, 2023.

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### I. *Interfund Activity*

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

### J. *Capital Assets*

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

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

### K. *Deferred Outflows and Inflows of Resources*

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

### L. *Compensated Absences*

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

### M. *Long-Term Obligations*

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

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

- Restricted Net Position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted Net Position – the remaining net position is reported in this category.

### O. *Governmental Fund Balances*

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

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

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

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

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. 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 2022 levy was passed by the Board on December 1, 2022. 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.

### R. *Lease Arrangements*

The District recognizes a right-to-use liability and asset for various lease and subscription-based IT agreements right-to-use assets (right-to-use asset) in the government-wide financial statements.

At the commencement of a lease or subscription-based IT agreement, the District initially measures the right-to-use liability at the present value of payments expected to be made during the agreement term. Subsequently, the right-to-use liability is reduced by the principal portion payments made. The right-to-use asset is initially measured as the initial amount of the right-to-use liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the term of the lease or subscription-based IT agreement. Key estimates and judgments related to leases or subscription-based IT agreements include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) the term, and (3) payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases or subscription-based IT agreements.

The term includes the noncancellable period of the lease or subscription-based IT agreement. Payments included in the measurement of the right-to-use liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease or subscription-based IT agreements and will remeasure the right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the right-to-use liability. Right-to-use assets are reported with Capital Assets and right-to-use liabilities are reported with Long Term Liabilities on the Statement of Net Position.

## **NOTE 2 - DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT**

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.

### *Deposits*

**Custodial Credit Risk.** Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy that all deposits and investments in excess of any insurance shall be collateralized by pledged securities and the market value of the pledged securities shall equal or exceed the portion of deposit requiring collateralization. As of June 30, 2023, deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

### *Investments and Fair Value Measurement*

As of June 30, 2023, the District had the following investments, maturities, and fair value measurements:

## NOTES TO FINANCIAL STATEMENTS (Continued)

Types of investments	Credit Quality/ Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using		Net Asset Value (NAV)
				Level 1	Level 2	
U.S. Treasury Securities	Not Rated	less than 1 year	\$ 15,219,665	\$ 15,219,665	\$ -	\$ -
State Investment Pool	AAAm	less than 1 year	34,181,260	-	-	34,181,260
Certificates of Deposit	Not Rated	less than 1 year	14,365,729	-	14,365,729	-
Certificates of Deposit	Not Rated	1 to 5 years	1,429,147	-	1,429,147	-
Total Investments			<u>\$ 65,195,801</u>	<u>\$ 15,219,665</u>	<u>\$ 15,794,876</u>	<u>\$ 34,181,260</u>

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

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.

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.

**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.

**Concentration of Credit Risk.** The District places no specific limit on the amount the District may invest in any one issuer.

### NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
<b>Governmental Activities</b>				
Capital Assets not being depreciated				
Land	\$ 11,953,158	\$ -	\$ -	\$ 11,953,158
Construction in Progress	12,149,101	12,155,479	11,734,733	12,569,847
Total Capital Assets not being depreciated	<u>\$ 24,102,259</u>	<u>\$ 12,155,479</u>	<u>\$ 11,734,733</u>	<u>\$ 24,523,005</u>
Other Capital Assets				
Building and Building Improvements	\$ 203,726,092	\$ 14,597,093	\$ -	\$ 218,323,185
Site Improvements and Infrastructure	13,666,794	906,960	-	14,573,754
Capitalized Equipment	11,469,476	626,243	24,178	12,071,541
Total Other Capital Assets at historical cost	<u>\$ 228,862,362</u>	<u>\$ 16,130,296</u>	<u>\$ 24,178</u>	<u>\$ 244,968,480</u>
Less Accumulated Depreciation for				
Building and Building Improvements	\$ 66,228,812	\$ 4,141,015	\$ -	\$ 70,369,827
Site Improvements and Infrastructure	6,053,588	659,713	-	6,713,301
Capitalized Equipment	5,690,805	1,055,080	13,130	6,732,755
Total Accumulated Depreciation	<u>\$ 77,973,205</u>	<u>\$ 5,855,808</u>	<u>\$ 13,130</u>	<u>\$ 83,815,883</u>
Other Capital Assets, Net	<u>\$ 150,889,157</u>	<u>\$ 10,274,488</u>	<u>\$ 11,048</u>	<u>\$ 161,152,597</u>
Governmental Activities Capital Assets, Net	<u>\$ 174,991,416</u>	<u>\$ 22,429,967</u>	<u>\$ 11,745,781</u>	<u>\$ 185,675,602</u>

Depreciation expense was charged to functions as follows:

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Governmental Activities

Transportation	\$ 706,850
Food Services	48,069
Unallocated	5,100,889
Total Governmental Activities Depreciation Expense	<u>\$ 5,855,808</u>

### NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Retirement	Balance July 1, 2023	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Long-Term Debt					
GO Bond, Series 2019	\$ 35,315,000	\$ -	\$ 1,490,000	\$ 33,825,000	\$ 1,550,000
GO Bond, Series 2020	32,235,000	-	1,770,000	30,465,000	1,855,000
GO Bond, Series 2021	4,870,000	-	1,190,000	3,680,000	1,215,000
Copier Purchase Agreement	155,328	-	155,328	-	-
Admin Building Purchase Agreement	2,374,098	-	210,467	2,163,631	2,163,631
Total Long-Term Debt	<u>\$ 74,949,426</u>	<u>\$ -</u>	<u>\$ 4,815,795</u>	<u>\$ 70,133,631</u>	<u>\$ 6,783,631</u>
Other Long-Term Liabilities					
Bond Premiums	\$ 7,299,958	\$ -	\$ 474,078	\$ 6,825,880	\$ 474,078
Compensated Absences	282,416	281,241	282,416	281,241	281,241
Total Other Long-Term Liabilities	<u>\$ 7,582,374</u>	<u>\$ 281,241</u>	<u>\$ 756,494</u>	<u>\$ 7,107,121</u>	<u>\$ 755,319</u>
Governmental Activities Long-Term Liabilities	<u>\$ 82,531,800</u>	<u>\$ 281,241</u>	<u>\$ 5,572,289</u>	<u>\$ 77,240,752</u>	<u>\$ 7,538,950</u>

Bonds and notes payable consisted of the following at June 30, 2023:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
GO Bond, Series 2019	1/15/2039	4.00%	\$ 36,750,000	\$ 33,825,000
GO Bond, Series 2020	1/15/2036	2.00% - 5.00%	33,915,000	30,465,000
GO Bond, Series 2021	1/15/2026	0.60% - 0.90%	5,350,000	3,680,000
Copier Purchase Agreement	11/5/2022	2.35%	747,727	-
Admin Building Purchase Agreement	4/30/2024	4.50%	3,142,345	2,163,631
Total			<u>\$ 79,905,072</u>	<u>\$ 70,133,631</u>

At June 30, 2023 the annual debt service requirements to service long-term debt are:

Year Ending June 30	Principal	Interest	Total
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	4,070,000	1,757,568	5,827,568
2029-2033	22,965,000	6,168,490	29,133,490
2034-2038	19,880,000	2,374,854	22,254,854
2039	2,790,000	111,600	2,901,600
	<u>\$ 70,133,631</u>	<u>\$ 19,278,373</u>	<u>\$ 89,412,004</u>

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

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



## NOTES TO FINANCIAL STATEMENTS (Continued)

### Reconciliation to the Statement of Net Position

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

	Due Within One Year	Due in More Than One Year	Total
Bonds and Notes Payable	\$ 6,783,631	\$ 63,350,000	\$ 70,133,631
Bond Premiums, net of amortization	474,078	6,351,802	6,825,880
Compensated Absences	281,241	-	281,241
	<u>\$ 7,538,950</u>	<u>\$ 69,701,802</u>	<u>\$ 77,240,752</u>

### NOTE 5 - NET INVESTMENT IN CAPITAL ASSETS CALCULATION

Net investment in capital asset calculation as of June 30, 2023 was as follows:

#### Governmental Activities

Capital Assets, Net of Accumulated Depreciation	\$ 185,675,602
Less:	
Capital Related Debt	(76,959,511)
Investment in Capital Assets	<u>\$ 108,716,091</u>

### NOTE 6 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2022 tax levy. The unavailable revenue is 50% of the 2022 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 2022 tax levy (\$47,199,210) and 50% of the 2021 tax levy, plus back taxes, less uncollectible amounts (\$44,992,453) are allocable for use in fiscal year 2023. 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 2022, 2021, and 2020 is as follows:

TAX YEAR	2022		2021		2020	
ASSESSED VALUATION	\$1,792,989,470		\$1,723,218,851		\$1,721,018,622	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.9851	\$ 71,452,083	3.7312	\$ 64,296,276	3.6945	\$ 63,583,687
Special Education	0.0458	821,028	0.0454	781,928	0.0358	616,950
Operations and Maintenance	0.4737	8,493,803	0.7134	12,292,857	0.7366	12,676,524
Debt Service	0.3983	7,141,118	0.4136	7,126,820	0.4130	7,108,358
Transportation	0.1860	3,335,677	0.1296	2,233,671	0.0810	1,394,473
Municipal Retirement	0.0471	845,377	0.0373	642,916	0.0364	627,191
Social Security	0.0895	1,604,905	0.0807	1,390,086	0.0742	1,277,443
Working Cash	0.0279	500,011	0.0282	486,534	0.0195	335,650
PTAB/CE Recapture	0.0114	204,419	0.0269	464,097	-	-
	<u>5.2649</u>	<u>\$ 94,398,421</u>	<u>5.2063</u>	<u>\$ 89,715,185</u>	<u>5.0912</u>	<u>\$ 87,620,276</u>

### NOTE 7 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2023, the following fund had expenditures that exceeded budgeted amount.

Fund	Budget	Actual	Excess of Actual Over Budget
Debt Services Fund	\$ 7,515,014	\$ 7,533,159	\$ 18,145

## **NOTE 8 - 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/acfrs/fy2022>; 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, 2026. One 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, 2022 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, 2023, 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 26,079,463 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, 2023, were \$278,577 and are deferred because they were paid after the June 30, 2022 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, 2023, the District pension contribution was 10.49% of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling \$170,411 were paid from federal and special trust funds that required District contributions of \$17,878.

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, 2023, the District paid \$23,427 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, 2022, 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	\$ 3,827,444
State's proportionate share of the net pension liability associated with the District	332,005,389
Total	<u>\$ 335,832,833</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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, 2022, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2022, the District's proportion was .00456516%, which was a decrease of 0.00045221% from its proportion measured as of June 30, 2021.

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended June 30, 2023, the District recognized pension expense of \$26,079,463 and revenue of \$26,079,463 for support provided by the State. At June 30, 2023, 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	\$ 7,693	\$ (21,103)	\$ (13,410)
Net difference between projected and actual earnings on pension plan investments	3,501	-	3,501
Changes of assumptions	17,649	(7,307)	10,342
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(766,696)	(766,696)
Employer contributions subsequent to the measurement date	278,577	-	278,577
	<u>\$ 307,420</u>	<u>\$ (795,106)</u>	<u>\$ (487,686)</u>

\$278,577 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, 2024. 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	
2024	\$ (324,277)
2025	(191,733)
2026	(173,323)
2027	(47,097)
2028	(29,833)
	<u>\$ (766,263)</u>

### Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

In the June 30, 2022 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, 2021 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-2020.

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.30%	5.73%
U.S. equities small/mid cap	1.90%	6.78%
International equities developed	14.10%	6.56%
Emerging market equities	4.70%	8.55%
U.S. bonds core	6.90%	1.15%
Cash equivalents	1.20%	-0.32%
TIPS	0.50%	0.33%
International debt developed	1.20%	6.56%
Emerging international debt	3.70%	3.76%
Real estate	16.00%	5.42%
Private Debt	12.50%	5.29%
Hedge Funds	4.00%	3.48%
Private Equity	15.00%	10.04%
Infrastructure	2.00%	5.86%
Total	100.00%	

### Discount Rate

At June 30, 2022, the discount rate used to measure total pension liability was 7.00%, which was the same as the June 30, 2021 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, 2022 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	\$ 4,680,998	\$ 3,827,444	\$ 3,119,648

### TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2022 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

### B. Illinois Municipal Retirement Fund

#### Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's

plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer 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](http://www.imrf.org).

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least 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, 2022, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	231
Inactive plan members entitled to but not yet receiving benefits	295
Active plan members	256
Total	<u><u>782</u></u>

Contributions

As set by statute, the District’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual contribution rate for calendar year 2022 and 2023 was 8.21% and 7.22%, respectively. For the fiscal

NOTES TO FINANCIAL STATEMENTS (Continued)

year ended June 30, 2023, the District contributed \$832,402 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 (Asset)/Liability

The components of the net pension (asset)/liability of the IMRF actuarial valuation performed as of December 31, 2022, with a measurement date as of that date, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 38,050,251
IMRF Fiduciary Net Position	33,185,323
District's Net Pension Liability/(Asset)	4,864,928
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	87.21%

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

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2022 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.

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, 2022:

## NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Target Allocation	Projected Return
Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternatives	9.50%	
Private Equity		9.90%
Hedge Funds		N/A
Commodities		6.25%
Cash Equivalents	1.00%	4.00%
	<u>100.00%</u>	

### Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2022. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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 4.05%; 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 (Asset)/Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A)-(B)
Balances at December 31, 2021	\$ 35,094,280	\$ 38,137,280	\$ (3,043,000)
Changes for the year:			
Service Cost	\$ 902,546	\$ -	\$ 902,546
Interest on the Total Pension Liability	2,515,918	-	2,515,918
Differences Between Expected and Actual Experience of the Total Pension Liability	1,223,977	-	1,223,977
Contributions - Employer	-	821,980	(821,980)
Contributions - Employee	-	443,663	(443,663)
Net Investment Income	-	(4,711,189)	4,711,189
Benefit Payments, including Refunds of Employee Contributions	(1,686,470)	(1,686,470)	-
Other (Net Transfer)	-	180,059	(180,059)
Net Changes	\$ 2,955,971	\$ (4,951,957)	\$ 7,907,928
Balances at December 31, 2022	\$ 38,050,251	\$ 33,185,323	\$ 4,864,928



## NOTES TO FINANCIAL STATEMENTS (Continued)

### Sensitivity of the Net Pension (Asset)/Liability 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)	\$ 9,213,733	\$ 4,864,928	\$ 1,352,692

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

For the year ended June 30, 2023, the District recognized pension expense/(income) of \$1,228,913. At June 30, 2023, 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	\$ 968,699	\$ -	\$ 968,699
Changes of assumptions	-	12,102	(12,102)
Net difference between projected and actual earnings on pension plan investments	2,713,169	-	2,713,169
Total deferred amounts to be recognized in pension expense in future periods	\$ 3,681,868	\$ 12,102	\$ 3,669,766
Pension contributions made subsequent to the measurement date	407,528	-	407,528
Total deferred amounts related to pensions	\$ 4,089,396	\$ 12,102	\$ 4,077,294

\$407,528 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflow s of Resources
2023	\$ 482,757
2024	832,318
2025	861,209
2026	1,493,482
<b>Total</b>	<b>\$ 3,669,766</b>

### 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 9 - 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.

Contributions

For the fiscal year ended June 30, 2023, 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, 2022, the employee contribution was 0.90% of salary and the employer contribution was 0.67% 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, 2023, 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 \$425,814 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, 2022, 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	\$ 11,585,838
State's proportionate share of the net pension liability associated with the District	15,761,400
Total	<u>\$ 27,347,238</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. 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, 2022, relative to the contributions of all participating THIS employers and the State during that period. At June 30, 2022, the District's proportion was 0.169268%, which was a decrease of 0.004091% from its proportion measured as of June 30, 2021. For the year ended June 30, 2023, the District recognized benefit income of \$5,131,594 and on-behalf revenue/expense of \$425,814 for support provided by the State. At June 30, 2023, 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 Outflow s of Resources
Differences between expected and actual experience	\$ -	\$ (7,577,708)	\$ (7,577,708)
Net difference between projected and actual earnings on pension plan investments	1,673	(265)	1,408
Changes of assumptions	10,453	(28,579,180)	(28,568,727)
Changes in proportion and differences between employee contributions and proportionate share of contributions	652,233	(2,857,118)	(2,204,885)
Employer contributions subsequent to the measurement date	321,852	-	321,852
	<u>\$ 986,211</u>	<u>\$ (39,014,271)</u>	<u>\$ (38,028,060)</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

\$321,852 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, 2024. 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	
2024	\$ (16,229,386)
2025	(9,595,836)
2026	(8,674,454)
2027	(2,357,106)
2028	(1,493,130)
	<u>\$ (38,349,912)</u>

### Actuarial Assumptions

The total OPEB 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	Depends on service and ranges from 8.50% at 1 year of service to 3.5% 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 2023 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%. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.81% in 2024, declining gradually to an ultimate rate of 4.25% in 2039.

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Annuitant Mortality and Pub-2010 Contingent Survivor Mortality Tables, adjusted for TRS experience. For disabled annuitants mortality rates were based on the PubNS-2010 Non-Safety Retiree Mortality Table. Mortality rates pre-retirement were based on the PubT-2010 Employee Mortality Table. All tables reflect future improvements using Projection Scale MP-2020.

The actuarial assumptions that were used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	0.33%
	<u>100.0%</u>	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021. 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, 2022 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, 2022, the discount rate used to measure the total OPEB liability was 3.69%.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.69%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.69%) or 1 percentage-point higher (4.69%) than the current rate.

	1% Decrease 2.69%	Current Discount Rate 3.69%	1% Increase 4.69%
Employer's proportionate share of the net OPEB liability	\$ 12,876,118	\$ 11,585,838	\$ 10,260,143

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 6.00% in 2023, 8.00% in 2024 decreasing to an ultimate trend rate of 4.25% in 2039. The Aetna MAPD plan (Medicare retirees) has a trend rate of 0% from 2024 to 2028, 19.42% for 2029 to 2033, 5.81% in 2034 and then decreasing to the same ultimate trend rate of 4.25% in 2039.

	1% Decrease (a)	Healthcare Cost Valuation Rate	1% Increase (b)
Employer's proportionate share of the net OPEB liability	\$ 9,790,361	\$ 11,585,838	\$ 13,556,358

(a) One percentage point decrease in healthcare trend rates are 5.00% in 2023, 7.00% in 2024, decreasing to an ultimate trend rate of 3.25% in 2039 for Pre-Medicare per capita costs. One percentage point decrease in healthcare trend rates are 2.22% in 2023, 0% in 2024 to 2028, 18.42% from 2029 to 2033, 4.81% in 2034, decreasing to an ultimate trend rate of 3.25% in 2039 for Post-Medicare per capita costs.

NOTES TO FINANCIAL STATEMENTS (Continued)

(b) One percentage point increase in healthcare trend rates are 7.00% in 2023, 9.00% in 2024, decreasing to an ultimate trend rate of 5.25% in 2039 for Pre-Medicare per capita costs. One percentage point decrease in healthcare trend rates are 4.22% in 2023, 1% in 2024 to 2028, 20.42% from 2029 to 2033, 6.81% in 2034, decreasing to an ultimate trend rate of 5.25% in 2039 for Post-Medicare per capita costs.

B. *Retiree Insurance Plan*

Plan Overview

In addition to providing the pension benefits described in Note 8, 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	4.13%
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	<p><i>Active Employees</i> - PubG.H-2010(B) Mortality Table - General (below -median income) with future mortality improvement using Scale MP-2020</p> <p><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</p>
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, 2022 through June 30, 2023. Assumption changes reflect a change in the discount rate of 0.04% from 4.09% for the beginning of the year values and 4.13% 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 4.13% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2023.

### 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, 2022	\$ 466,746	\$ -	\$ 466,746
Changes for the year:			
Service Cost	\$ 18,113	\$ -	\$ 18,113
Interest on Total OPEB Liability	18,142	-	18,142
Assumption Changes	(819)	-	(819)
Benefit Payments	(46,362)	-	(46,362)
Net Changes	\$ (10,926)	\$ -	\$ (10,926)
Balances at June 30, 2023	\$ 455,820	\$ -	\$ 455,820

### 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:

## NOTES TO FINANCIAL STATEMENTS (Continued)

Plan's Total OPEB Liability/(Asset)		
1% Decrease		1% Increase
4.88%	Valuation Rate	4.53%
\$ 478,068	\$ 455,820	\$ 435,177

### 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)		
1% Decrease	Healthcare Cost	1% Increase
5.93%	Valuation Rate	6.72%
\$ 428,806	\$ 455,820	\$ 486,457

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$74,567. At June 30, 2023, 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	\$ 22,437	\$ 11,540	\$ 10,897
Changes of Assumptions	211,405	37,789	173,616
Total	<u>\$ 233,842</u>	<u>\$ 49,329</u>	<u>\$ 184,513</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 (8.34 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
2024	\$ 38,312
2025	38,312
2026	39,540
2027	30,663
2028	18,010
Thereafter	19,676
	<u>\$ 184,513</u>

## **NOTE 10 - DEFICIT FUND BALANCE**

No fund had a deficit fund balance as of June 30, 2023.

## **NOTE 11 - INTERFUND TRANSFERS**

The following funds were transferred for the year ended June 30, 2023:

Transfer from	Transfer to	Amount
General Fund	Debt Services Fund	\$ 161,047
Debt Services Fund	Operations and Maintenance Fund	52,500
Operations and Maintenance Fund	Debt Services Fund	312,996
Operations and Maintenance Fund	Capital Projects Fund	6,473,639



## NOTES TO FINANCIAL STATEMENTS (Continued)

- 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 Debt Services Fund to the Operations and Maintenance Fund was made to transfer interest to a fund with more need.
- 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 12 - JOINT VENTURE – LAKE COUNTY AREA VOCATIONAL SYSTEM (LCAVS)

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

A summary of financial condition (cash basis) of LCAVS at June 30, 2022 (most recent information available) is as follows:

Assets	\$ 35,285,021
Liabilities	\$ -
Fund Equity	35,285,021
	<u>\$ 35,285,021</u>
Revenues Received	\$ 10,272,749
Expenditures Disbursed	9,849,009
Net Increase/(Decrease) in Fund Balance	<u>\$ 423,740</u>

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

### NOTE 13 - RISK MANAGEMENT

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

The District carries health insurance through Blue Cross Blue Shield of Illinois. A summary of claim transactions for the fiscal year ended June 30, 2023 is as follows:

Incurred Claims (Total Allowed)	\$ 9,274,186
Payments on Claims	(8,228,962)

During the year ended June 30, 2023, 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, 2023, there were no significant adjustments in premiums based on actual experience.

NOTE 14 - CONSTRUCTION COMMITMENTS

The District has entered into contracts for building repairs at various schools. The total amount of outstanding contracts is \$10,148,753. As of June 30, 2023, \$2,364,350 has been accrued to be paid on these contracts of which \$403,812 is retainage payable.

NOTE 15 - CHANGE IN ACCOUNTING PRINCIPLE

The District has implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement establishes financial reporting standards related to subscription-based information technology arrangements. 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.

NOTE 16 - LEGAL DEBT LIMITATION

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

2022 EAV	\$ 1,820,042,439
Rate	13.8%
Debt Margin	\$ 251,165,857
Current Debt	70,133,631
Remaining Debt Margin	\$ 181,032,226

## REQUIRED SUPPLEMENTARY INFORMATION

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
<b>TOTAL PENSION LIABILITY</b>									
Service Cost	\$ 902,546	\$ 850,470	\$ 905,687	\$ 869,784	\$ 809,884	\$ 811,275	\$ 785,893	\$ 769,744	\$ 759,848
Interest on the Total Pension Liability	2,515,918	2,360,771	2,239,668	2,071,280	1,934,315	1,843,321	1,724,142	1,610,109	1,426,663
Differences Between Expected and Actual Experience	1,223,977	507,620	304,441	663,514	385,281	378,878	33,774	30,795	126,797
Changes of Assumptions	-	-	(306,090)	-	796,973	(757,981)	(58,945)	55,792	962,055
Benefit Payments, Including Refunds of Member Contributions	(1,686,470)	(1,523,409)	(1,368,020)	(1,231,854)	(1,123,915)	(999,184)	(940,740)	(844,495)	(824,221)
Net Change in Total Pension Liability	\$ 2,955,971	\$ 2,195,452	\$ 1,775,686	\$ 2,372,724	\$ 2,802,538	\$ 1,276,309	\$ 1,544,124	\$ 1,621,945	\$ 2,451,142
Total Pension Liability - Beginning	35,094,280	32,898,828	31,123,142	28,750,418	25,947,880	24,671,571	23,127,447	21,505,502	19,054,360
Total Pension Liability - Ending	\$ 38,050,251	\$ 35,094,280	\$ 32,898,828	\$ 31,123,142	\$ 28,750,418	\$ 25,947,880	\$ 24,671,571	\$ 23,127,447	\$ 21,505,502
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions - Employer	\$ 821,980	\$ 842,787	\$ 783,757	\$ 675,121	\$ 748,466	\$ 727,025	\$ 677,406	\$ 644,504	\$ 682,318
Contributions - Member	443,663	404,323	385,897	380,629	362,433	350,270	317,204	316,913	300,900
Net Investment Income	(4,711,189)	5,540,384	4,121,951	4,565,732	(1,328,258)	3,846,587	1,400,189	102,786	1,174,242
Benefit Payments, Including Refunds of Member Contributions	(1,686,470)	(1,523,409)	(1,368,020)	(1,231,854)	(1,123,915)	(999,184)	(940,740)	(844,495)	(824,221)
Other (Net Transfer)	180,059	(157,876)	(20,613)	135,555	457,851	(415,578)	34,300	(229,537)	(4,926)
Net Change in Plan Fiduciary Net Position	\$ (4,951,957)	\$ 5,106,209	\$ 3,902,972	\$ 4,525,183	\$ (883,423)	\$ 3,509,120	\$ 1,488,359	\$ (9,829)	\$ 1,328,313
Plan Net Position - Beginning	38,137,280	33,031,071	29,128,099	24,602,916	25,486,339	21,977,219	20,488,860	20,498,689	19,170,376
Plan Net Position - Ending	\$ 33,185,323	\$ 38,137,280	\$ 33,031,071	\$ 29,128,099	\$ 24,602,916	\$ 25,486,339	\$ 21,977,219	\$ 20,488,860	\$ 20,498,689
District's Net Pension Liability/(Asset)	\$ 4,864,928	\$ (3,043,000)	\$ (132,243)	\$ 1,995,043	\$ 4,147,502	\$ 461,541	\$ 2,694,352	\$ 2,638,587	\$ 1,006,813
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.21%	108.67%	100.40%	93.59%	85.57%	98.22%	89.08%	88.59%	95.32%
Covered Payroll	\$ 9,865,493	\$ 8,984,934	\$ 8,569,910	\$ 8,456,671	\$ 8,039,377	\$ 7,709,711	\$ 7,048,963	\$ 6,741,674	\$ 6,630,887
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	49.31%	-33.87%	-1.54%	23.59%	51.59%	5.99%	38.22%	39.14%	15.18%

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

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

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTION  
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 807,957	\$ 842,787	\$ 783,756	\$ 658,826	\$ 748,466	\$ 727,026	\$ 677,405	\$ 644,504	\$ 682,318
Contributions in Relation to Actuarially-Determined Contribution	821,980	842,787	783,757	675,121	748,466	727,025	677,406	644,504	682,318
Contribution Deficiency/(Excess)	<u>\$ (14,023)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (16,295)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,673,069	\$ 9,314,684	\$ 8,556,285	\$ 8,483,655	\$ 8,141,091	\$ 7,959,134	\$ 7,048,963	\$ 6,741,674	\$ 6,630,887
Contributions as a Percentage of Covered Payroll	7.70%	9.05%	9.16%	7.96%	9.19%	9.13%	9.61%	9.56%	10.29%

**Notes to Schedule:**

**Actuarial Method and Assumptions Used on the Calculation of the 2022 Contribution Rate \***

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

**Actuarial Cost Method:** Aggregate Entry Age Normal

**Amortization Method:** Level percentage of payroll, closed

**Remaining Amortization Period:** 21-year closed period

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

**Wage Growth:** 2.75%

**Price Inflation:** 2.25%, approximate; No explicit price inflation assumption is used in this valuation.

**Salary Increases:** 2.85% to 13.75%, including inflation

**Investment Rate of Return:** 7.25%

**Retirement Age:** Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.

**Mortality:** 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. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

\*Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation; note two year lag between valuation and rate setting.

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

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Employer's proportion of the Net Pension Liability	0.0045652%	0.0050174%	0.0053087%	0.0056164%	0.0060262%	0.0078663%	0.0083766%	0.0076401%	0.0065414%
Employer's proportionate share of the Net Pension Liability	\$ 3,827,444	\$ 3,914,114	\$ 4,576,885	\$ 4,555,389	\$ 4,697,110	\$ 6,009,691	\$ 6,612,193	\$ 5,005,063	\$ 3,980,983
State's proportionate share of the Net Pension Liability associated with the employer	332,005,389	328,044,361	358,485,433	324,202,066	321,771,705	304,141,140	319,652,142	252,187,576	233,914,815
Total	<u>\$ 335,832,833</u>	<u>\$ 331,958,475</u>	<u>\$ 363,062,318</u>	<u>\$ 328,757,455</u>	<u>\$ 326,468,815</u>	<u>\$ 310,150,831</u>	<u>\$ 326,264,335</u>	<u>\$ 257,192,639</u>	<u>\$ 237,895,798</u>
Employer's Covered Payroll	\$ 46,703,427	\$ 44,995,229	\$ 44,614,767	\$ 43,855,889	\$ 43,164,712	\$ 41,085,437	\$ 40,263,644	\$ 38,944,406	\$ 37,909,516
Employer's proportionate share of the Net Pension Liability as a percentage of its Covered Payroll	8.20%	8.70%	10.26%	10.39%	10.88%	14.63%	16.42%	12.85%	10.50%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	42.80%	45.10%	37.80%	39.60%	40.00%	39.30%	36.40%	41.50%	43.00%

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

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

**Changes of Assumptions:**

For the 2022 measurement year, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.50% and a real return of 4.50%. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated Sept. 30, 2021.

For the 2021-2017 measurement years, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.25% and a real return of 4.75%. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015 respectively.

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

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTION  
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Statutorily-required contribution	\$ 270,880	\$ 261,437	\$ 258,766	\$ 254,364	\$ 250,383	\$ 324,088	\$ 324,360	\$ 267,693	\$ 233,359
Contributions in relation to statutorily-required contribution	270,916	261,003	258,793	254,356	250,355	324,137	324,360	267,693	233,359
Contribution deficiency/(excess)	<u>\$ (36)</u>	<u>\$ 434</u>	<u>\$ (27)</u>	<u>\$ 8</u>	<u>\$ 28</u>	<u>\$ (49)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 48,037,664	\$ 46,703,427	\$ 44,995,229	\$ 44,614,767	\$ 43,855,889	\$ 43,164,712	\$ 40,263,644	\$ 38,944,406	\$ 37,909,516
Contributions as a percentage of Covered Payroll	0.56%	0.56%	0.58%	0.57%	0.57%	0.75%	0.81%	0.69%	0.62%

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

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

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *
Employer's proportion of the Net OPEB Liability	0.1692680%	0.1733590%	0.1763500%	0.1783950%	0.1820920%	0.1785630%
Employer's proportionate share of the Net OPEB Liability	11,585,838	38,235,022	\$ 47,148,768	\$ 49,375,200	\$ 47,973,672	\$ 46,336,328
State's proportionate share of the Net OPEB Liability associated with the employer	15,761,400	51,841,067	63,873,671	66,860,307	64,418,368	60,851,113
Total	<u>\$ 27,347,238</u>	<u>\$ 90,076,089</u>	<u>\$ 111,022,439</u>	<u>\$ 116,235,507</u>	<u>\$ 112,392,040</u>	<u>\$ 107,187,441</u>
Employer's Covered Payroll	\$ 46,703,427	\$ 44,995,229	\$ 44,614,767	\$ 43,855,889	\$ 43,164,712	\$ 41,085,437
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	24.81%	84.98%	105.68%	112.59%	111.14%	112.78%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	5.24%	1.40%	0.70%	0.25%	-0.07%	-0.17%

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

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

**Changes of Assumptions:**

For the 2022 measurement year, projected per capita costs were adjusted to reflect the newly established zero premium MAPD plan and the discount rate was changed from 1.92% to 3.69%□

See Accompanying Independent Auditor's Report



LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTION  
JUNE 30, 2023

	<u>6/30/2023 *</u>	<u>6/30/2022 *</u>	<u>6/30/2021 *</u>	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>
Statutorily-Required Contribution	\$ 313,006	\$ 413,982	\$ 410,456	\$ 403,474	\$ 379,864	\$ 345,054
Contributions in relation to the Statutorily-Required Contribution	<u>312,913</u>	<u>413,956</u>	<u>410,421</u>	<u>403,387</u>	<u>379,849</u>	<u>345,118</u>
Contribution deficiency/(excess)	<u>\$ 93</u>	<u>\$ 26</u>	<u>\$ 35</u>	<u>\$ 87</u>	<u>\$ 15</u>	<u>\$ (64)</u>
Employer's Covered Payroll	\$ 48,037,664	\$ 46,703,427	\$ 44,995,229	\$ 44,614,767	\$ 43,855,889	\$ 43,164,712
Contributions as a percentage of Covered Payroll	0.65%	0.89%	0.91%	0.90%	0.87%	0.80%

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

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

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
OTHER POST-EMPLOYMENT BENEFIT  
SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB  
LIABILITY AND RELATED RATIOS  
JUNE 30, 2023

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
TOTAL OPEB LIABILITY						
Service Cost	\$ 18,113	\$ 23,632	\$ 13,061	\$ 13,248	\$ 11,754	\$ 12,540
Interest	18,142	6,888	8,857	5,244	6,030	6,054
Differences Between Expected and Actual Experience	-	29,748	-	(24,431)	-	-
Benefit Payments	(46,362)	(44,222)	(46,434)	(39,331)	(14,022)	(12,378)
Changes in Assumptions	(819)	112,644	6,383	28,102	1,620	1,263
Other Changes	-	-	-	165,745	(7,124)	(14,585)
Net Change in Total OPEB Liability	\$ (10,926)	\$ 128,690	\$ (18,133)	\$ 148,577	\$ (1,742)	\$ (7,106)
Total OPEB Liability - Beginning	466,746	338,056	356,189	207,612	209,354	216,460
District's Total OPEB Liability - Ending	<u>\$ 455,820</u>	<u>\$ 466,746</u>	<u>\$ 338,056</u>	<u>\$ 356,189</u>	<u>\$ 207,612</u>	<u>\$ 209,354</u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 7,905,377 * \$	7,905,377 \$	\$ 7,985,203 * \$	7,985,203 \$	\$ 6,656,975 * \$	6,656,975 \$
Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	5.77%	5.90%	4.23%	4.46%	3.12%	3.14%

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There is no actuarially-determined contribution (ADC) or employer contribution in relation to the ADC as the total OPEB liabilities are currently an unfunded obligation.

*Changes of Assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period.

The following are the discount rates used in each period:	4.13%	4.09%	2.18%	2.66%	2.79%	2.98%
---	-------	-------	-------	-------	-------	-------

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

\* - Covered-Employee Payroll is the same as the prior year due to the valuation being a rollforward instead of a new valuation.

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 68,349,647	\$ 68,349,647	\$ 69,268,407
Payments in Lieu of Taxes	697,268	697,268	738,264
Tuition	445,000	445,000	459,778
Earnings on Investments	720,812	720,812	1,331,228
Food Services	1,653,248	1,653,248	1,725,321
District/School Activity Income	2,733,000	2,733,000	2,156,736
Textbooks	211,000	211,000	62,508
Other Local Sources	715,628	715,628	762,741
State Aid			
Evidence Based Funding	4,045,400	4,045,400	4,051,792
Special Education	1,068,428	1,068,428	1,063,771
Career and Technical Education	29,263	29,263	29,936
State Free Lunch and Breakfast	3,715	3,715	2,294
Driver Education	28,100	28,100	28,283
Other Restricted Revenue from State Sources	4,120	4,120	27,965
Federal Aid			
Food Service	181,634	181,634	547,770
Title I	141,216	141,216	229,241
Title IV	10,000	10,000	21,638
Federal Special Education	1,454,517	1,454,517	1,593,009
CTE - Perkins	16,432	16,432	15,230
Emergency Immigrant Assistance	-	-	900
Title III - English Language Acquisition	63,700	63,700	57,851
Title II - Teacher Quality	71,427	71,427	53,562
Medicaid Matching Funds - Administrative Outreach	126,000	126,000	95,673
Medicaid Matching Funds - Fee-for-Service Program	288,000	288,000	81,673
Other Federal Aid	1,635,602	1,635,602	892,266
State Retirement Contributions	41,833,736	41,833,736	26,505,277
<b>Total Revenues</b>	<b>\$ 126,526,893</b>	<b>\$ 126,526,893</b>	<b>\$ 111,803,114</b>
<b>EXPENDITURES</b>			
Instruction			
Regular Programs			
Salaries	\$ 28,744,730	\$ 28,744,730	\$ 20,811,579
Employee Benefits	4,098,780	4,098,780	2,960,186
Purchased Services	650,264	650,264	768,893
Supplies and Materials	1,718,946	1,718,946	775,964
Non-Capitalized Equipment	31,913	31,913	54,884
	<b>\$ 35,244,633</b>	<b>\$ 35,244,633</b>	<b>\$ 25,371,506</b>
Tuition Payments to Charter Schools			
Purchased Services	\$ -	\$ -	\$ 172,502
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 172,502</b>
Pre-K Programs			
Salaries	\$ -	\$ -	\$ 7,803,329
Employee Benefits	-	-	1,109,140
Purchased Services	-	-	192,165
Supplies and Materials	500	500	355,951
Other Objects	-	-	499
Non-Capitalized Equipment	-	-	18,115
	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 9,479,199</b>
Special Education Programs			
Salaries	\$ 6,631,914	\$ 6,631,914	\$ 6,449,771
Employee Benefits	903,394	903,394	932,397
Purchased Services	74,800	74,800	47,014
Supplies and Materials	46,745	46,745	139,117
Non-Capitalized Equipment	-	-	12,141
	<b>\$ 7,656,853</b>	<b>\$ 7,656,853</b>	<b>\$ 7,580,440</b>
Special Education Programs Pre-K			
Salaries	\$ 643,696	\$ 643,696	\$ 473,472
Employee Benefits	59,675	59,675	54,798
Purchased Services	1,300	1,300	2,032
Supplies and Materials	49,848	49,848	11,334
	<b>\$ 754,519</b>	<b>\$ 754,519</b>	<b>\$ 541,636</b>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
CTE Programs			
Salaries	\$ 1,085,171	\$ 1,085,171	\$ 1,078,350
Employee Benefits	147,116	147,116	144,466
Purchased Services	-	-	7,921
Supplies and Materials	66,548	66,548	69,074
Non-Capitalized Equipment	-	-	14,993
	<u>\$ 1,298,835</u>	<u>\$ 1,298,835</u>	<u>\$ 1,314,804</u>
Interscholastic Programs			
Salaries	\$ 1,850,337	\$ 1,850,337	\$ 1,775,681
Employee Benefits	8,398	8,398	18,369
Purchased Services	320,300	320,300	335,618
Supplies and Materials	286,571	286,571	274,189
Other Objects	29,400	29,400	63,622
Non-Capitalized Equipment	9,000	9,000	-
	<u>\$ 2,504,006</u>	<u>\$ 2,504,006</u>	<u>\$ 2,467,479</u>
Summer School Programs			
Salaries	\$ 442,600	\$ 442,600	\$ 540,526
Employee Benefits	3,713	3,713	9,337
Purchased Services	7,100	7,100	93,686
Supplies and Materials	46,220	46,220	82,975
	<u>\$ 499,633</u>	<u>\$ 499,633</u>	<u>\$ 726,524</u>
Gifted Programs			
Salaries	\$ 406,844	\$ 406,844	\$ 358,108
Employee Benefits	53,333	53,333	41,839
Supplies and Materials	500	500	315
	<u>\$ 460,677</u>	<u>\$ 460,677</u>	<u>\$ 400,262</u>
Driver's Education Programs			
Salaries	\$ 255,666	\$ 255,666	\$ 264,999
Employee Benefits	18,775	18,775	20,019
Purchased Services	3,640	3,640	497
Supplies and Materials	4,784	4,784	3,417
	<u>\$ 282,865</u>	<u>\$ 282,865</u>	<u>\$ 288,932</u>
Bilingual Programs			
Salaries	\$ 1,717,786	\$ 1,717,786	\$ 1,673,042
Employee Benefits	261,475	261,475	270,209
Purchased Services	750	750	70
Supplies and Materials	7,500	7,500	-
	<u>\$ 1,987,511</u>	<u>\$ 1,987,511</u>	<u>\$ 1,943,321</u>
Private Tuition			
Special Education Programs K-12			
Other Objects	\$ 3,441,000	\$ 3,441,000	\$ 2,757,253
	<u>\$ 3,441,000</u>	<u>\$ 3,441,000</u>	<u>\$ 2,757,253</u>
Student Activity Fund Expenditures			
Other Objects	\$ 1,400,000	\$ 1,400,000	\$ 802,245
	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ 802,245</u>
State Retirement Contributions	\$ 41,833,736	\$ 41,833,736	\$ 26,505,277
Total Instruction	<u>\$ 97,364,768</u>	<u>\$ 97,364,768</u>	<u>\$ 80,351,380</u>
Support Services			
Pupil			
Attendance and Social Work Services			
Salaries	\$ 1,249,090	\$ 1,249,090	\$ 1,210,767
Employee Benefits	204,697	204,697	185,694
Purchased Services	75,000	75,000	30,443
Supplies and Materials	4,500	4,500	17,798
	<u>\$ 1,533,287</u>	<u>\$ 1,533,287</u>	<u>\$ 1,444,702</u>
Guidance Services			
Salaries	\$ 919,442	\$ 919,442	\$ 962,911
Employee Benefits	142,132	142,132	146,504
Purchased Services	2,000	2,000	126,856
Supplies and Materials	11,100	11,100	1,585
Other Objects	-	-	165
	<u>\$ 1,074,674</u>	<u>\$ 1,074,674</u>	<u>\$ 1,238,021</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Pupil (Continued)			
Health Services			
Salaries	\$ 1,110,242	\$ 1,110,242	\$ 1,075,401
Employee Benefits	107,927	107,927	105,327
Purchased Services	197,200	197,200	133,693
Supplies and Materials	27,200	27,200	21,722
Other Objects	-	-	584
Non-Capitalized Equipment	-	-	80,081
	<u>\$ 1,442,569</u>	<u>\$ 1,442,569</u>	<u>\$ 1,416,808</u>
Psychological Services			
Salaries	\$ 893,160	\$ 893,160	\$ 835,306
Employee Benefits	127,501	127,501	121,566
Purchased Services	25,461	25,461	88,465
Supplies and Materials	7,500	7,500	8,459
	<u>\$ 1,053,622</u>	<u>\$ 1,053,622</u>	<u>\$ 1,053,796</u>
Speech Pathology and Audiology Services			
Salaries	\$ 1,001,177	\$ 1,001,177	\$ 914,359
Employee Benefits	120,154	120,154	120,692
Purchased Services	26,200	26,200	122,041
Supplies and Materials	8,500	8,500	4,687
Non-Capitalized Equipment	1,000	1,000	-
	<u>\$ 1,157,031</u>	<u>\$ 1,157,031</u>	<u>\$ 1,161,779</u>
Other Support Services - Pupil			
Purchased Services	\$ 221,947	\$ 221,947	\$ 153,874
Supplies and Materials	10,000	10,000	9,061
	<u>\$ 231,947</u>	<u>\$ 231,947</u>	<u>\$ 162,935</u>
Total Support Services - Pupil	<u>\$ 6,493,130</u>	<u>\$ 6,493,130</u>	<u>\$ 6,478,041</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 77,000	\$ 77,000	\$ 84,616
Employee Benefits	874	874	1,061
Purchased Services	362,686	362,686	320,529
Supplies and Materials	40,197	40,197	15,639
	<u>\$ 480,757</u>	<u>\$ 480,757</u>	<u>\$ 421,845</u>
Educational Media Services			
Salaries	\$ 955,949	\$ 955,949	\$ 932,662
Employee Benefits	124,912	124,912	116,491
Purchased Services	2,000	2,000	5,989
Supplies and Materials	95,178	95,178	87,279
Non-Capitalized Equipment	1,500	1,500	572
	<u>\$ 1,179,539</u>	<u>\$ 1,179,539</u>	<u>\$ 1,142,993</u>
Assessment and Testing			
Salaries	\$ (31)	\$ (31)	\$ -
Purchased Services	120,000	120,000	92,643
Supplies and Materials	10,000	10,000	17,949
	<u>\$ 129,969</u>	<u>\$ 129,969</u>	<u>\$ 110,592</u>
Total Support Services - Instructional Staff	<u>\$ 1,790,265</u>	<u>\$ 1,790,265</u>	<u>\$ 1,675,430</u>
General Administration			
Board of Education Services			
Purchased Services	\$ 375,000	\$ 375,000	\$ 261,949
Supplies and Materials	6,000	6,000	1,521
Other Objects	30,000	30,000	42,061
	<u>\$ 411,000</u>	<u>\$ 411,000</u>	<u>\$ 305,531</u>
Executive Administration Services			
Salaries	\$ 289,658	\$ 289,658	\$ 315,290
Employee Benefits	84,950	84,950	90,363
Purchased Services	20,000	20,000	45,903
Supplies and Materials	22,000	22,000	14,766
Other Objects	7,000	7,000	4,650
	<u>\$ 423,608</u>	<u>\$ 423,608</u>	<u>\$ 470,972</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
General Administration (Continued)			
Special Area Administrative Services			
Salaries	\$ 561,411	\$ 561,411	\$ 572,906
Employee Benefits	161,422	161,422	149,276
Purchased Services	17,000	17,000	45,784
Supplies and Materials	10,000	10,000	5,950
Other Objects	4,000	4,000	3,149
	<u>\$ 753,833</u>	<u>\$ 753,833</u>	<u>\$ 777,065</u>
Tort Immunity Services			
Salaries	\$ 996,104	\$ 996,104	\$ -
Purchased Services	-	-	905,912
	<u>\$ 996,104</u>	<u>\$ 996,104</u>	<u>\$ 905,912</u>
Total Support Services - General Administration	<u>\$ 2,584,545</u>	<u>\$ 2,584,545</u>	<u>\$ 2,459,480</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 3,813,527	\$ 3,813,527	\$ 3,913,335
Employee Benefits	1,155,449	1,155,449	1,130,072
Purchased Services	5,250	5,250	16,002
Supplies and Materials	31,721	31,721	31,114
Other Objects	17,525	17,525	17,478
Non-Capitalized Equipment	2,000	2,000	-
Termination Benefits	1,000	1,000	6,918
	<u>\$ 5,026,472</u>	<u>\$ 5,026,472</u>	<u>\$ 5,114,919</u>
Total Support Services - School Administration	<u>\$ 5,026,472</u>	<u>\$ 5,026,472</u>	<u>\$ 5,114,919</u>
Business			
Direction of Business Support Services			
Salaries	\$ 209,794	\$ 209,794	\$ 209,794
Employee Benefits	56,832	56,832	106,081
Purchased Services	1,040	1,040	1,317
Supplies and Materials	1,040	1,040	-
Other Objects	5,000	5,000	3,132
	<u>\$ 273,706</u>	<u>\$ 273,706</u>	<u>\$ 320,324</u>
Fiscal Services			
Salaries	\$ 342,608	\$ 342,608	\$ 354,797
Employee Benefits	86,691	86,691	85,859
Purchased Services	292,760	292,760	88,415
Supplies and Materials	36,400	36,400	15,901
Other Objects	85,000	85,000	43,751
Non-Capitalized Equipment	40,000	40,000	-
Termination Benefits	2,000	2,000	17,166
	<u>\$ 885,459</u>	<u>\$ 885,459</u>	<u>\$ 605,889</u>
Total Support Services - Business	<u>\$ 1,159,165</u>	<u>\$ 1,159,165</u>	<u>\$ 926,213</u>
Operations and Maintenance of Plant Services			
Supplies and Materials	\$ 29,982	\$ 29,982	\$ -
Total Support Services - Operations and Maintenance	<u>\$ 29,982</u>	<u>\$ 29,982</u>	<u>\$ -</u>
Food Services			
Purchased Services	\$ 1,645,921	\$ 1,645,921	\$ 1,729,667
Supplies and Materials	22,500	22,500	125,484
Other Objects	50,000	50,000	1,390
Non-Capitalized Equipment	6,000	6,000	52,059
Total Support Services - Food Services	<u>\$ 1,724,421</u>	<u>\$ 1,724,421</u>	<u>\$ 1,908,600</u>
Internal Services			
Purchased Services	\$ 21,008	\$ 21,008	\$ 21,440
Total Support Services - Internal Services	<u>\$ 21,008</u>	<u>\$ 21,008</u>	<u>\$ 21,440</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Central			
Planning, Research, Development and Evaluation Services			
Salaries	\$ 2,031,457	\$ 2,031,457	\$ 1,965,378
Employee Benefits	413,620	413,620	419,620
Purchased Services	162,000	162,000	162,507
Supplies and Materials	5,000	5,000	1,202
Other Objects	1,400	1,400	5,066
	<u>\$ 2,613,477</u>	<u>\$ 2,613,477</u>	<u>\$ 2,553,773</u>
Information Services			
Salaries	\$ 194,328	\$ 194,328	\$ 212,503
Employee Benefits	42,249	42,249	44,662
Purchased Services	150,500	150,500	166,289
Supplies and Materials	41,000	41,000	25,389
Other Objects	1,000	1,000	273
Non-Capitalized Equipment	5,500	5,500	10,796
	<u>\$ 434,577</u>	<u>\$ 434,577</u>	<u>\$ 459,912</u>
Staff Services			
Salaries	\$ 479,483	\$ 479,483	\$ 472,570
Employee Benefits	216,206	216,206	147,591
Purchased Services	182,200	182,200	236,286
Supplies and Materials	4,000	4,000	3,045
Other Objects	1,000	1,000	2,579
	<u>\$ 882,889</u>	<u>\$ 882,889</u>	<u>\$ 862,071</u>
Data Processing Services			
Salaries	\$ 1,191,473	\$ 1,191,473	\$ 1,207,232
Employee Benefits	179,512	179,512	177,880
Purchased Services	300,000	300,000	216,973
Supplies and Materials	722,000	722,000	991,549
Other Objects	2,000	2,000	1,025
Non-Capitalized Equipment	1,747,195	1,747,195	1,429,682
Termination Benefits	2,000	2,000	3,989
	<u>\$ 4,144,180</u>	<u>\$ 4,144,180</u>	<u>\$ 4,028,330</u>
Total Support Services - Central	<u>\$ 8,075,123</u>	<u>\$ 8,075,123</u>	<u>\$ 7,904,086</u>
Other Support Services			
Salaries	\$ 295,339	\$ 295,339	\$ 306,470
Employee Benefits	45,006	45,006	44,396
Purchased Services	170,314	170,314	153,015
Supplies and Materials	8,300	8,300	55,632
Non-Capitalized Equipment	9,500	9,500	-
Total Support Services - Other Support Services	<u>\$ 528,459</u>	<u>\$ 528,459</u>	<u>\$ 559,513</u>
Total Support Services	<u>\$ 27,432,570</u>	<u>\$ 27,432,570</u>	<u>\$ 27,047,722</u>
Community Services			
Salaries	\$ 108,083	\$ 108,083	\$ 66,128
Employee Benefits	1,088	1,088	3,057
Purchased Services	21,887	21,887	8,976
Supplies and Materials	12,518	12,518	14,958
Other Objects	2,500	2,500	170
Total Community Services	<u>\$ 146,076</u>	<u>\$ 146,076</u>	<u>\$ 93,289</u>
Intergovernmental Payments			
Payments to Other Districts and Governmental Units-Tuition (In-State)			
Payments for Regular Programs			
Other Objects	\$ 250,000	\$ 250,000	\$ 189,151
Payments for Special Education Programs			
Other Objects	200,000	200,000	335,099
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 524,250</u>
Total Intergovernmental Payments	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 524,250</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Capital Outlay			
Instruction			
Regular Programs	\$ 15,000	\$ 15,000	\$ 7,072
Pre-K Programs	-	-	16,437
Other Instructional Programs	51,283	51,283	-
Support Services			
Instructional Staff	-	-	7,998
Food Services	-	-	5,475
Central	362,291	362,291	59,641
Total Capital Outlay	<u>\$ 428,574</u>	<u>\$ 428,574</u>	<u>\$ 96,623</u>
Total Expenditures	<u>\$ 125,821,988</u>	<u>\$ 125,821,988</u>	<u>\$ 108,113,264</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 704,905	\$ 704,905	\$ 3,689,850
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	<u>(161,047)</u>	<u>(161,047)</u>	<u>(161,047)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 543,858</u>	<u>\$ 543,858</u>	\$ 3,528,803
FUND BALANCE - JULY 1, 2022			<u>61,994,397</u>
FUND BALANCE - JUNE 30, 2023			<u>\$ 65,523,200</u>

See Accompanying Independent Auditor's Report



LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 10,467,130	\$ 10,467,130	\$ 10,413,809
Earnings on Investments	162,688	162,688	324,369
Other Local Sources	346,000	346,000	219,707
State Aid			
School Infrastructure - Maintenance	50,000	50,000	50,000
Total Revenues	<u>\$ 11,025,818</u>	<u>\$ 11,025,818</u>	<u>\$ 11,007,885</u>
EXPENDITURES			
Support Services			
Operations and Maintenance			
Salaries	\$ 1,302,749	\$ 1,302,749	\$ 1,330,213
Employee Benefits	188,523	188,523	190,495
Purchased Services	3,328,910	3,328,910	3,505,412
Supplies and Materials	2,073,683	2,073,683	1,572,683
Other Objects	149,609	149,609	2,619
Non-Capitalized Equipment	50,000	50,000	157,524
Termination Benefits	2,000	2,000	360
Total Support Services - Operations and Maintenance	<u>\$ 7,095,474</u>	<u>\$ 7,095,474</u>	<u>\$ 6,759,306</u>
Food Services			
Non-Capitalized Equipment	\$ 40,000	\$ 40,000	\$ -
Total Support Services - Food Services	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ -</u>
Total Support Services	<u>\$ 7,135,474</u>	<u>\$ 7,135,474</u>	<u>\$ 6,759,306</u>
Intergovernmental Payments			
Payments to Other Districts and Governmental Units (In-State)			
Payments for Regular Programs			
Other Objects	\$ 13,000	\$ 13,000	\$ 12,516
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 12,516</u>
Total Intergovernmental Payments	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 12,516</u>
Capital Outlay			
Support Services			
Operations and Maintenance	\$ 370,000	\$ 370,000	\$ 192,302
Total Capital Outlay	<u>\$ 370,000</u>	<u>\$ 370,000</u>	<u>\$ 192,302</u>
Total Expenditures	<u>\$ 7,518,474</u>	<u>\$ 7,518,474</u>	<u>\$ 6,964,124</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,507,344	\$ 3,507,344	\$ 4,043,761
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	<u>(5,477,462)</u>	<u>(5,477,462)</u>	<u>(6,734,135)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,970,118)</u>	<u>\$ (1,970,118)</u>	<u>\$ (2,690,374)</u>
FUND BALANCE - JULY 1, 2022			<u>13,100,502</u>
FUND BALANCE - JUNE 30, 2023			<u>\$ 10,410,128</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - TRANSPORTATION FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 2,720,727	\$ 2,720,727	\$ 2,786,016
Transportation Fees	-	-	36,421
Earnings on Investments	6,928	6,928	118,591
State Aid			
Transportation	1,772,509	1,772,509	1,874,006
Total Revenues	<u>\$ 4,500,164</u>	<u>\$ 4,500,164</u>	<u>\$ 4,815,034</u>
EXPENDITURES			
Support Services			
Transportation			
Salaries	\$ 2,065,965	\$ 2,065,965	\$ 1,499,963
Employee Benefits	215,349	215,349	198,962
Purchased Services	1,720,500	1,720,500	2,107,906
Supplies and Materials	327,000	327,000	428,208
Other Objects	1,350	1,350	739
Non-Capitalized Equipment	10,000	10,000	-
Total Support Services - Transportation	<u>\$ 4,340,164</u>	<u>\$ 4,340,164</u>	<u>\$ 4,235,778</u>
Total Support Services	<u>\$ 4,340,164</u>	<u>\$ 4,340,164</u>	<u>\$ 4,235,778</u>
Capital Outlay			
Support Services			
Transportation	\$ 160,000	\$ 160,000	\$ -
Total Capital Outlay	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 4,500,164</u>	<u>\$ 4,500,164</u>	<u>\$ 4,235,778</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ 579,256
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	\$ 579,256
FUND BALANCE - JULY 1, 2022			<u>5,029,016</u>
FUND BALANCE - JUNE 30, 2023			<u>\$ 5,608,272</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Property Taxes	\$ 2,207,941	\$ 2,207,941	\$ 2,244,485
Payments in Lieu of Taxes	90,000	90,000	90,000
Earnings on Investments	14,485	14,485	30,717
Federal Aid			
Title I	-	-	835
Federal - Special Education	32,157	32,157	83,600
Title III - English Language Acquisition	1,500	1,500	-
Other Federal Aid	-	-	10,832
Total Revenues	<u>\$ 2,346,083</u>	<u>\$ 2,346,083</u>	<u>\$ 2,460,469</u>
EXPENDITURES			
Instruction			
Regular Programs			
Employee Benefits	\$ 344,884	\$ 344,884	\$ 342,768
Pre-K Programs			
Employee Benefits	190,500	190,500	173,230
Special Education Programs			
Employee Benefits	330,314	330,314	340,528
Special Education Programs Pre-K			
Employee Benefits	33,300	33,300	33,642
CTE Programs			
Employee Benefits	15,600	15,600	14,966
Interscholastic Programs			
Employee Benefits	58,500	58,500	60,186
Summer School Programs			
Employee Benefits	17,614	17,614	20,028
Gifted Programs			
Employee Benefits	5,500	5,500	5,067
Driver's Education Programs			
Employee Benefits	3,594	3,594	3,687
Bilingual Programs			
Employee Benefits	35,570	35,570	34,820
Total Instruction	<u>\$ 1,035,376</u>	<u>\$ 1,035,376</u>	<u>\$ 1,028,922</u>
Support Services			
Pupil			
Attendance and Social Work Services			
Employee Benefits	\$ 19,400	\$ 19,400	\$ 18,177
Guidance Services			
Employee Benefits	32,400	32,400	31,897
Health Services			
Employee Benefits	138,784	138,784	139,339
Psychological Services			
Employee Benefits	12,400	12,400	13,297
Speech Pathology and Audiology Services			
Employee Benefits	15,400	15,400	12,991
Total Support Services - Pupil	<u>\$ 218,384</u>	<u>\$ 218,384</u>	<u>\$ 215,701</u>
Instructional Staff			
Improvement of Instruction Services			
Employee Benefits	\$ 700	\$ 700	\$ 1,420
Educational Media Services			
Employee Benefits	42,700	42,700	38,107
Total Support Services - Instructional Staff	<u>\$ 43,400</u>	<u>\$ 43,400</u>	<u>\$ 39,527</u>
General Administration			
Board of Education Services			
Employee Benefits	\$ 15,500	\$ 15,500	\$ 15,904
Special Area Administrative Services			
Employee Benefits	24,700	24,700	24,583
Total Support Services - General Administration	<u>\$ 40,200</u>	<u>\$ 40,200</u>	<u>\$ 40,487</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual
	Original	Final	Amounts
EXPENDITURES (Continued)			
Support Services (Continued)			
School Administration			
Office of the Principal Services			
Employee Benefits	\$ 171,800	\$ 171,800	\$ 171,017
Total Support Services - School Administration	\$ 171,800	\$ 171,800	\$ 171,017
Business			
Direction of Business Support Services			
Employee Benefits	\$ 3,400	\$ 3,400	\$ 3,007
Fiscal Services			
Employee Benefits	40,200	40,200	37,690
Total Support Services - Business	\$ 43,600	\$ 43,600	\$ 40,697
Operations and Maintenance			
Employee Benefits	\$ 187,800	\$ 187,800	\$ 193,097
Total Support Services - Operations and Maintenance	\$ 187,800	\$ 187,800	\$ 193,097
Transportation			
Employee Benefits	\$ 226,900	\$ 226,900	\$ 206,023
Total Support Services - Transportation	\$ 226,900	\$ 226,900	\$ 206,023
Central			
Planning, Research, Development and Evaluation Services			
Employee Benefits	\$ 47,511	\$ 47,511	\$ 47,532
Information Services			
Employee Benefits	30,900	30,900	30,995
Staff Services			
Employee Benefits	71,400	71,400	70,536
Data Processing Services			
Employee Benefits	193,700	193,700	176,874
Total Support Services - Central	\$ 343,511	\$ 343,511	\$ 325,937
Other Support Services			
Employee Benefits	\$ 27,700	\$ 27,700	\$ 44,919
Total Support Services - Other Support Services	\$ 27,700	\$ 27,700	\$ 44,919
Total Support Services	\$ 1,303,295	\$ 1,303,295	\$ 1,277,405
Community Services			
Employee Benefits	\$ 7,412	\$ 7,412	\$ 6,685
Total Community Services	\$ 7,412	\$ 7,412	\$ 6,685
Total Expenditures	\$ 2,346,083	\$ 2,346,083	\$ 2,313,012
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ 147,457
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 147,457
FUND BALANCE - JULY 1, 2022			1,550,985
FUND BALANCE - JUNE 30, 2023			\$ 1,698,442

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023

**NOTE 1 - BUDGETARY PROCESS**

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 22, 2022 and was not amended. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

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

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

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

**NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET**

For the year ended June 30, 2023, none of the District's funds presented as Required Supplementary Information had expenditures that exceeded the budget.

## SUPPLEMENTAL FINANCIAL INFORMATION

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
COMBINING BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2023

	Educational Fund	Working Cash Fund	General Fund Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 31,695,035	\$ 2,513,065	\$ 34,208,100
Investments, at Fair Value	29,379,637	2,329,480	31,709,117
Interest Receivable, net of allowance of \$0	1,222,369	-	1,222,369
Taxes Receivable, net of allowance of \$0	38,114,952	262,789	38,377,741
Due from Other Governments, net of allowance of \$0	922,886	-	922,886
Prepaid Items	1,247,480	-	1,247,480
<b>Total Assets</b>	<b>\$ 102,582,359</b>	<b>\$ 5,105,334</b>	<b>\$ 107,687,693</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 339,990	\$ -	\$ 339,990
Payroll Liabilities	5,424,709	-	5,424,709
Unearned Revenue	13,234	-	13,234
<b>Total Liabilities</b>	<b>\$ 5,777,933</b>	<b>\$ -</b>	<b>\$ 5,777,933</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	\$ 36,136,555	\$ 250,005	\$ 36,386,560
<b>Total Deferred Inflows of Resources</b>	<b>\$ 36,136,555</b>	<b>\$ 250,005</b>	<b>\$ 36,386,560</b>
<b>FUND BALANCE</b>			
Nonspendable			
Prepaid Items	\$ 1,247,480	\$ -	\$ 1,247,480
Restricted			
Student Activity Funds	563,941	-	563,941
Assigned			
Health Insurance Funds	249,541	-	249,541
Unassigned	58,606,909	4,855,329	63,462,238
<b>Total Fund Balance</b>	<b>\$ 60,667,871</b>	<b>\$ 4,855,329</b>	<b>\$ 65,523,200</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 102,582,359</b>	<b>\$ 5,105,334</b>	<b>\$ 107,687,693</b>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2023

	Educational Fund	Working Cash Fund	General Fund Total
REVENUES			
Property Taxes	\$ 68,774,747	\$ 493,660	\$ 69,268,407
Payments in Lieu of Taxes	738,264	-	738,264
Tuition	459,778	-	459,778
Earnings on Investments	1,216,707	114,521	1,331,228
Food Services	1,725,321	-	1,725,321
District/School Activity Income	2,156,736	-	2,156,736
Textbooks	62,508	-	62,508
Other Local Sources	762,741	-	762,741
State Aid	5,204,041	-	5,204,041
Federal Aid	3,588,813	-	3,588,813
State Retirement Contributions	26,505,277	-	26,505,277
Total Revenues	<u>\$ 111,194,933</u>	<u>\$ 608,181</u>	<u>\$ 111,803,114</u>
EXPENDITURES			
Current			
Instruction			
Regular Programs	\$ 25,544,008	\$ -	\$ 25,544,008
Pre-K Programs	9,479,199	-	9,479,199
Special Education Programs	10,337,693	-	10,337,693
Special Education Programs Pre-K	541,636	-	541,636
Other Instructional Programs	7,141,322	-	7,141,322
Student Activity Fund Expenditures	802,245	-	802,245
State Retirement Contributions	26,505,277	-	26,505,277
Support Services			
Pupil	6,478,041	-	6,478,041
Instructional Staff	1,675,430	-	1,675,430
General Administration	2,459,480	-	2,459,480
School Administration	5,114,919	-	5,114,919
Business	926,213	-	926,213
Food Services	1,908,600	-	1,908,600
Internal Services	21,440	-	21,440
Central	7,904,086	-	7,904,086
Other Support Services	559,513	-	559,513
Community Services	93,289	-	93,289
Intergovernmental Payments			
Payments to Other Districts and Governmental Units	524,250	-	524,250
Capital Outlay	96,623	-	96,623
Total Expenditures	<u>\$ 108,113,264</u>	<u>\$ -</u>	<u>\$ 108,113,264</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,081,669	\$ 608,181	\$ 3,689,850
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	(161,047)	-	(161,047)
NET CHANGE IN FUND BALANCES	\$ 2,920,622	\$ 608,181	\$ 3,528,803
FUND BALANCE - JULY 1, 2022	57,747,249	4,247,148	61,994,397
FUND BALANCE - JUNE 30, 2023	<u>\$ 60,667,871</u>	<u>\$ 4,855,329</u>	<u>\$ 65,523,200</u>

See Accompanying Independent Auditor's Report



LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 67,860,828	\$ 67,860,828	\$ 68,774,747
Payments in Lieu of Taxes	697,268	697,268	738,264
Tuition	445,000	445,000	459,778
Earnings on Investments	665,766	665,766	1,216,707
Food Services	1,653,248	1,653,248	1,725,321
District/School Activity Income	2,733,000	2,733,000	2,156,736
Textbooks	211,000	211,000	62,508
Other Local Sources	715,628	715,628	762,741
State Aid			
Evidence Based Funding	4,045,400	4,045,400	4,051,792
Special Education	1,068,428	1,068,428	1,063,771
Career and Technical Education	29,263	29,263	29,936
State Free Lunch and Breakfast	3,715	3,715	2,294
Driver Education	28,100	28,100	28,283
Other Restricted Revenue from State Sources	4,120	4,120	27,965
Federal Aid			
Food Service	181,634	181,634	547,770
Title I	141,216	141,216	229,241
Title IV	10,000	10,000	21,638
Federal Special Education	1,454,517	1,454,517	1,593,009
CTE - Perkins	16,432	16,432	15,230
Emergency Immigrant Assistance	-	-	900
Title III - English Language Acquisition	63,700	63,700	57,851
Title II - Teacher Quality	71,427	71,427	53,562
Medicaid Matching Funds - Administrative Outreach	126,000	126,000	95,673
Medicaid Matching Funds - Fee-for-Service Program	288,000	288,000	81,673
Other Federal Aid	1,635,602	1,635,602	892,266
State Retirement Contributions	41,833,736	41,833,736	26,505,277
<b>Total Revenues</b>	<b>\$ 125,983,028</b>	<b>\$ 125,983,028</b>	<b>\$ 111,194,933</b>
<b>EXPENDITURES</b>			
Instruction			
Regular Programs			
Salaries	\$ 28,744,730	\$ 28,744,730	\$ 20,811,579
Employee Benefits	4,098,780	4,098,780	2,960,186
Purchased Services	650,264	650,264	768,893
Supplies and Materials	1,718,946	1,718,946	775,964
Non-Capitalized Equipment	31,913	31,913	54,884
	<b>\$ 35,244,633</b>	<b>\$ 35,244,633</b>	<b>\$ 25,371,506</b>
Tuition Payments to Charter Schools			
Purchased Services	\$ -	\$ -	\$ 172,502
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 172,502</b>
Pre-K Programs			
Salaries	\$ -	\$ -	\$ 7,803,329
Employee Benefits	-	-	1,109,140
Purchased Services	-	-	192,165
Supplies and Materials	500	500	355,951
Other Objects	-	-	499
Non-Capitalized Equipment	-	-	18,115
	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 9,479,199</b>
Special Education Programs			
Salaries	\$ 6,631,914	\$ 6,631,914	\$ 6,449,771
Employee Benefits	903,394	903,394	932,397
Purchased Services	74,800	74,800	47,014
Supplies and Materials	46,745	46,745	139,117
Non-Capitalized Equipment	-	-	12,141
	<b>\$ 7,656,853</b>	<b>\$ 7,656,853</b>	<b>\$ 7,580,440</b>
Special Education Programs Pre-K			
Salaries	\$ 643,696	\$ 643,696	\$ 473,472
Employee Benefits	59,675	59,675	54,798
Purchased Services	1,300	1,300	2,032
Supplies and Materials	49,848	49,848	11,334
	<b>\$ 754,519</b>	<b>\$ 754,519</b>	<b>\$ 541,636</b>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
CTE Programs			
Salaries	\$ 1,085,171	\$ 1,085,171	\$ 1,078,350
Employee Benefits	147,116	147,116	144,466
Purchased Services	-	-	7,921
Supplies and Materials	66,548	66,548	69,074
Non-Capitalized Equipment	-	-	14,993
	<u>\$ 1,298,835</u>	<u>\$ 1,298,835</u>	<u>\$ 1,314,804</u>
Interscholastic Programs			
Salaries	\$ 1,850,337	\$ 1,850,337	\$ 1,775,681
Employee Benefits	8,398	8,398	18,369
Purchased Services	320,300	320,300	335,618
Supplies and Materials	286,571	286,571	274,189
Other Objects	29,400	29,400	63,622
Non-Capitalized Equipment	9,000	9,000	-
	<u>\$ 2,504,006</u>	<u>\$ 2,504,006</u>	<u>\$ 2,467,479</u>
Summer School Programs			
Salaries	\$ 442,600	\$ 442,600	\$ 540,526
Employee Benefits	3,713	3,713	9,337
Purchased Services	7,100	7,100	93,686
Supplies and Materials	46,220	46,220	82,975
	<u>\$ 499,633</u>	<u>\$ 499,633</u>	<u>\$ 726,524</u>
Gifted Programs			
Salaries	\$ 406,844	\$ 406,844	\$ 358,108
Employee Benefits	53,333	53,333	41,839
Supplies and Materials	500	500	315
	<u>\$ 460,677</u>	<u>\$ 460,677</u>	<u>\$ 400,262</u>
Driver's Education Programs			
Salaries	\$ 255,666	\$ 255,666	\$ 264,999
Employee Benefits	18,775	18,775	20,019
Purchased Services	3,640	3,640	497
Supplies and Materials	4,784	4,784	3,417
	<u>\$ 282,865</u>	<u>\$ 282,865</u>	<u>\$ 288,932</u>
Bilingual Programs			
Salaries	\$ 1,717,786	\$ 1,717,786	\$ 1,673,042
Employee Benefits	261,475	261,475	270,209
Purchased Services	750	750	70
Supplies and Materials	7,500	7,500	-
	<u>\$ 1,987,511</u>	<u>\$ 1,987,511</u>	<u>\$ 1,943,321</u>
Private Tuition			
Special Education Programs K-12			
Other Objects	\$ 3,441,000	\$ 3,441,000	\$ 2,757,253
	<u>\$ 3,441,000</u>	<u>\$ 3,441,000</u>	<u>\$ 2,757,253</u>
Student Activity Fund Expenditures			
Other Objects	\$ 1,400,000	\$ 1,400,000	\$ 802,245
	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ 802,245</u>
State Retirement Contributions	\$ 41,833,736	\$ 41,833,736	\$ 26,505,277
Total Instruction	<u>\$ 97,364,768</u>	<u>\$ 97,364,768</u>	<u>\$ 80,351,380</u>
Support Services			
Pupil			
Attendance and Social Work Services			
Salaries	\$ 1,249,090	\$ 1,249,090	\$ 1,210,767
Employee Benefits	204,697	204,697	185,694
Purchased Services	75,000	75,000	30,443
Supplies and Materials	4,500	4,500	17,798
	<u>\$ 1,533,287</u>	<u>\$ 1,533,287</u>	<u>\$ 1,444,702</u>
Guidance Services			
Salaries	\$ 919,442	\$ 919,442	\$ 962,911
Employee Benefits	142,132	142,132	146,504
Purchased Services	2,000	2,000	126,856
Supplies and Materials	11,100	11,100	1,585
Other Objects	-	-	165
	<u>\$ 1,074,674</u>	<u>\$ 1,074,674</u>	<u>\$ 1,238,021</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Pupil (Continued)			
Health Services			
Salaries	\$ 1,110,242	\$ 1,110,242	\$ 1,075,401
Employee Benefits	107,927	107,927	105,327
Purchased Services	197,200	197,200	133,693
Supplies and Materials	27,200	27,200	21,722
Other Objects	-	-	584
Non-Capitalized Equipment	-	-	80,081
	<u>\$ 1,442,569</u>	<u>\$ 1,442,569</u>	<u>\$ 1,416,808</u>
Psychological Services			
Salaries	\$ 893,160	\$ 893,160	\$ 835,306
Employee Benefits	127,501	127,501	121,566
Purchased Services	25,461	25,461	88,465
Supplies and Materials	7,500	7,500	8,459
	<u>\$ 1,053,622</u>	<u>\$ 1,053,622</u>	<u>\$ 1,053,796</u>
Speech Pathology and Audiology Services			
Salaries	\$ 1,001,177	\$ 1,001,177	\$ 914,359
Employee Benefits	120,154	120,154	120,692
Purchased Services	26,200	26,200	122,041
Supplies and Materials	8,500	8,500	4,687
Non-Capitalized Equipment	1,000	1,000	-
	<u>\$ 1,157,031</u>	<u>\$ 1,157,031</u>	<u>\$ 1,161,779</u>
Other Support Services - Pupil			
Purchased Services	\$ 221,947	\$ 221,947	\$ 153,874
Supplies and Materials	10,000	10,000	9,061
	<u>\$ 231,947</u>	<u>\$ 231,947</u>	<u>\$ 162,935</u>
Total Support Services - Pupil	<u>\$ 6,493,130</u>	<u>\$ 6,493,130</u>	<u>\$ 6,478,041</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 77,000	\$ 77,000	\$ 84,616
Employee Benefits	874	874	1,061
Purchased Services	362,686	362,686	320,529
Supplies and Materials	40,197	40,197	15,639
	<u>\$ 480,757</u>	<u>\$ 480,757</u>	<u>\$ 421,845</u>
Educational Media Services			
Salaries	\$ 955,949	\$ 955,949	\$ 932,662
Employee Benefits	124,912	124,912	116,491
Purchased Services	2,000	2,000	5,989
Supplies and Materials	95,178	95,178	87,279
Non-Capitalized Equipment	1,500	1,500	572
	<u>\$ 1,179,539</u>	<u>\$ 1,179,539</u>	<u>\$ 1,142,993</u>
Assessment and Testing			
Salaries	\$ (31)	\$ (31)	\$ -
Purchased Services	120,000	120,000	92,643
Supplies and Materials	10,000	10,000	17,949
	<u>\$ 129,969</u>	<u>\$ 129,969</u>	<u>\$ 110,592</u>
Total Support Services - Instructional Staff	<u>\$ 1,790,265</u>	<u>\$ 1,790,265</u>	<u>\$ 1,675,430</u>
General Administration			
Board of Education Services			
Purchased Services	\$ 375,000	\$ 375,000	\$ 261,949
Supplies and Materials	6,000	6,000	1,521
Other Objects	30,000	30,000	42,061
	<u>\$ 411,000</u>	<u>\$ 411,000</u>	<u>\$ 305,531</u>
Executive Administration Services			
Salaries	\$ 289,658	\$ 289,658	\$ 315,290
Employee Benefits	84,950	84,950	90,363
Purchased Services	20,000	20,000	45,903
Supplies and Materials	22,000	22,000	14,766
Other Objects	7,000	7,000	4,650
	<u>\$ 423,608</u>	<u>\$ 423,608</u>	<u>\$ 470,972</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
General Administration (Continued)			
Special Area Administrative Services			
Salaries	\$ 561,411	\$ 561,411	\$ 572,906
Employee Benefits	161,422	161,422	149,276
Purchased Services	17,000	17,000	45,784
Supplies and Materials	10,000	10,000	5,950
Other Objects	4,000	4,000	3,149
	<u>\$ 753,833</u>	<u>\$ 753,833</u>	<u>\$ 777,065</u>
Tort Immunity Services			
Salaries	\$ 996,104	\$ 996,104	\$ -
Purchased Services	-	-	905,912
	<u>\$ 996,104</u>	<u>\$ 996,104</u>	<u>\$ 905,912</u>
Total Support Services - General Administration	<u>\$ 2,584,545</u>	<u>\$ 2,584,545</u>	<u>\$ 2,459,480</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 3,813,527	\$ 3,813,527	\$ 3,913,335
Employee Benefits	1,155,449	1,155,449	1,130,072
Purchased Services	5,250	5,250	16,002
Supplies and Materials	31,721	31,721	31,114
Other Objects	17,525	17,525	17,478
Non-Capitalized Equipment	2,000	2,000	-
Termination Benefits	1,000	1,000	6,918
	<u>\$ 5,026,472</u>	<u>\$ 5,026,472</u>	<u>\$ 5,114,919</u>
Total Support Services - School Administration	<u>\$ 5,026,472</u>	<u>\$ 5,026,472</u>	<u>\$ 5,114,919</u>
Business			
Direction of Business Support Services			
Salaries	\$ 209,794	\$ 209,794	\$ 209,794
Employee Benefits	56,832	56,832	106,081
Purchased Services	1,040	1,040	1,317
Supplies and Materials	1,040	1,040	-
Other Objects	5,000	5,000	3,132
	<u>\$ 273,706</u>	<u>\$ 273,706</u>	<u>\$ 320,324</u>
Fiscal Services			
Salaries	\$ 342,608	\$ 342,608	\$ 354,797
Employee Benefits	86,691	86,691	85,859
Purchased Services	292,760	292,760	88,415
Supplies and Materials	36,400	36,400	15,901
Other Objects	85,000	85,000	43,751
Non-Capitalized Equipment	40,000	40,000	-
Termination Benefits	2,000	2,000	17,166
	<u>\$ 885,459</u>	<u>\$ 885,459</u>	<u>\$ 605,889</u>
Total Support Services - Business	<u>\$ 1,159,165</u>	<u>\$ 1,159,165</u>	<u>\$ 926,213</u>
Operations and Maintenance of Plant Services			
Supplies and Materials	\$ 29,982	\$ 29,982	\$ -
Total Support Services - Operations and Maintenance	<u>\$ 29,982</u>	<u>\$ 29,982</u>	<u>\$ -</u>
Food Services			
Purchased Services	\$ 1,645,921	\$ 1,645,921	\$ 1,729,667
Supplies and Materials	22,500	22,500	125,484
Other Objects	50,000	50,000	1,390
Non-Capitalized Equipment	6,000	6,000	52,059
Total Support Services - Food Services	<u>\$ 1,724,421</u>	<u>\$ 1,724,421</u>	<u>\$ 1,908,600</u>
Internal Services			
Purchased Services	\$ 21,008	\$ 21,008	\$ 21,440
Total Support Services - Internal Services	<u>\$ 21,008</u>	<u>\$ 21,008</u>	<u>\$ 21,440</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Central			
Planning, Research, Development and Evaluation Services			
Salaries	\$ 2,031,457	\$ 2,031,457	\$ 1,965,378
Employee Benefits	413,620	413,620	419,620
Purchased Services	162,000	162,000	162,507
Supplies and Materials	5,000	5,000	1,202
Other Objects	1,400	1,400	5,066
	<u>\$ 2,613,477</u>	<u>\$ 2,613,477</u>	<u>\$ 2,553,773</u>
Information Services			
Salaries	\$ 194,328	\$ 194,328	\$ 212,503
Employee Benefits	42,249	42,249	44,662
Purchased Services	150,500	150,500	166,289
Supplies and Materials	41,000	41,000	25,389
Other Objects	1,000	1,000	273
Non-Capitalized Equipment	5,500	5,500	10,796
	<u>\$ 434,577</u>	<u>\$ 434,577</u>	<u>\$ 459,912</u>
Staff Services			
Salaries	\$ 479,483	\$ 479,483	\$ 472,570
Employee Benefits	216,206	216,206	147,591
Purchased Services	182,200	182,200	236,286
Supplies and Materials	4,000	4,000	3,045
Other Objects	1,000	1,000	2,579
	<u>\$ 882,889</u>	<u>\$ 882,889</u>	<u>\$ 862,071</u>
Data Processing Services			
Salaries	\$ 1,191,473	\$ 1,191,473	\$ 1,207,232
Employee Benefits	179,512	179,512	177,880
Purchased Services	300,000	300,000	216,973
Supplies and Materials	722,000	722,000	991,549
Other Objects	2,000	2,000	1,025
Non-Capitalized Equipment	1,747,195	1,747,195	1,429,682
Termination Benefits	2,000	2,000	3,989
	<u>\$ 4,144,180</u>	<u>\$ 4,144,180</u>	<u>\$ 4,028,330</u>
Total Support Services - Central	<u>\$ 8,075,123</u>	<u>\$ 8,075,123</u>	<u>\$ 7,904,086</u>
Other Support Services			
Salaries	\$ 295,339	\$ 295,339	\$ 306,470
Employee Benefits	45,006	45,006	44,396
Purchased Services	170,314	170,314	153,015
Supplies and Materials	8,300	8,300	55,632
Non-Capitalized Equipment	9,500	9,500	-
Total Support Services - Other Support Services	<u>\$ 528,459</u>	<u>\$ 528,459</u>	<u>\$ 559,513</u>
Total Support Services	<u>\$ 27,432,570</u>	<u>\$ 27,432,570</u>	<u>\$ 27,047,722</u>
Community Services			
Salaries	\$ 108,083	\$ 108,083	\$ 66,128
Employee Benefits	1,088	1,088	3,057
Purchased Services	21,887	21,887	8,976
Supplies and Materials	12,518	12,518	14,958
Other Objects	2,500	2,500	170
Total Community Services	<u>\$ 146,076</u>	<u>\$ 146,076</u>	<u>\$ 93,289</u>
Intergovernmental Payments			
Payments to Other Districts and Governmental Units-Tuition (In-State)			
Payments for Regular Programs			
Other Objects	\$ 250,000	\$ 250,000	\$ 189,151
Payments for Special Education Programs			
Other Objects	200,000	200,000	335,099
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 524,250</u>
Total Intergovernmental Payments	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 524,250</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Capital Outlay			
Instruction			
Regular Programs	\$ 15,000	\$ 15,000	\$ 7,072
Pre-K Programs	-	-	16,437
Other Instructional Programs	51,283	51,283	-
Support Services			
Instructional Staff	-	-	7,998
Food Services	-	-	5,475
Central	362,291	362,291	59,641
Total Capital Outlay	<u>\$ 428,574</u>	<u>\$ 428,574</u>	<u>\$ 96,623</u>
Total Expenditures	<u>\$ 125,821,988</u>	<u>\$ 125,821,988</u>	<u>\$ 108,113,264</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 161,040	\$ 161,040	\$ 3,081,669
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	<u>(161,047)</u>	<u>(161,047)</u>	<u>(161,047)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7)</u>	<u>\$ (7)</u>	\$ 2,920,622
FUND BALANCE - JULY 1, 2022			<u>57,747,249</u>
FUND BALANCE - JUNE 30, 2023			<u><u>\$ 60,667,871</u></u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - WORKING CASH FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 488,819	\$ 488,819	\$ 493,660
Earnings on Investments	55,046	55,046	114,521
Total Revenues	<u>\$ 543,865</u>	<u>\$ 543,865</u>	<u>\$ 608,181</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 543,865	\$ 543,865	\$ 608,181
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 543,865</u>	<u>\$ 543,865</u>	\$ 608,181
FUND BALANCE - JULY 1, 2022			<u>4,247,148</u>
FUND BALANCE - JUNE 30, 2023			<u><u>\$ 4,855,329</u></u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
DEBT SERVICES FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 7,034,539	\$ 7,034,539	\$ 7,145,096
Earnings on Investments	41,308	41,308	47,664
Total Revenues	<u>\$ 7,075,847</u>	<u>\$ 7,075,847</u>	<u>\$ 7,192,760</u>
EXPENDITURES			
Debt Services			
Interest			
Other Interest on Long-Term Debt			
Other Objects	\$ 2,885,974	\$ 2,885,974	\$ 2,714,497
Total Debt Services - Interest	<u>\$ 2,885,974</u>	<u>\$ 2,885,974</u>	<u>\$ 2,714,497</u>
Debt Services			
Payments of Principal on Long-Term Debt			
Other Objects	\$ 4,626,040	\$ 4,626,040	\$ 4,815,795
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 4,626,040</u>	<u>\$ 4,626,040</u>	<u>\$ 4,815,795</u>
Debt Services			
Other			
Purchased Services	\$ 3,000	\$ 3,000	\$ 2,867
Total Debt Services - Other	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 2,867</u>
Total Debt Services	<u>\$ 7,515,014</u>	<u>\$ 7,515,014</u>	<u>\$ 7,533,159</u>
Total Expenditures	<u>\$ 7,515,014</u>	<u>\$ 7,515,014</u>	<u>\$ 7,533,159</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (439,167)</u>	<u>\$ (439,167)</u>	<u>\$ (340,399)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ 613,047	\$ 613,047	\$ 421,543
Principal on Bonds Sold	10,000	10,000	-
Total Other Financing Sources (Uses)	<u>\$ 623,047</u>	<u>\$ 623,047</u>	<u>\$ 421,543</u>
NET CHANGE IN FUND BALANCE	<u>\$ 183,880</u>	<u>\$ 183,880</u>	\$ 81,144
FUND BALANCE - JULY 1, 2022			<u>4,530,602</u>
FUND BALANCE - JUNE 30, 2023			<u>\$ 4,611,746</u>

See Accompanying Independent Auditor's Report



LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ -	\$ -	\$ 333,850
Earnings on Investments	13,194	13,194	553,600
Other Local Sources	372,761	372,761	173,987
Total Revenues	<u>\$ 385,955</u>	<u>\$ 385,955</u>	<u>\$ 1,061,437</u>
EXPENDITURES			
Support Services			
Facilities Acquisition and Construction			
Purchased Services	\$ 3,011,900	\$ 3,011,900	\$ -
Supplies and Materials	1,590,000	1,590,000	-
Other Objects	500,000	500,000	-
Non-Capitalized Equipment	310,000	310,000	-
Total Support Services - Facilities Acquisition and Construction	<u>\$ 5,411,900</u>	<u>\$ 5,411,900</u>	<u>\$ -</u>
Total Support Services	<u>\$ 5,411,900</u>	<u>\$ 5,411,900</u>	<u>\$ -</u>
Capital Outlay			
Support Services			
Facilities Acquisition and Construction	\$ 13,988,841	\$ 13,988,841	\$ 16,262,119
Total Capital Outlay	<u>\$ 13,988,841</u>	<u>\$ 13,988,841</u>	<u>\$ 16,262,119</u>
Total Expenditures	<u>\$ 19,400,741</u>	<u>\$ 19,400,741</u>	<u>\$ 16,262,119</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (19,014,786)	\$ (19,014,786)	\$ (15,200,682)
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	<u>5,025,462</u>	<u>5,025,462</u>	<u>6,473,639</u>
NET CHANGE IN FUND BALANCE	<u>\$ (13,989,324)</u>	<u>\$ (13,989,324)</u>	<u>\$ (8,727,043)</u>
FUND BALANCE - JULY 1, 2022			<u>22,809,749</u>
FUND BALANCE - JUNE 30, 2023			<u>\$ 14,082,706</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
COMPUTATION OF OPERATING EXPENSE PER PUPIL  
AND PER CAPITA TUITION CHARGE  
YEAR ENDED JUNE 30, 2023

**ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2022 - 2023)**

*This schedule is completed for school districts only.*

Fund	Sheet, Row	ACCOUNT NO - TITLE	Amount
<b>OPERATING EXPENSE PER PUPIL</b>			
<b>EXPENDITURES:</b>			
ED	Expenditures 16-24, L116	Total Expenditures	\$ 80,805,742
O&M	Expenditures 16-24, L155	Total Expenditures	6,964,124
DS	Expenditures 16-24, L178	Total Expenditures	7,533,159
TR	Expenditures 16-24, L214	Total Expenditures	4,235,778
MR/SS	Expenditures 16-24, L292	Total Expenditures	2,313,012
<b>Total Expenditures</b>			<b>\$ 101,851,815</b>
<b>LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:</b>			
ED	Expenditures 16-24, L7, Col K - (G+I)	1125 Pre-K Programs	\$ 9,461,084
ED	Expenditures 16-24, L9, Col K - (G+I)	1225 Special Education Programs Pre-K	541,636
ED	Expenditures 16-24, L15, Col K - (G+I)	1600 Summer School Programs	726,524
ED	Expenditures 16-24, L22, Col K	1912 Special Education Programs K-12 - Private Tuition	2,757,253
ED	Expenditures 16-24, L77, Col K - (G+I)	3000 Community Services	93,289
ED	Expenditures 16-24, L104, Col K	4000 Total Payments to Other Govt Units	524,250
ED	Expenditures 16-24, L116, Col G	- Capital Outlay	96,623
ED	Expenditures 16-24, L116, Col I	- Non-Capitalized Equipment	1,673,323
O&M	Expenditures 16-24, L143, Col K	4000 Total Payments to Other Govt Units	12,516
O&M	Expenditures 16-24, L155, Col G	- Capital Outlay	192,302
O&M	Expenditures 16-24, L155, Col I	- Non-Capitalized Equipment	157,524
DS	Expenditures 16-24, L174, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt	4,816,585
MR/SS	Expenditures 16-24, L220, Col K	1125 Pre-K Programs	173,230
MR/SS	Expenditures 16-24, L222, Col K	1225 Special Education Programs - Pre-K	33,642
MR/SS	Expenditures 16-24, L228, Col K	1600 Summer School Programs	20,028
MR/SS	Expenditures 16-24, L277, Col K	3000 Community Services	6,685
<b>Total Deductions for OEPP Computation (Sum of Lines 18 - 95)</b>			<b>\$ 21,286,494</b>
<b>Total Operating Expenses Regular K-12 (Line 14 minus Line 96)</b>			<b>80,565,321</b>
<b>9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2022-2023</b>			<b>5,117.63</b>
<b>Estimated OEPP (Line 97 divided by Line 98)</b>			<b>\$ 15,742.70</b>
<b>PER CAPITA TUITION CHARGE</b>			
<b>LESS OFFSETTING RECEIPTS/REVENUES:</b>			
TR	Revenues 10-15, L45, Col F	1415 Regular - Transp Fees from Co-curricular Activities (In State)	\$ 36,421
ED	Revenues 10-15, L75, Col C	1600 Total Food Service	1,725,321
ED-O&M	Revenues 10-15, L83, Col C,D	1700 Total District/School Activity Income (without Student Activity Funds)	1,311,458
ED	Revenues 10-15, L90, Col C	1821 Sales - Regular Textbooks	1,274
ED	Revenues 10-15, L94, Col C	1890 Other (Describe & Itemize)	61,234
ED-O&M	Revenues 10-15, L97, Col C,D	1910 Rentals	134,171
ED-O&M-TR	Revenues 10-15, L134, Col C,D,F	3100 Total Special Education	1,063,771
ED-O&M-MR/SS	Revenues 10-15, L143, Col C,D,G	3200 Total Career and Technical Education	29,936
ED	Revenues 10-15, L148, Col C	3360 State Free Lunch & Breakfast	2,294
ED-O&M	Revenues 10-15, L150, Col C,D	3370 Driver Education	28,283
ED-O&M-TR-MR/SS	Revenues 10-15, L157, Col C,D,F,G	3500 Total Transportation	1,874,006
O&M	Revenues 10-15, L169, Col D	3925 School Infrastructure - Maintenance Projects	50,000
ED-O&M-DS-TR-MR/SS-Tort	Revenues 10-15, L170, Col C-G,J	3999 Other Restricted Revenue from State Sources	27,965
ED-MR/SS	Revenues 10-15, L200, Col C,G	4200 Total Food Service	547,770
ED-O&M-TR-MR/SS	Revenues 10-15, L206, Col C,D,F,G	4300 Total Title I	230,076
ED-O&M-TR-MR/SS	Revenues 10-15, L211, Col C,D,F,G	4400 Total Title IV	21,638
ED-O&M-TR-MR/SS	Revenues 10-15, L215, Col C,D,F,G	4620 Fed - Spec Education - IDEA - Flow Through	1,273,394
ED-O&M-TR-MR/SS	Revenues 10-15, L216, Col C,D,F,G	4625 Fed - Spec Education - IDEA - Room & Board	396,509
ED-O&M-MR/SS	Revenues 10-15, L223, Col C,D,G	4700 Total CTE - Perkins	15,230
ED-TR-MR/SS	Revenues 10-15, L257, Col C,F,G	4905 Title III - Immigrant Education Program (IEP)	900
ED-TR-MR/SS	Revenues 10-15, L258, Col C,F,G	4909 Title III - Language Inst Program - Limited Eng (LIPLEP)	57,851
ED-O&M-TR-MR/SS	Revenues 10-15, L261, Col C,D,F,G	4932 Title II - Teacher Quality	53,562
ED-O&M-TR-MR/SS	Revenues 10-15, L265, Col C,D,F,G	4991 Medicaid Matching Funds - Administrative Outreach	95,673
ED-O&M-TR-MR/SS	Revenues 10-15, L266, Col C,D,F,G	4992 Medicaid Matching Funds - Fee-for-Service Program	81,673
ED-O&M-TR-MR/SS	Revenues 10-15, L267, Col C,D,F,G	4998 Other Restricted Revenue from Federal Sources (Describe & Itemize)	903,098
ED-TR-MR/SS	Revenues (Part of EBF Payment)	3100 Special Education Contributions from EBF Funds **	1,710,327
ED-MR/SS	Revenues (Part of EBF Payment)	3300 English Learning (Bilingual) Contributions from EBF Funds **	73,479
<b>Total Deductions for PCTC Computation Line 104 through Line 193</b>			<b>\$ 11,807,314</b>
<b>Net Operating Expense for Tuition Computation (Line 97 minus Line 195)</b>			<b>68,758,007</b>
<b>Total Depreciation Allowance (from page 36, Line 18, Col I)</b>			<b>6,038,893</b>
<b>Total Allowance for PCTC Computation (Line 196 plus Line 197)</b>			<b>74,796,900</b>
<b>9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2022-2023</b>			<b>5,117.63</b>
<b>Total Estimated PCTC (Line 198 divided by Line 199) *</b>			<b>\$ 14,615.53</b>

\*The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE. The 9-month ADA listed on the this tab is NOT the final 9-month ADA.

\*\*Go to the Evidence-Based Funding Distribution Calculation webpage.

Under Reports, open the FY 2022 Special Education Funding Allocation Calculation Details and the FY 2022 English Learner Education Funding Allocation Calculation Details. Use the respective Excel file to locate the amount in column X for the Special Education Contribution and column V for the English Learner Contribution for the selected school district. *Please enter "0" if the district does not have allocations for lines 192 and 193.*

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



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, 2023. 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, 2023.

***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***

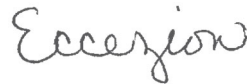
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 2022 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures by us in our report dated October 7, 2022 expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the 2022 financial statements as a whole.

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.



Eccezion  
Consulting • CPAs • Technology

McHenry, Illinois  
October 6, 2023

**Lake Zurich Community Unit School District No. 95**

**34-049-0950-26**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ending June 30, 2023**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Year 7/1/21-6/30/22 (E)	Expenditure/Disbursements <sup>4</sup>		Year 7/1/22-6/30/23 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/21-6/30/22 (C)	Year 7/1/22-6/30/23 (D)		Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/22-6/30/23 (F)				
CHILD NUTRITION CLUSTER											
U.S. Department of Agriculture passed through Illinois State Board of Education											
Food Donation Program (Non-Cash Commodities)	10.555	23-4299-00		26,565			26,565			26,565	n/a
National School Lunch Program *	10.555	22-4210-00	1,433,186	74,969	1,433,186		74,969			1,508,155	n/a
Covid-19 ARP National School Lunch Program *	10.555	22-4210-BT		628			628			628	n/a
National School Lunch Program *	10.555	23-4210-00		348,966			348,966			348,966	n/a
Covid-19 ARP Nutrition Supply Chain Assistance *	10.555	23-4210-SC		123,208			123,208			123,208	n/a
U.S Department of Defense passed through Illinois State Board of Education											
Food Donation Program (Non-Cash Commodities)	10.555	23-4299-00		35,629			35,629			35,629	n/a
Subtotal CFDA 10.555			1,433,186	609,965	1,433,186		609,965			2,043,151	
Total Child Nutrition Cluster			1,433,186	609,965	1,433,186		609,965			2,043,151	
Subtotal CFDA "10"			1,433,186	609,965	1,433,186		609,965			2,043,151	
U.S. Department of Education passed through Illinois State Board of Education											
Title I - Low Income **	84.010	22-4300-00	52,583	70,155	52,583		70,155			122,738	276,225
Title I - Low Income **	84.010	23-4300-00		159,921			159,921			159,921	305,318
Subtotal CFDA 84.010			52,583	230,076	52,583		230,076			282,659	
Title II - Teacher Quality **	84.367	22-4932-00	75,490	16,288	75,490		16,288			91,778	109,089
Title II - Teacher Quality **	84.367	23-4932-00		37,274			37,274			37,274	107,909
Subtotal CFDA 84.367			75,490	53,562	75,490		53,562			129,052	
Title III - IEP **	84.365	22-4905-00		900			900			900	2,100
Title III - LIPLEP **	84.365	22-4909-00	17,922	22,709	17,922		22,709			40,631	48,908
Title III - LIPLEP **	84.365	23-4909-00		35,142			35,142			35,142	71,977
Subtotal CFDA 84.365			17,922	58,751	17,922		58,751			76,673	
Title IV, Part A - Student Support & Academic Enrichment **	84.424	23-4400-00		21,638			21,638			21,638	26,652
Subtotal CFDA 84.424				21,638			21,638			21,638	
Covid-19 ARP - LEA and COOP American Rescue Plan	84.425U	22-4998-E3	52,629	684,397	52,629		684,397			737,026	1,369,478
Covid-19 - Elementary and Secondary Emergency Relief Fund *	84.425D	23-4998-E2		15,539			15,539			15,539	15,539
Subtotal CFDA 84.425			52,629	699,936	52,629		699,936			752,565	
SPECIAL EDUCATION CLUSTER											
Special Education - IDEA Flow Through (M)	84.027	22-4620-00	1,174,716	-8,211	1,144,998		21,507			1,166,505	1,739,087
Special Education - IDEA Flow Through (M)	84.027	23-4620-00		1,281,605			1,281,605		79,363	1,360,968	1,828,693
Special Education - IDEA - Room & Board ** (M)	84.027	22-4625-00	274,403	181,703	274,403		181,703			456,106	n/a
Special Education - IDEA - Room & Board ** (M)	84.027	23-4625-00		214,806			214,806			214,806	n/a
Covid-19 - ARP IDEA (M)	84.027X	22-4998-ID		201,889			201,889			201,889	271,346
Subtotal CFDA 84.027			1,449,119	1,871,792	1,419,401		1,901,510		79,363	3,400,274	
Special Education - Preschool (M)	84.173	23-4600-00		6,706			6,706		5,808	12,514	39,896
Covid-19 - IDEA Preschool ARP (M)	84.173X	22-4998-PS		1,273			1,273			1,273	26,867
Subtotal CFDA 84.173				7,979			7,979		5,808	13,787	

Lake Zurich Community Unit School District No. 95

34-049-0950-26

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/21-6/30/22 (C)	Year 7/1/22-6/30/23 (D)	Year 7/1/21-6/30/22 (E)	Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/22-6/30/23 (F)	Year 7/1/22-6/30/23 Pass through to Subrecipients			
Total Special Education Cluster			1,449,119	1,879,771	1,419,401		1,909,489		85,171	3,414,061	
U.S. Department of Education passed through Lake County Area Vocational System											
V.E Perkins - Title IIC - Secondary	84.048	23-4745-00		15,230			15,230			15,230	16,432
Subtotal CFDA 84.048				15,230			15,230			15,230	
Total CFDA "84"			1,647,743	2,958,964	1,618,025		2,988,682		85,171	4,691,878	
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	23-4991-00		99,660			99,660			99,660	n/a
Subtotal CFDA 93.778				99,660			99,660			99,660	
Total Medicaid Cluster				99,660			99,660			99,660	
Total CFDA "93"				99,660			99,660			99,660	
Total Federal Assistance			3,080,929	3,668,589	3,051,211		3,698,307		85,171	6,834,689	
* 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.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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)

<sup>4</sup> 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, 2023

**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, 2023. 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, 2023.

**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, 2023

- 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 program tested as a major program was: Special Education Cluster (CFDA #84.027, #84.027X, #84.173, and #84.173X).
  - 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 CUSD 95  
34-049-0950-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2023

---

SECTION II - FINANCIAL STATEMENT FINDINGS

---

1. FINDING NUMBER:<sup>11</sup>      2023 - NONE      2. THIS FINDING IS:      ☐ New      ☐ Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

---

3. Criteria or specific requirement

---

4. Condition

---

5. Context<sup>12</sup>

---

6. Effect

---

7. Cause

---

8. Recommendation

---

9. Management's response<sup>13</sup>

---

<sup>11</sup> 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.).

<sup>12</sup> 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.

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

**LAKE ZURICH CUSD 95**  
**34-049-0950-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2023**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

1. FINDING NUMBER:<sup>14</sup> **2023 - 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. Condition<sup>15</sup> \_\_\_\_\_

10. Questioned Costs<sup>16</sup> \_\_\_\_\_

11. Context<sup>17</sup> \_\_\_\_\_

12. Effect \_\_\_\_\_

13. Cause \_\_\_\_\_

14. Recommendation \_\_\_\_\_

15. Management's response<sup>18</sup> \_\_\_\_\_

<sup>14</sup> See footnote 11.

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

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

<sup>17</sup> See footnote 12.

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

**LAKE ZURICH CUSD 95**  
**34-049-0950-26**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2023**

[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> <sup>20</sup>
NONE		

---

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

<sup>19</sup> Explanation of this schedule - §200.511 (b)

<sup>20</sup> 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.