

**Community Consolidated School District 15**  
**Palatine, Illinois**

**Annual Financial Report**

**Year Ended June 30, 2019**

# Community Consolidated School District 15

## ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

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# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education  
Community Consolidated School District 15  
Palatine, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community Consolidated School District 15 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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***Auditors' Responsibility*** (Continued)

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 74 through 80, the other postemployment benefits data on pages 81 through 83, budgetary comparison schedules and notes to the required supplementary information on pages 84 through 111 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents as supplementary financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

***Other Information*** (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 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 financial information for the year ended June 30, 2019 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 21, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2018 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 was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund have been subjected to the auditing procedures applied in the audit of the 2018 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 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



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Certified Public Accountants

Deerfield, Illinois  
November 6, 2019

# **Community Consolidated School District 15**

## **Management's Discussion and Analysis (Unaudited)**

### **For the Year Ended June 30, 2019**

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The discussion and analysis of Community Consolidated School District 15's (the "District") financial performance provides an overall review of the District's financial activities, for the year ended June 30, 2019. 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. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

#### **Financial Highlights**

- > In total, net deficit decreased by \$8.6.
- > General revenues accounted for \$149.4 or 65.2% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$79.8 or 34.8% of total revenues of \$229.2.
- > The District had \$220.6 in expenses related to government activities. However, only \$79.8 of these expenses were offset by program specific charges and grants.
- > The District purchased 10 buses for replacement for the 2018-19 school year for a total cost of \$0.8.
- > The District continued to pay down its long-term debt retiring \$4.5 of bonds payable in fiscal 2019.

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

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

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

This report also contains required supplementary information and supplementary financial 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 deficit presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net deficit. Over time, increases or decreases in net deficit may serve as a useful indicator of whether the financial deficit of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net deficit changed during the fiscal year being reported. All changes in net deficit are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.



# **Community Consolidated School District 15**

## **Management's Discussion and Analysis (Unaudited)**

### **For the Year Ended June 30, 2019**

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

#### *Fund financial statements*

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund (includes Educational Account and Working Cash Account), Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, Tort Immunity and Judgment Fund, Capital Projects Fund, and Fire Prevention and Safety Fund, all of which are considered to be major funds.

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

Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the District. Fiduciary (agency) funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The Fiduciary (agency) fund statements are reported using the accrual basis of accounting.

#### *Notes to basic financial statements*

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

**Community Consolidated School District 15**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's other postemployment benefits (OPEB) data, and pension data related to Illinois Municipal Retirement Fund (IMRF) and Teachers' Retirement System (TRS).

**Government-Wide Financial Analysis**

The District's combined net deficit was lower on June 30, 2019, than it was the year before, decreasing by \$8.6.

<b>Table 1</b>		
<b>Condensed Statements of Net Deficit</b>		
<b>(in millions of dollars)</b>		
	<u>2018</u>	<u>2019</u>
<b>Assets:</b>		
Current and other assets	\$ 141.0	\$ 140.3
Capital assets	<u>96.2</u>	<u>99.4</u>
Total assets	<u>237.2</u>	<u>239.7</u>
<b>Deferred outflow of resources:</b>		
Deferred outflows related to pensions	7.6	19.9
Deferred outflows related to other postemployment benefits	<u>0.7</u>	<u>0.8</u>
Total deferred outflow of resources	<u>8.3</u>	<u>20.7</u>
<b>Liabilities:</b>		
Current liabilities	21.1	19.1
Long-term liabilities	<u>169.5</u>	<u>171.9</u>
Total liabilities	<u>190.6</u>	<u>191.0</u>
<b>Deferred inflow of resources:</b>		
Deferred inflows related to pensions	17.0	17.4
Deferred inflows related to other postemployment benefits	11.1	15.6
Property taxes levied for a future period	<u>57.7</u>	<u>58.7</u>
Total deferred inflow of resources	85.8	91.7
<b>Net deficit:</b>		
Net investment in capital assets	57.4	62.6
Restricted	15.9	15.8
Unrestricted	<u>(104.2)</u>	<u>(100.7)</u>
Total net deficit	<u>\$ (30.9)</u>	<u>\$ (22.3)</u>

**Community Consolidated School District 15**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

Revenues in the governmental activities of the District of \$229.2 exceeded expenditures of \$220.6 by \$8.6.

<b>Table 2</b>		
<b>Changes in Net Deficit</b>		
<b>(in millions of dollars)</b>		
	<u>2018</u>	<u>2019</u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 2.4	\$ 2.4
Operating grants and contributions	80.0	77.4
<i>General revenues:</i>		
Taxes	125.2	128.9
State aid-formula grants	15.7	16.5
Other	2.1	4.0
Total revenues	<u>225.4</u>	<u>229.2</u>
<b>Expenses:</b>		
Instruction	159.7	154.6
Pupil and instructional staff services	18.6	20.0
Administration and business	19.5	20.1
Transportation	10.1	10.3
Operations and maintenance	12.5	11.2
Other	4.3	4.4
Total expenses	<u>224.7</u>	<u>220.6</u>
<b>Increase (decrease) in net deficit</b>	<u>\$ 0.7</u>	<u>\$ 8.6</u>

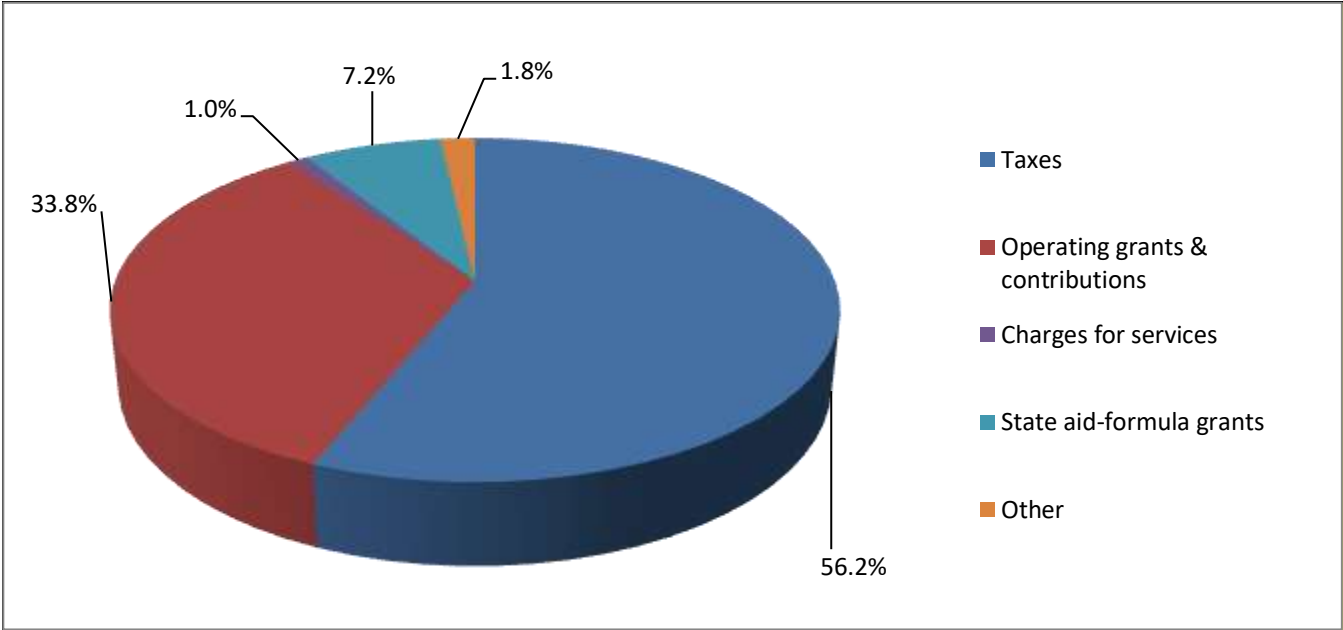
Taxes accounted for the largest portion of the District's revenues, contributing 56.2%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$220.6, mainly related to instructing and caring for the students and student transportation.

The instructional programs of the District account for \$154.6 of all expenditures. This does not include an additional \$20.0 of instructional support.

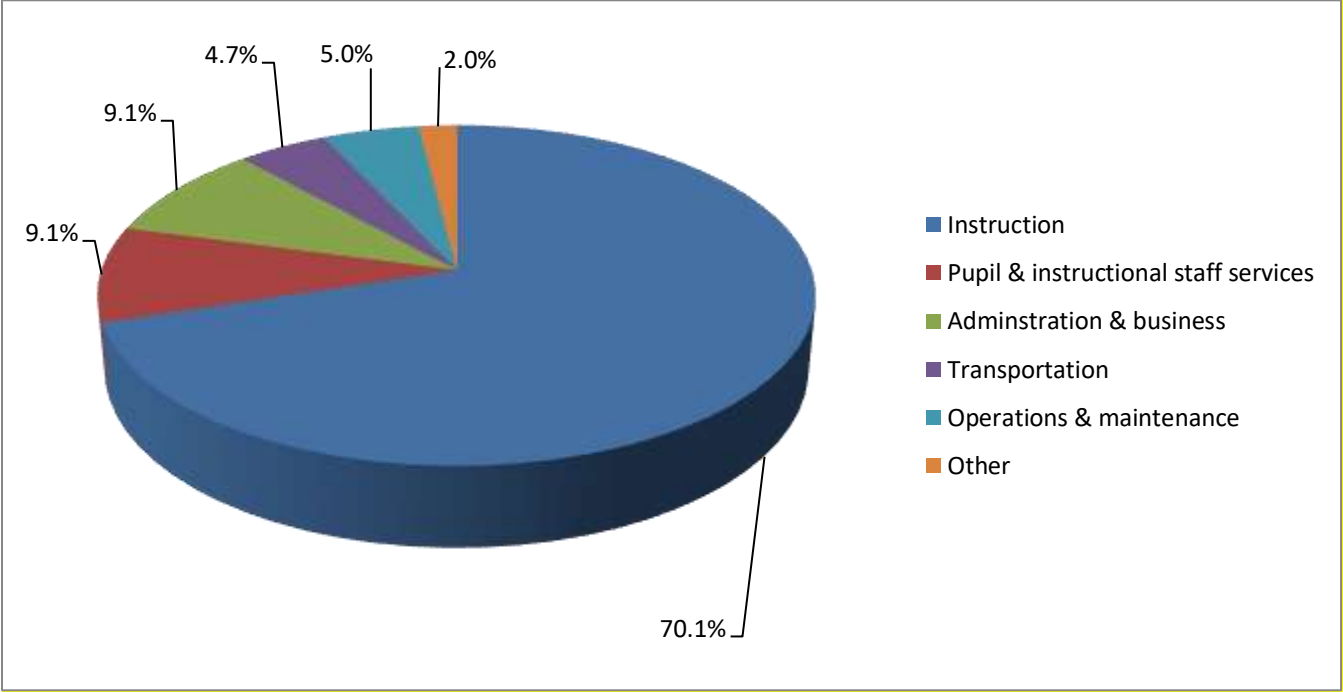
Direct services to students, not including operations and maintenance, total 92.9% of the District's expenditures.

# Community Consolidated School District 15 Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2019

**Government-Wide Revenues by Source**



**Government-Wide Expenses by Function**



# **Community Consolidated School District 15**

## **Management's Discussion and Analysis (Unaudited)**

### **For the Year Ended June 30, 2019**

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#### **Financial Analysis of the District's Funds**

The District's Governmental Funds fund balance increased from \$62.34 to \$62.5.

- > The General Fund fund balance decreased to \$49.13, with the Educational Account decreasing by \$1.36 and the Working Cash Account staying at a balance of \$0.11.
- > The Operations and Maintenance Fund fund balance increased by \$0.31, which included a \$8.25 transfer to the Capital Projects Fund to fund certain approved capital projects.
- > The Debt Service Fund fund balance decreased by \$0.05 from the prior year to \$3.16.
- > The Transportation Fund fund balance decreased by \$0.06 to \$6.63.
- > The Municipal Retirement/Social Security Fund fund balance increased by \$0.08 to \$3.13.
- > The Capital Projects Fund balance increased by \$1.60 and finished with a fund deficit of \$2.50. The Fire Prevention and Safety Fund stayed at a balance of \$0.02.
- > The Tort Immunity and Judgment Fund fund balance decreased by \$0.37 from the prior year to (\$0.01).
- > The combined fund balances, excluding the Debt Service and Fire Prevention and Safety Funds, increased by \$0.21 from the prior year.

#### **General Fund Budgetary Highlights**

The General Fund had a positive budget variance of \$3.33 for fiscal year 2019. The District's General Fund had a positive revenue variance of \$2.38. The factors contributing to this variance included property taxes in the General Fund were \$0.07 over budget; total state aid came in \$0.43 above the budgeted amounts; interest revenue was \$0.21 over the budget due to rising interest rates; and federal aid exceeded budget by \$1.60 due to larger than expected Medicaid program, lunch & breakfast program, IDEA special education, and Title I low income receipts.

The positive expenditure variance of \$0.95 is due mainly to the budget, department, and grant managers not expending all of their appropriated budgets. This variance was spread across multiple areas and types of expenditures. Amongst the areas and types of expenditures were, the General Fund's total benefits were under budget by \$1.94 and the technology department services were under budget by \$0.15. This was offset by the department of instruction being over budget by \$0.46; the student services department exceeding budget by \$0.77; and the General Fund's total salaries ending over budget by \$0.30. The remaining expenditure variance consists of many small amounts in other areas.

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

##### *Capital assets*

By the end of 2019, the District had compiled a total investment of \$209.8 (\$99.4 net of accumulated depreciation) in a broad range of capital assets including buildings, site improvements, land, construction in progress, and equipment. Total depreciation expense for the year was \$6.4. More detailed information about capital assets can be found in Note G of the basic financial statements.

**Community Consolidated School District 15**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

<i>Table 3</i>		
<i>Capital Assets (net of depreciation)</i>		
<i>(in millions of dollars)</i>		
	<u>2018</u>	<u>2019</u>
Land	\$ 7.8	\$ 7.8
Construction in progress	6.5	3.5
Buildings	73.9	79.5
Site improvements	2.0	2.6
Equipment	2.1	2.0
Vehicles	3.7	3.7
Food service equipment	0.2	0.3
Total	<u>\$ 96.2</u>	<u>\$ 99.4</u>

*Long-term liabilities*

The District retired \$4.5 in bonds and accreted \$0.6 in bonds in 2019. At the end of fiscal year 2019, the District had a debt margin of \$198.0. More detailed information on long-term liabilities can be found in Note H of the basic financial statements.

<i>Table 4</i>		
<i>Outstanding Long-Term Liabilities</i>		
<i>(in millions of dollars)</i>		
	<u>2018</u>	<u>2019</u>
General Obligation Bonds	\$ 47.6	\$ 43.3
Other	121.9	128.6
Total	<u>\$ 169.5</u>	<u>\$ 171.9</u>

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect financial operations in the future:

Revenues from local property taxes account for 75.3% of total revenue (excluding on-behalf payments). The District can expect to continue to see tax collection rates less than 100%. The District experienced a tax collection rate of 97.8% for this fiscal year, many factors such as when the county sends out tax bills, changes in property values and home foreclosures will continue to affect future tax collection rates. District expects future tax collections to be consistent with its historical collection average of between 96% and 99%.

In addition, the District continues to refund property tax collections for previous years due to tax rate objections, Property Tax Appeal Board (PTAB) decisions, or Circuit Court decisions. The District paid out \$4.1 in fiscal year 2019 for property tax refunds. For comparison purposes, the District paid out \$5.2 in fiscal year 2018; \$4.6 in fiscal year 2017; \$2.9 in fiscal year 2016; \$2.9 in fiscal year 2015; \$2.6 in fiscal year 2014; \$2.3 in fiscal year 2013; \$2.4 in fiscal year 2012; \$4.9 in fiscal year 2011 and \$5.1 in fiscal year 2010.

# **Community Consolidated School District 15**

## **Management's Discussion and Analysis (Unaudited)**

### **For the Year Ended June 30, 2019**

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The Property Tax Extension Limitation Act (PTELA) continues to limit the growth of tax revenue, the major source of revenue for the district. The 2018 levy, which will be collected during 2019-20 fiscal year was based on a 2.1% Consumer Price Index (CPI) for 2017. The 2019 levy which will be used to fund operations in the 2020-21 fiscal year will be based on the 2018 CPI of 1.9%.

State funding in the General Fund is approximately 13.5%. The state legislature adopted a new funding formula effective for the 2017-18 fiscal year. The new Evidence Based Funding Model provides a hold-harmless provision that ensures no district will receive less in state funding than it did in the previous fiscal year. The District falls in Tier 2 at 75.1% of the financial adequacy target and has received approximately \$400,000 in additional funding in each year since Evidence Based Funding was implemented. The District uses the additional Evidence Based funding to enhance student growth and achievement with the end goal of closing the achievement gap. Additional funding for the Evidence Based Funding Model in future years will be contingent on legislatures appropriating the necessary funds to education.

The Board of Education has approved to spend \$3.0 annually on capital improvement projects. For the summer of 2019, the Board approved the construction of secure vestibules at five schools for \$0.4; the replacement of the roof at Walter R. Sundling Junior High for \$1.9; and the replacement of the roof & HVAC system at Central Road and new univents at Lincoln for a combined \$4.2. The District completed several other projects in the summer of 2019 such as carpet replacement at Central Road & Virginia Lake; new stage drapes at ten schools; and new playground equipment at Marion Jordan & Jane Addams.

The District's most recent enrollment study was completed in the summer of 2019 and included projections for the next four fiscal years, 2020 to 2023. Actual enrollment has seen small decreases each year for 2014, 2015, 2016, 2017, 2018, and 2019. The enrollment study projects an enrollment decrease for 2020, then a slight jump up in 2021, and small decreases for the 2022 and 2023 fiscal years.

The District's boundary task force was formed to review the potential impacts if the District were to adjust boundary lines for schools in an attempt to align specific elementary schools to specific junior highs. As the District considers potential educational program changes such as moving from half day kindergarten to full day kindergarten a facility capacity study has been commissioned. While the results of the study are not yet known, the results have the potential to influence bigger picture decisions including school boundaries, educational programs of all types, and summer construction projects.

The District has a collective bargaining agreement with the Classroom Teachers' Council (CTC) that will expire August 31, 2026, in addition to the agreement with the District Transportation Union (DTU) that expires June 30, 2023. The District's collective bargaining agreement with the Educational Support Personnel Association (ESPA) will expire June 30, 2022. The District also has an agreement with the Service Employees International Union (SEIU) that will expire June 30, 2021.

The administration in collaboration with the Board of Education will continue to review, study, and analyze all financial operations while maintaining high quality educational programs.

**Community Consolidated School District 15**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

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**Requests for Information**

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

Michael M. Adamczyk, Chief School Business Official  
Community Consolidated School District 15  
580 N. First Bank Drive  
Palatine, Illinois 60067



## **BASIC FINANCIAL STATEMENTS**

**Community Consolidated School District 15**  
STATEMENT OF NET DEFICIT - GOVERNMENTAL ACTIVITIES  
June 30, 2019

<b>ASSETS</b>	
Cash and investments	\$ 72,173,800
Receivables (net of allowance for uncollectibles):	
Property taxes	61,775,952
Replacement taxes	260,653
Intergovernmental	4,550,698
Accounts	72,505
Inventory	53,809
Prepaid items	1,342,930
Capital assets:	
Land	7,827,932
Construction in progress	3,525,539
Depreciable buildings, property, and equipment, net	<u>88,078,948</u>
Total assets	<u>239,662,766</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred outflows related to pensions	19,852,165
Deferred outflows related to other postemployment benefits	<u>798,366</u>
Total deferred outflows	<u>20,650,531</u>
<b>LIABILITIES</b>	
Accounts payable	4,499,814
Salaries and wages payable	12,646,355
Claims payable	1,580,672
Payroll deductions payable	187,041
Other current liabilities	116,285
Interest payable	112,054
Long-term liabilities:	
Due within one year	7,810,484
Due after one year	<u>164,060,610</u>
Total liabilities	<u>191,013,315</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Property taxes levied for a future period	58,700,147
Deferred inflows related to pensions	17,387,154
Deferred inflows related to other postemployment benefits	<u>15,573,652</u>
Total deferred inflows	<u>91,660,953</u>
<b>NET DEFICIT</b>	
Net investment in capital assets	62,634,450
Restricted For:	
Operations and maintenance	2,936,817
Debt service	3,050,257
Student transportation	6,637,540
Retirement benefits	3,127,513
Unrestricted	<u>(100,747,548)</u>
Total net deficit	<u>\$ (22,360,971)</u>

The accompanying notes are an integral part of this statement.

## Community Consolidated School District 15

### STATEMENT OF ACTIVITIES For the Year Ended June 30, 2019

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 59,418,477	\$ 911,100	\$ 2,835,058	\$ (55,672,319)
Special programs	21,336,987	-	5,737,481	(15,599,506)
Other instructional programs	13,550,895	-	386,424	(13,164,471)
State retirement contributions	60,266,284	-	60,266,284	-
Support services:				
Pupils	10,652,371	-	-	(10,652,371)
Instructional staff	9,380,279	-	223,997	(9,156,282)
General administration	6,079,040	-	-	(6,079,040)
School administration	7,773,011	-	-	(7,773,011)
Business	6,302,479	1,181,988	3,142,377	(1,978,114)
Transportation	10,304,149	231,436	4,781,103	(5,291,610)
Operations and maintenance	11,169,513	44,565	-	(11,124,948)
Central	2,005,935	-	-	(2,005,935)
Other supporting services	13,074	-	-	(13,074)
Community services	464,708	-	-	(464,708)
Nonprogrammed charges - excluding special education	409,832	-	-	(409,832)
Interest and fees	1,511,557	-	-	(1,511,557)
	<u>\$ 220,638,591</u>	<u>\$ 2,369,089</u>	<u>\$ 77,372,724</u>	<u>(140,896,778)</u>
Total governmental activities				
General revenues:				
Taxes:				
				96,746,355
				24,807,521
				5,731,114
				1,629,136
				16,537,202
				1,646,403
				2,384,085
				<u>149,481,816</u>
				8,585,038
				<u>(30,946,009)</u>
				<u>\$ (22,360,971)</u>

The accompanying notes are an integral part of this statement.

## Community Consolidated School District 15

Governmental Funds  
BALANCE SHEET  
June 30, 2019

	General	Operations and Maintenance	Tort Immunity and Judgment	Transportation
<b>ASSETS</b>				
Cash and investments	\$ 57,344,443	\$ 2,674,613	\$ -	\$ 5,528,859
Receivables (net of allowance for uncollectibles):				
Property taxes	46,839,476	7,223,237	689,213	1,911,081
Replacement taxes	-	260,653	-	-
Intergovernmental Accounts	3,346,824	-	-	1,203,874
Loan to other funds	-	21,273	24,059	17,579
Inventory	61,211	-	-	-
Prepaid items	-	53,809	-	-
	<u>1,342,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 108,934,884</u>	<u>\$ 10,233,585</u>	<u>\$ 713,272</u>	<u>\$ 8,661,393</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 954,613	\$ 431,586	\$ 8,844	\$ 205,030
Salaries and wages payable	12,646,355	-	-	-
Claims payable	1,580,672	-	-	-
Payroll deductions payable	3,952	1,637	-	2,917
Other current liabilities	116,285	-	-	-
Loan from general fund	-	-	61,211	-
	<u>15,301,877</u>	<u>433,223</u>	<u>70,055</u>	<u>207,947</u>
Total liabilities				
<b>DEFERRED INFLOWS</b>				
Property taxes levied for a future period	<u>44,507,374</u>	<u>6,863,545</u>	<u>654,876</u>	<u>1,815,906</u>
Total deferred inflows	<u>44,507,374</u>	<u>6,863,545</u>	<u>654,876</u>	<u>1,815,906</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	1,404,141	53,809	-	-
Restricted	-	2,883,008	-	6,637,540
Assigned	3,995,723	-	-	-
Unassigned	<u>43,725,769</u>	<u>-</u>	<u>(11,659)</u>	<u>-</u>
Total fund balance	<u>49,125,633</u>	<u>2,936,817</u>	<u>(11,659)</u>	<u>6,637,540</u>
Total liabilities, deferred inflows, and fund balance (deficit)	<u>\$ 108,934,884</u>	<u>\$ 10,233,585</u>	<u>\$ 713,272</u>	<u>\$ 8,661,393</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 3,189,787	\$ 3,024,073	\$ 393,030	\$ 18,995	\$ 72,173,800
2,337,568	2,775,377	-	-	61,775,952
-	-	-	-	260,653
-	-	-	-	4,550,698
-	-	9,594	-	72,505
-	-	-	-	61,211
-	-	-	-	53,809
-	-	-	-	1,342,930
<u>\$ 5,527,355</u>	<u>\$ 5,799,450</u>	<u>\$ 402,624</u>	<u>\$ 18,995</u>	<u>\$ 140,291,558</u>
\$ -	\$ -	\$ 2,899,741	\$ -	\$ 4,499,814
-	-	-	-	12,646,355
-	-	-	-	1,580,672
178,535	-	-	-	187,041
-	-	-	-	116,285
-	-	-	-	61,211
<u>178,535</u>	<u>-</u>	<u>2,899,741</u>	<u>-</u>	<u>19,091,378</u>
<u>2,221,307</u>	<u>2,637,139</u>	<u>-</u>	<u>-</u>	<u>58,700,147</u>
<u>2,221,307</u>	<u>2,637,139</u>	<u>-</u>	<u>-</u>	<u>58,700,147</u>
-	-	-	-	1,457,950
3,127,513	3,162,311	-	18,995	15,829,367
-	-	-	-	3,995,723
-	-	(2,497,117)	-	41,216,993
<u>3,127,513</u>	<u>3,162,311</u>	<u>(2,497,117)</u>	<u>18,995</u>	<u>62,500,033</u>
<u>\$ 5,527,355</u>	<u>\$ 5,799,450</u>	<u>\$ 402,624</u>	<u>\$ 18,995</u>	<u>\$ 140,291,558</u>

**Community Consolidated School District 15**  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
 FUNDS TO THE STATEMENT OF NET DEFICIT  
June 30, 2019

Amounts reported for governmental activities in the statement of net deficit are different because:

Total fund balances - governmental funds	\$	62,500,033
Net capital assets used in governmental activities and included in the statement of net deficit do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.		99,432,419
Deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:		
Net deferred outflows and (inflows) of resources related to:		
IMRF pension	\$ 10,496,897	
TRS pension	(8,031,886)	
RHP OPEB	(1,076,886)	
THIS OPEB	<u>(13,698,400)</u>	(12,310,275)
Interest on long-term liabilities accrued in the statement of net deficit will not be paid with current financial resources and, accordingly, is not recognized in the governmental funds balance sheet.		(112,054)
Long-term liabilities included in the statement of net deficit are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.		<u>(171,871,094)</u>
Net deficit of governmental activities	\$	<u><u>(22,360,971)</u></u>

The accompanying notes are an integral part of this statement.

**Community Consolidated School District 15**

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)

For the Year Ended June 30, 2019

	General	Operations and Maintenance	Tort Immunity and Judgment	Transportation	Municipal Retirement / Soc. Sec.
Revenues					
Property taxes	\$ 96,746,355	\$ 14,397,537	\$ 1,365,081	\$ 4,083,111	\$ 4,961,792
Replacement taxes	618,142	885,994	-	-	125,000
State aid	53,275,250	-	-	4,781,103	-
Federal aid	11,323,958	-	-	60,000	-
Interest	1,308,368	64,375	3,580	123,225	79,653
Other	2,855,108	268,302	25	294,495	-
Total revenues	<u>166,127,181</u>	<u>15,616,208</u>	<u>1,368,686</u>	<u>9,341,934</u>	<u>5,166,445</u>
Expenditures					
Current:					
Instruction:					
Regular programs	56,019,054	-	-	-	950,911
Special programs	20,275,677	-	-	-	760,217
Other instructional programs	13,130,272	-	-	-	214,546
State retirement contributions	35,736,669	-	-	-	-
Support services:					
Pupils	10,227,781	-	-	-	317,022
Instructional staff	9,220,412	-	-	-	270,214
General administration	2,636,242	-	1,741,355	-	125,372
School administration	7,346,211	-	-	-	310,549
Business	5,256,881	783	-	-	321,403
Transportation	43,335	-	-	8,647,967	821,391
Operations and maintenance	-	10,634,552	-	-	810,722
Central	1,902,211	-	-	-	150,194
Other supporting services	13,074	-	-	-	-
Community services	447,533	-	-	-	31,305
Nonprogrammed charges	409,832	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other	-	-	-	-	-
Capital outlay	161,914	920,247	-	749,359	-
Total expenditures	<u>162,827,098</u>	<u>11,555,582</u>	<u>1,741,355</u>	<u>9,397,326</u>	<u>5,083,846</u>
Excess (deficiency) of revenues over expenditures	<u>3,300,083</u>	<u>4,060,626</u>	<u>(372,669)</u>	<u>(55,392)</u>	<u>82,599</u>
Other financing sources (uses)					
Transfers in	-	4,500,000	-	-	-
Transfers (out)	<u>(4,654,186)</u>	<u>(8,250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,654,186)</u>	<u>(3,750,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,354,103)	310,626	(372,669)	(55,392)	82,599
Fund balance (deficit), beginning of year	<u>50,479,736</u>	<u>2,626,191</u>	<u>361,010</u>	<u>6,692,932</u>	<u>3,044,914</u>
Fund balance (deficit), end of year	<u>\$ 49,125,633</u>	<u>\$ 2,936,817</u>	<u>\$ (11,659)</u>	<u>\$ 6,637,540</u>	<u>\$ 3,127,513</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 5,731,114	\$ -	\$ -	\$ 127,284,990
-	-	-	1,629,136
-	-	-	58,056,353
-	-	-	11,383,958
60,666	4,541	1,995	1,646,403
-	1,275,244	-	4,693,174
<u>5,791,780</u>	<u>1,279,785</u>	<u>1,995</u>	<u>204,694,014</u>
-	-	-	56,969,965
-	-	-	21,035,894
-	-	-	13,344,818
-	-	-	35,736,669
-	-	-	10,544,803
-	-	-	9,490,626
-	-	-	4,502,969
-	-	-	7,656,760
-	642,204	-	6,221,271
-	-	-	9,512,693
-	-	-	11,445,274
-	-	-	2,052,405
-	-	-	13,074
-	-	-	478,838
-	-	-	409,832
4,644,133	-	-	4,644,133
1,351,128	-	-	1,351,128
-	7,288,099	-	9,119,619
<u>5,995,261</u>	<u>7,930,303</u>	<u>-</u>	<u>204,530,771</u>
<u>(203,481)</u>	<u>(6,650,518)</u>	<u>1,995</u>	<u>163,243</u>
154,186	8,250,000	-	12,904,186
-	-	-	(12,904,186)
<u>154,186</u>	<u>8,250,000</u>	<u>-</u>	<u>-</u>
(49,295)	1,599,482	1,995	163,243
<u>3,211,606</u>	<u>(4,096,599)</u>	<u>17,000</u>	<u>62,336,790</u>
<u>\$ 3,162,311</u>	<u>\$ (2,497,117)</u>	<u>\$ 18,995</u>	<u>\$ 62,500,033</u>



## Community Consolidated School District 15

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds	\$ 163,243
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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.

	3,225,571
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Changes in deferred outflows and inflows of resources related to pensions and OPEB are reported only in the statement of activities:

Deferred outflow and inflows of resources related to IMRF pension	18,058,708
Deferred outflow and inflows of resources related to TRS pension	(6,142,602)
Deferred outflow and inflows of resources related to RHP OPEB	(610,557)
Deferred outflow and inflows of resources related to THIS OPEB	(3,775,004)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

	<u>(2,334,321)</u>
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Change in net deficit of governmental activities	<u>\$ 8,585,038</u>
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The accompanying notes are an integral part of this statement.

**Community Consolidated School District 15**  
Agency Fund  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
June 30, 2019

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	<u>Student Activity Fund</u>
<b>ASSETS</b>	
Cash and investments	<u>\$ 1,752,388</u>
<b>LIABILITIES</b>	
Due to student groups	<u>\$ 1,752,388</u>

The accompanying notes are an integral part of this statement.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Community Consolidated School District 15 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

#### 1. Reporting Entity

The District is located in Cook County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

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

#### 2. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District, and use the accrual basis of accounting.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and local fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipient of goods and services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

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

##### a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources, held by the District, to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon the collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account or it may be partially abated to any fund in need, as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current Equalized Assessed Valuation.

##### b. Special Revenue Funds

The special revenue funds are used to account and report for the proceeds of specific revenue sources (other than those accounted for in the debt service, capital projects or fiduciary funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3. Government-Wide and Fund Financial Statements (Continued)

##### b. Special Revenue Funds (Continued)

*Operations and Maintenance Fund* - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes, personal property replacement taxes, and transfers from other funds.

*Tort Immunity and Judgment Fund* - accounts for all revenues derived from a specific property tax levy and state reimbursement grants and expenditures of these monies for risk management activities. Revenues consist primarily of local property taxes.

*Transportation Fund* - accounts for all revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

*Municipal Retirement/Social Security Fund* - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

##### c. Debt Service

*Debt Service Fund* - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

##### d. Capital Projects Funds

*Capital Projects Fund* - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds, TIF surplus funds, and transfers from other funds.

*Fire Prevention and Safety Fund* - accounts for State-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3. Government-Wide and Fund Financial Statements (Continued)

##### e. Fiduciary Funds

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

*Agency Fund* - includes Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds. The Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook, student clubs and council, and scholarships.

*Convenience Accounts* - account for assets that are normally maintained by a local education agency, as a convenience, for its faculty, staff, etc.

#### 4. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash, such as prepaid items or inventories.

b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, or laws and regulations of other governments, or are imposed by law through enabling legislation. Special revenue funds, as well as debt service and capital project funds, are by definition restricted for those specified purposes.

c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any other purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. As of June 30, 2019, the District has no committed fund balances.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4. Fund Balance (Continued)

- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board of Education or the individual to which the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Chief School Business Official.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, assigned balances, and, finally, they act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

The nonspendable fund balance in the General Fund consists of \$1,404,141 for prepaid items and loans to other funds. The nonspendable fund balance in the Operations and Maintenance Fund consists of \$53,809 for inventory. The assigned fund balance in the General Fund is comprised of \$3,995,723 for self insurance. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

#### 5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized, as revenue, as soon as all eligibility requirements imposed by the provider have been met.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 5. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, personal property replacement taxes, interest, and intergovernmental revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

The fiduciary fund statements are reported using the accrual basis of accounting.

#### 6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period. At June 30, 2019, the District reported deferred outflows of resources related to pensions and other postemployment benefits liabilities. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2019, the District has deferred inflows of resources related to property taxes levied for a future period, pensions and other postemployment benefits liabilities.



# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teacher's Retirement System pension and Teacher's Health Insurance Security other post employment benefits (see budgetary reconciliation to the required supplemental information). Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

#### 8. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

#### 9. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance at the discretion of the District.

#### 10. Inventory

Inventory of governmental funds are recorded at cost on a first-in, first-out basis. Inventory consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure, in the governmental funds, when purchased.

#### 11. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

#### 12. Capital Assets

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

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

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 12. Capital Assets (Continued)

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and site improvements	20 - 50
Machinery, equipment, vehicles, and food service equipment	3 - 10

Construction in progress is stated at cost and includes engineering, design, material, and labor incurred for ongoing building construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

#### 13. Accumulated Unpaid Vacation and Sick Pay

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within the calendar year. Any remaining, unused vacation is forfeited October 1st following the end of the fiscal year. At June 30, 2019, accumulated unpaid vacation pay was \$250,851.

All certified employees receive a specified number of sick days per year depending on the years of service, in accordance with the agreement between the Board of Education and the District. Employees do not receive payment for unused sick days, except for the 12-month custodial staff, who upon retirement are paid for any days in excess of 240 days, at a rate of \$25.00 per day. Accrued but unpaid sick days at June 30, 2019 were insignificant and have not been reflected as a liability.

#### 14. 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 and losses on refunding of bonds are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount or loss on refunding. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and 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. Bond issuance costs whether or not withheld from actual proceeds received are reported as debt service expenditures.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 15. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plans fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

#### 16. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

#### 17. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. All of the District's restricted net position was restricted as a result of enabling legislation.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as they are needed.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

#### 1. Explanation of Certain Differences Between the Government Funds Balance Sheet and the Government-wide Statement of Net Deficit

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net deficit - governmental activities as reported in the government-wide statement of net deficit. One element of that reconciliation explains that "Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet." The details of this difference are as follows:

General obligation bonds	\$ 40,082,532
Unamortized bond premium	3,207,547
Capital lease	151,639
Compensated absences	250,851
IMRF net pension liability	18,241,553
TRS net pension liability	8,508,853
RHP total other postemployment benefit liability	11,062,847
THIS net other postemployment benefit liability	86,952,028
Health claims payable	2,429,994
Retirement incentive program	983,250
	<hr/>
Net adjustment to reduce fund balance - total governmental funds to arrive at net deficit of governmental activities	\$ <u>171,871,094</u>

#### 2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net deficit of governmental activities as reported in the government-wide statement of net deficit. One element of that reconciliation explains that "Governmental funds report capital outlay 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." The details of this difference are as follows:

Capital outlay	\$ 9,671,232
Depreciation expense	(6,384,718)
Loss on disposal of capital assets	(60,943)
	<hr/>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net deficit of governmental activities	\$ <u>3,225,571</u>

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

#### 2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

Principal repayments		
General obligation bonds	\$	4,495,000
Capital lease		149,133
Accretion on general obligation bonds		(576,852)
IMRF pension liability, net		(17,231,745)
TRS pension liability, net		8,307,309
RHP other postemployment benefit liability, net		299,478
THIS other postemployment benefit liability, net		21,416
Compensated absences, net		(15,273)
Health claims payable, net		1,697,140
Retirement incentive program, net		103,650
Amortization of bond premium		<u>416,423</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net deficit of governmental activities.	\$	<u><u>(2,334,321)</u></u>

### NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

At June 30, 2019, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 72,173,800	\$ 1,752,388	\$ 73,926,188
	<u><u>72,173,800</u></u>	<u><u>1,752,388</u></u>	<u><u>73,926,188</u></u>

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### NOTE C - DEPOSITS AND INVESTMENTS (Continued)

For disclosure purposes, this amount is segregated into the following components as follows:

	Total
Cash on hand	\$ 4,275
Deposits with financial institutions*	62,523,257
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	397,413
Illinois Funds	58,981
Negotiable certificates of deposit	988,000
Other investments	9,954,262
	\$ 73,926,188

\* Includes accounts held in demand and savings accounts, non-negotiable certificates of deposit and money market savings accounts, which are valued at cost.

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. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The District's U.S. Treasury securities and negotiable certificates of deposit investments detailed in the interest rate risk table below are measured using the market valuation method and level 2 valuation inputs.

#### 1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not 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. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. Maturity information on other investments is shown in the table below.

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Negotiable certificates of deposit	\$ 988,000	\$ 988,000	\$ -	\$ -	\$ -
U.S. Treasury securities	9,954,262	9,954,262	-	-	-
	\$ 10,942,262	\$ 10,942,262	\$ -	\$ -	\$ -

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE C - DEPOSITS AND INVESTMENTS (Continued)

#### 1. Interest Rate Risk (Continued)

The following investments are measured at net asset value (NAV):

			<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
ISDLAF+	\$	397,413	n/a	Daily	1 day
Illinois Funds		58,981	n/a	Daily	1 day

#### 2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investments in negotiable certificates of deposits are unrated.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

#### 3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

#### 4. Custodial Credit Risk

With respect to deposits, 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's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2019, the bank balances of the District's deposits with financial institutions totaled \$64,369,751, all of which was fully insured or collateralized.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE C - DEPOSITS AND INVESTMENTS (Continued)

#### 4. Custodial Credit Risk (Continued)

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be in high quality investment pools and/or secured by private insurance or collateral.

### NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 12, 2018. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

Tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The District's annual property tax levy is subject to Property Tax Extension Limitation Act (PTELA), which is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations, and tax increment finance district property becoming eligible for taxation.

The Cook County Assessor is responsible for the assessment of all taxable property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of the county is reassessed every year by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.9109 for 2018.

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2018 tax levy was \$3,459,009,224.



# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

Property taxes are collected by the Cook County Collector/Treasurer, who remits them to the District. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment bill is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2018 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Net taxes receivable less the amount expected to be collected within 60 days is reflected as deferred inflow of resources - property taxes levied for a future period.

### NOTE E - PENSION LIABILITIES

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

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

###### *Benefits Provided*

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 1. Teachers' Retirement System of the State of Illinois (Continued)

##### **General Information about the Pension Plan** (Continued)

###### *Benefits Provided* (Continued)

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 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 will begin in 2019 and will be funded by bonds issued by the state of Illinois.

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 1. Teachers' Retirement System of the State of Illinois (Continued)

##### **General Information about the Pension Plan** (Continued)

###### *Contributions*

###### On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$54,743,174 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$34,736,808 in the General Fund based on the current financial resources measurement basis.

###### 2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019, were \$467,677, and are deferred because they were paid after the June 30, 2018 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. As the District has a sizable amount of employees paid from federal and special trusts this change in allocation methodology due to a change in the Pension law at July 1, 2017, significantly lowered the District's proportionate share of net pension liability.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$2,038,385 were paid from federal and special trust funds that required employer contributions of \$200,781.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 1. Teachers' Retirement System of the State of Illinois (Continued)

##### **General Information about the Pension Plan** (Continued)

##### *Contributions* (Continued)

##### Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the District paid \$15,747 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	\$ 8,508,853
State's proportionate share of the net pension liability associated with the District	<u>582,892,077</u>
Total	<u><u>\$ 591,400,930</u></u>

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE E - PENSION LIABILITIES** (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0109165059 percent, which was a decrease of .0110947133 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - revenue and expense/expenditure	\$ 54,743,174	\$ 34,736,808
District TRS pension expense (benefit)	(1,838,947)	467,677
Total TRS expense/expenditure	\$ 52,904,227	\$ 35,204,485

At June 30, 2019, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 171,011	\$ 1,855
Net difference between projected and actual earnings on pension plan investments	-	26,053
Changes in assumptions	373,194	241,159
Changes in proportion and differences between District contributions and proportionate share of contributions	311,512	9,086,213
Total deferred amounts to be recognized in pension expense in the future periods	855,717	9,355,280
District contributions subsequent to the measurement date	467,677	-
Total deferred amounts related to pensions	\$ 1,323,394	\$ 9,355,280

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 1. Teachers' Retirement System of the State of Illinois (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

The District reported \$467,677 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>		<u>Net Deferred Inflows of Resources</u>
2020	\$	1,844,939
2021		2,135,546
2022		2,261,198
2023		1,583,660
2024		<u>674,220</u>
Total	\$	<u>8,499,563</u>

#### Actuarial Assumptions

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

Inflation	2.50 percent
Salary increases	varies by service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0 %	6.7 %
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real Return	4.0	1.8
Absolute Return	14.0	3.9
Private equity	15.0	10.2
Total	100 %	

Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2017 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.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 1. Teachers' Retirement System of the State of Illinois (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

##### Discount Rate (Continued)

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 10,435,303	\$ 8,508,853	\$ 6,957,480

##### TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2018 is available in the separately issued TRS *Comprehensive Annual Financial Report*.



# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 2. Illinois Municipal Retirement Fund

##### **Plan Description**

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

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

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

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 2. Illinois Municipal Retirement Fund (Continued)

##### Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	894
Inactive plan members entitled to but not yet receiving benefits	1,246
Active plan members	<u>811</u>
Total	<u><u>2,951</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 2018 was 11.40%. For the fiscal year ended June 30, 2019 the District contributed \$2,211,626 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

##### Net Pension Liability

The District's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

##### Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2014-2017.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

**Actuarial Assumptions** (Continued)

Mortality

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

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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37%	(6.08%)
International equities	18%	(14.16%)
Fixed income	28%	(0.28%)
Real estate	9%	8.36%
Alternative investments	7%	4.75% - 12.40%
Cash equivalents	1%	2.50%
Total	100%	

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 2. Illinois Municipal Retirement Fund (Continued)

##### **Single Discount Rate**

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

- a. 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
- b. 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 the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 3.71% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE E - PENSION LIABILITIES (Continued)**

**2. Illinois Municipal Retirement Fund (Continued)**

**Changes in Net Pension Liability**

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2018:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 126,932,858	\$ 125,923,050	\$ 1,009,808
Changes for the year:			
Service cost	2,146,836	-	2,146,836
Interest on the total pension liability	9,338,430	-	9,338,430
Difference between expected and actual experience of the total pension liability	1,349,426	-	1,349,426
Changes of assumptions	3,390,009	-	3,390,009
Contributions - employer	-	2,485,545	(2,485,545)
Contributions - employees	-	1,009,104	(1,009,104)
Net investment income	-	(6,956,143)	6,956,143
Benefit payments, including refunds of employee contributions	(6,987,760)	(6,987,760)	-
Other (net transfer)	-	2,454,450	(2,454,450)
Net changes	<u>9,236,941</u>	<u>(7,994,804)</u>	<u>17,231,745</u>
Balances at December 31, 2018	<u>\$ 136,169,799</u>	<u>\$ 117,928,246</u>	<u>\$ 18,241,553</u>

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

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability	\$ <u>33,446,168</u>	\$ <u>18,241,553</u>	\$ <u>5,528,867</u>

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2019 the District recognized pension expense of \$1,401,637. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 760,054	\$ 307,411
Change of assumptions	1,909,397	732,184
Net difference between projected and actual earnings on pension plan investments	<u>14,862,024</u>	<u>6,992,279</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>17,531,475</u>	 <u>8,031,874</u>
 Pension contributions made subsequent to the measurement date	 <u>997,296</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 18,528,771</u>	 <u>\$ 8,031,874</u>

The District reported \$997,296 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE E - PENSION LIABILITIES (Continued)**

**2. Illinois Municipal Retirement Fund (Continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Net Deferred Outflows of Resources
2020	\$ 3,610,133
2021	1,675,659
2022	941,523
2023	3,272,286
2024	-
Thereafter	-
Total	\$ 9,499,601

**3. Summary of Pension Items**

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 467,677	\$ 997,296	\$ 1,464,973
Experience	171,011	760,054	931,065
Assumptions	373,194	1,909,397	2,282,591
Proportionate share	311,512	-	311,512
Investments	-	14,862,024	14,862,024
	\$ 1,323,394	\$ 18,528,771	\$ 19,852,165
Net pension liability	\$ 8,508,853	\$ 18,241,553	\$ 26,750,406
Pension expense	\$ 52,904,227	\$ 1,401,637	\$ 54,305,864

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE E - PENSION LIABILITIES (Continued)

#### 3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Deferred inflows of resources:			
Experience	\$ 1,855	\$ 307,411	\$ 309,266
Assumptions	241,159	732,184	973,343
Proportionate share	9,086,213	-	9,086,213
Investments	26,053	6,992,279	7,018,332
	<u>\$ 9,355,280</u>	<u>\$ 8,031,874</u>	<u>\$ 17,387,154</u>

#### 4. Social Security/Medicare

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

### NOTE F - OTHER POSTEMPLOYMENT BENEFITS

#### 1. Teachers' Health Insurance Security (THIS)

##### General Information about the Other Postemployment Plan

###### *Plan Description*

The District participates in the Teacher Health Insurance Security Fund (THIS), 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 State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The 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>).



# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 1. Teachers' Health Insurance Security (THIS) (Continued)

##### **General Information about the Other Postemployment Plan** (Continued)

###### *Benefits Provided*

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.

###### *Contributions*

###### On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2019. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2019, the District recognized revenue and expenses of \$5,523,110 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$999,861 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

###### District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$741,833 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 measurement date.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**1. Teachers' Health Insurance Security (THIS) (Continued)**

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2019, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB 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 OPEB liability	\$ 86,952,028
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>116,757,822</u>
Total	<u><u>\$ 203,709,850</u></u>

\* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate based allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.330040 percent, which was a decrease of 0.005123 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 5,523,110	\$ 999,861
District OPEB pension expense	<u>4,446,483</u>	<u>741,833</u>
Total OPEB expense/expenditure	<u><u>\$ 9,969,593</u></u>	<u><u>\$ 1,741,694</u></u>

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**1. Teachers' Health Insurance Security (THIS) (Continued)**

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 311,985
Change of assumptions	-	12,661,676
Net difference between projected and actual earnings on OPEB plan investments	-	2,669
Changes in proportion and differences between District contributions and proportionate share of contributions	135	1,464,038
Total deferred amounts to be recognized in OPEB expense in future periods	135	14,440,368
District contributions subsequent to the measurement date	741,833	-
Total deferred amounts related to OPEB	\$ 741,968	\$ 14,440,368

The District reported \$741,833 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Inflows of Resources
2020	\$ 2,471,745
2021	2,471,745
2022	2,471,745
2023	2,471,509
2024	2,471,019
Thereafter	2,082,470
Total	\$ 14,440,233

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 1. Teachers' Health Insurance Security (THIS) (Continued)

#### **Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

##### Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2018, contribution rates are 1.18% of pay for active members, 0.88% of pay for school districts, and 1.18% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75 percent
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 1. Teachers' Health Insurance Security (THIS) (Continued)

#### **Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

##### Actuarial Assumptions (Continued)

Healthcare Trend Rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

##### Discount Rate

The State, the District and active members contribute 1.18 percent, 0.88 percent, 1.18 percent of pay, respectively for fiscal year 2018. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.56 percent at June 30, 2017, and 3.62 percent at June 30, 2018, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.56 percent to 3.62 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$285 million as of June 30, 2018.

##### Investment Return

During plan year end June 30, 2018, the trust earned \$743,000 in interest, and due to a significant benefit payable, the plan fiduciary net position at June 30, 2018, is a negative \$9.23 million. Given the benefit payable, negative asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**1. Teachers' Health Insurance Security (THIS) (Continued)**

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 1.301% for plan year end June 30, 2018, and 0.678% for plan year end June 30, 2017.

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 3.62 percent, 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 (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current rate:

	<u>1% Decrease (2.62%)</u>	<u>Current Discount Rate (3.62%)</u>	<u>1% Increase (4.62%)</u>
District's proportionate share of the net OPEB liability	\$ 104,549,868	\$ 86,952,028	\$ 73,060,027

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

The following table shows the District's net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	<u>1% Decrease*</u>	<u>Current Healthcare Trend Rate</u>	<u>1% Increase **</u>
District's proportionate share of the net OPEB liability	\$ 70,504,012	\$ 86,952,028	\$ 109,111,451

\* One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.86% in 2026, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

\*\* One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 2. Retiree Health Plan (RHP)

##### **Plan Description**

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

##### **Benefits Provided**

The plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. Retirees are responsible to contribute a premium toward the cost of their insurance, which is determined by the Board. Retirees may also access dental and life insurance benefits on a "direct pay" basis.

##### *Funding Policy - Retirement Incentive Option Plan ("RIOP") Retirees*

Retirees under RIOP are not be eligible for retiree medical, dental, and vision benefits under the District's plan. In consideration thereof, the District shall make four annual benefit cash payments as a contribution toward the Teachers' Retirement Incentive Program or other non-District insurance following retirement in the amount of \$375/month for single and an additional \$250/month for a teacher's spouse. In lieu of monthly insurance contributions, the retiree may elect a cash payment made in a lump sum payment within 30 days following retirement, in the amounts of \$11,250 for single and \$7,500 for a teacher's spouse. This agreement covers employees who retire through June 30, 2019.

##### *Funding Policy - Education Support Personnel Association ("ESPA") Retirees*

Eligibility is based on a tiered IMRF eligibility as well as a minimum of 12 years of service with the District. Participants are eligible for a \$3,000 employee-only 3-year annual benefit. This benefit is limited to 24 participants during the life of a 5-year contract. In addition to this benefit, participants are also eligible for lifetime medical, dental and vision benefits.

##### *Funding Policy - Service Employees International Union ("SEIU") Retirees*

Eligibility is based on a tiered IMRF eligibility. Participants are eligible for a \$3,000 employee-only 3-year annual benefit. This benefit is limited to 7 participants during the life of a 4-year contract. In addition to this benefit participants are also eligible for lifetime medical, dental and vision benefits.

##### *Funding Policy - EXECS Retirees*

Eligibility is based on a tiered IMRF eligibility. Participants are eligible for a \$3,000 employee-only 3-year annual benefit. This benefit it is limited to 5 participants during the life of a 5-year contract. In addition to this benefit, participants are also eligible for lifetime medical, dental and vision benefits.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 2. Retiree Health Plan (RHP) (Continued)

##### Employees Covered by Benefit Terms

As of June 30, 2018 (most recent information available) the following employees were covered by the benefit terms:

Active	1,562
Inactive entitled to but not yet receiving benefits	-
Inactive currently receiving benefits	<u>168</u>
Total	<u><u>1,730</u></u>

##### Contributions

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2019, the District contributed \$594,437 toward the cost of the postemployment benefits for retirees, which was 0.60% of covered payroll.

##### Total OPEB Liability

The total OPEB liability, after considering the share of benefit-related costs with inactive Plan members, was determined by an actuarial valuation performed as of July 1, 2017 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	3.00%
Discount rate	3.87%
Rate of inflation	2.50%
Salary increase rate	3.00%
Healthcare inflation rate	7.50% initial 4.50% ultimate (reached in 2038)



# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 2. Retiree Health Plan (RHP) (Continued)

##### **Total OPEB Liability** (Continued)

Mortality rates	Retirement and Beneficiary Annuitants: RP-2014 Combined Mortality Table backed off to 2006 and projected generationally with Scale MP-2017. Rationale: Most current mortality table and projection scale as issued by the Society of Actuaries in 2014 and 2017, respectively.
Election at Retirement	<p>20% of active employees in ESPA, SEIU, EXECS and OTHER (IMRF) plans currently electing health coverage are assumed to elect health coverage upon retirement.</p> <p>100% of active employees in RIOP (TRS) plan currently electing health coverage are assumed to elect a \$4,500/\$7,500 employee/employee plus spouse 4-year annuity. 100% of participants are assumed to elect an annuity in lieu of \$11,250/\$18,750 employee/employee plus spouse one-time lump sum payment.</p> <p>75% of participants in ESPA, SEIU, and EXECS (IMRF) plans currently electing health coverage are assumed to elect a \$3,000 employee only 3 year annuity.</p> <p>Participation and plan election assumption is based on actual experience and anticipated experience.</p>
Coverage Status	20% Employees are assumed to continue in their current plan into retirement if a District medical plan is selected. Active employees with HMO Plan C coverage are assumed to elect HMO Plan D at retirement.
Marital Status	40% of eligible actives are assumed to be married and elect spouse coverage at retirement with males three years older than females. Actual spouse data was used for current retirees.

##### **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 3.87% is used, which is the Bond Buyer 20-Bond GO index as of June 30, 2018.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**2. Retiree Health Plan (RHP) (Continued)**

**Changes in the Total OPEB Liability**

The following table shows the components of the change in the District's net OPEB liability for the fiscal year ended June 30, 2019 based upon a rollforward actuarial valuation from the actuarial valuation performed July 1, 2017 to the fiscal year end:

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2018	\$ 11,362,325	\$ -	\$ 11,362,325
Changes for the year:			
Service cost	678,459	-	678,459
Interest on the total OPEB liability	367,574	-	367,574
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions	(751,074)	-	(751,074)
Contributions - employer	-	594,437	(594,437)
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments	(594,437)	(594,437)	-
Other (net transfer)	-	-	-
Net changes	<u>(299,478)</u>	<u>-</u>	<u>(299,478)</u>
Balances at June 30, 2019	<u>\$ 11,062,847</u>	<u>\$ -</u>	<u>\$ 11,062,847</u>

In 2019, changes in assumptions related to the discount rate were made (3.13% to 3.87%) and changes to the healthcare trend rate to reflect recent healthcare trend rate surveys.

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.87%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (2.87%)	Current Discount Rate (3.87%)	1% Higher (4.87%)
Total OPEB liability	\$ 12,508,708	\$ 11,062,847	\$ 9,891,325

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**2. Retiree Health Plan (RHP) (Continued)**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50%-7.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower <u>(3.50%-6.50%)</u>	Current Healthcare Rate <u>(4.50%-7.50%)</u>	1% Higher <u>(5.50%-7.50%)</u>
Total OPEB liability	\$ <u>10,150,815</u>	\$ <u>11,062,847</u>	\$ <u>12,292,206</u>

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

For the year ended June 30, 2019 the District recognized OPEB expense of \$905,516. At June 30, 2019, the District reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 476,094
Change of assumptions	<u>56,398</u>	<u>657,190</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	<u>\$ 56,398</u>	<u>\$ 1,133,284</u>

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**2. Retiree Health Plan (RHP) (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

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

Year Ended June 30,	Net Deferred Inflows of Resources
2020	\$ 140,517
2021	140,517
2022	140,517
2023	140,517
2024	140,517
Thereafter	374,301
Total	\$ 1,076,886

**3. Summary of OPEB Items**

Below is a summary of the various other postemployment benefit items at June 30, 2019:

	THIS	RHP	Total
Deferred outflows of resources:			
Assumptions	\$ -	\$ 56,398	\$ 56,398
Proportionate share	135	-	135
Employer contributions	741,833	-	741,833
	\$ 741,968	\$ 56,398	\$ 798,366
OPEB liability	\$ 86,952,028	\$ 11,062,847	\$ 98,014,875
OPEB expense	\$ 9,969,593	\$ 905,516	\$ 10,875,109

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### 3. Summary of OPEB Items (Continued)

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred inflows of resources:			
Assumptions	\$ 12,661,676	\$ 657,190	\$ 13,318,866
Experience	311,985	476,094	788,079
Proportionate share	1,464,038	-	1,464,038
Investments	<u>2,669</u>	<u>-</u>	<u>2,669</u>
	<u>\$ 14,440,368</u>	<u>\$ 1,133,284</u>	<u>\$ 15,573,652</u>

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases / Transfers	Decreases / Transfers	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 7,827,932	\$ -	\$ -	\$ 7,827,932
Construction in progress	6,509,048	3,525,539	6,509,048	3,525,539
 Total capital assets not being depreciated	 14,336,980	 3,525,539	 6,509,048	 11,353,471
 Capital assets, being depreciated				
Buildings	147,862,995	10,446,518	-	158,309,513
Site improvements	5,420,461	833,133	-	6,253,594
Machinery and equipment	20,051,942	321,084	-	20,373,026
Vehicles	12,540,309	899,639	609,410	12,830,538
Food service equipment	510,451	154,367	-	664,818
 Total capital assets being depreciated	 186,386,158	 12,654,741	 609,410	 198,431,489
 Less accumulated depreciation for:				
Buildings	73,919,622	4,910,072	-	78,829,694
Site improvements	3,433,441	242,194	-	3,675,635
Machinery and equipment	17,972,014	348,466	-	18,320,480
Vehicles	8,847,268	853,783	548,467	9,152,584
Food service equipment	343,945	30,203	-	374,148
 Total accumulated depreciation	 104,516,290	 6,384,718	 548,467	 110,352,541
 Total capital assets being depreciated, net	 81,869,868	 6,270,023	 60,943	 88,078,948
Governmental activities capital assets, net	\$ 96,206,848	\$ 9,795,562	\$ 6,569,991	\$ 99,432,419

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### NOTE G - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities		
General Government		
Instructional staff		
Regular programs	\$	3,155,123
Support services		
Pupils		1,577,562
Operations and maintenance		505,121
Transportation		1,011,539
Food service		<u>135,373</u>
Total depreciation from governmental activities	\$	<u><u>6,384,718</u></u>

### NOTE H - LONG-TERM LIABILITIES

#### 1. Changes in General Long-term Liabilities

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases/ Accretion	Decreases	Balance June 30, 2019
Bonds payable:				
General obligation bonds	\$ 44,000,680	\$ 576,852	\$ 4,495,000	\$ 40,082,532
Bond premium - 2014 Bonds	456,574	-	83,013	373,561
Bond premium - 2016 Bonds	2,256,366	-	237,512	2,018,854
Bond premium - 2017 Bonds	<u>911,030</u>	<u>-</u>	<u>95,898</u>	<u>815,132</u>
Total Bonds Payable	<u>47,624,650</u>	<u>576,852</u>	<u>4,911,423</u>	<u>43,290,079</u>
Capital lease	300,772	-	149,133	151,639
Health claims payable	4,127,134	19,677,966	21,375,106	2,429,994
Retirement incentive program	1,086,900	408,000	511,650	983,250
Compensated absences	235,578	753,884	738,611	250,851
IMRF net pension liability	1,009,808	23,180,844	5,949,099	18,241,553
TRS net pension liability	16,816,162	247,966	8,555,275	8,508,853
RHP total other postemployment benefit liability	11,362,325	1,046,033	1,345,511	11,062,847
THIS net other postemployment benefit liability	<u>86,973,444</u>	<u>4,446,618</u>	<u>4,468,034</u>	<u>86,952,028</u>
Total long-term liabilities - governmental activities	<u>\$ 169,536,773</u>	<u>\$ 50,338,163</u>	<u>\$ 48,003,842</u>	<u>\$ 171,871,094</u>

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

### NOTE H - LONG-TERM LIABILITIES (Continued)

#### 1. Changes in General Long-term Liabilities (Continued)

The obligations for future health claims, retirement incentive program, retiree health plan, and compensated absences will be repaid from the General Fund.

At June 30, 2019, amounts due within one year on the outstanding long-term liabilities were as follows:

Bonds payable:	
General obligation bonds	\$ 4,495,000
Capital lease	151,639
Reserve for future health claims	2,429,994
Retirement incentive programs	483,000
Compensated absences	<u>250,851</u>
Total long-term liabilities due within one year - governmental activities	<u>\$ 7,810,484</u>

#### 2. General Obligation Bonds Payable

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>	<u>Face Amount</u>
2001 Limited Tax Capital Appreciation Bonds	4.99% - 5.69%	\$ 8,512,532	\$ 8,990,000
2014 Refunding Series Bonds	3.00%	8,930,000	8,930,000
2016 GO Series Bonds	5.00%	13,915,000	13,915,000
2017 GO Series Bonds	4.00%	<u>8,725,000</u>	<u>8,725,000</u>
		<u>\$ 40,082,532</u>	<u>\$ 40,560,000</u>

The District defeased the debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2019, a total of \$790,000 of bonds outstanding is considered defeased.



# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE H - LONG-TERM LIABILITIES (Continued)

#### 2. General Obligation Bonds Payable (Continued)

At June 30, 2019, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 4,495,000	\$ 1,344,650	\$ 5,839,650
2021	4,495,000	1,344,650	5,839,650
2022	3,860,000	1,264,275	5,124,275
2023	4,080,000	1,115,150	5,195,150
2024	4,305,000	972,900	5,277,900
2025-2028	<u>19,325,000</u>	<u>1,803,600</u>	<u>21,128,600</u>
Total	<u>\$ 40,560,000</u>	<u>\$ 7,845,225</u>	<u>\$ 48,405,225</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$3,162,311 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$238,671,636 of which \$197,959,997 is potentially available.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE H - LONG-TERM LIABILITIES (Continued)

#### 3. Capital Lease

The District entered into a lease for various computer equipment. Annual payments of principal and interest at a rate of 1.68% are required through July 1, 2019. Subsequent to year end, the District entered into a lease agreement for various copiers, printers and multi-functional devices (See Note P). Future minimum payments are as follows:

Year Ending June 30,	Total
2020	\$ 154,186
Less amount related to interest:	<u>2,547</u>
Capital lease payable	<u><u>\$ 151,639</u></u>

#### 4. Early Retirement Incentive Benefits

As described in Note F, the District participates in a Retirement Incentive Option Plan ("RIOP") and Voluntary Separation Option Plan ("VSOP"). Annual benefits payable are as follows:

Year Ending June 30,	Total
2020	\$ 483,000
2021	236,250
2022	162,000
2023	<u>102,000</u>
Total	<u><u>\$ 983,250</u></u>

### NOTE I - OPERATING LEASES

The District leases equipment under noncancelable operating leases. The total costs for such leases were \$168,004 for the year ended June 30, 2019. At June 30, 2019, future minimum lease payments for these leases were as follows:

Year Ending June 30	Total
2020	<u><u>\$ 9,921</u></u>

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE J - INTERFUND TRANSACTIONS

#### 1. Interfund Transfers

The District transferred \$8,250,000 from the Operations and Maintenance Fund to the Capital Projects Fund. The amounts transferred represent funding for capital projects.

The District transferred \$4,500,000 from the General (Educational account) Fund to the Operations and Maintenance Fund. The amount transferred represents funding for the transfer to the Capital Projects Fund.

The District transferred \$154,186 from the General (Educational Account) Fund to the Debt Service Fund. The amounts transferred represent funding for principal and interest on capital leases.

#### 2. Interfund Loan

The District had an interfund loan from the General (Educational account) Fund to the Tort Immunity and Judgement Fund in the amount of \$61,211. The loan is expected to be repaid within one year.

### NOTE K - DEFICIT FUND BALANCE

At June 30, 2019, the Capital Projects Fund had a deficit fund balance of \$2,497,117 and the Tort Immunity and Judgement Fund had a deficit fund balance of \$11,659. District management expects to fund this deficit through interfund transfers and future revenues, respectively.

### NOTE L - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases insurance from private insurance companies for general liability and other coverages not included below. Premiums have been recorded as expenditures in the appropriate funds. The District is self-insured for medical and dental, workers' compensation, and unemployment compensation coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health, worker's compensation, and unemployment compensation claims and administration fees. The District's liability will not exceed \$250,000 per employee for medical coverage, as provided by stop-loss provisions incorporated into the plan. There is no aggregate stop-loss provision incorporated in the plan. The District's liability will not exceed \$300,000 per employee and \$1,000,000 in the aggregate for workers' compensation coverage, as provided by stop-loss provisions incorporated into the plan.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE L - RISK MANAGEMENT (Continued)

At June 30, 2019, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$4,010,666. The estimates are developed based on reports prepared by the administrative agent using historical lag periods and current claims levels. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2019 and 2018, changes in the liability for unpaid claims are summarized as follows:

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
Unpaid claims, beginning of fiscal year	\$ 4,352,933	\$ 5,888,996
Incurred claims including claims incurred but not yet reported (IBNR)	21,600,476	19,995,897
Claim payments	<u>(21,942,743)</u>	<u>(21,531,960)</u>
Claims payable end of year	<u>\$ 4,010,666</u>	<u>\$ 4,352,933</u>

At June 30, 2019, this includes \$2,429,994 of estimated incurred but not reported claims and \$1,580,672 of known reported claims.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

### NOTE M - CONTINGENCIES

#### 1. Litigation

The District is a defendant in various tax appeal lawsuits and other litigation. Although the outcome of these lawsuits is not presently determinable, it is possible that the outcome could have an adverse effect on the financial condition of the District. With regard to other pending matters, the eventual outcome and related liability, if any, are not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

#### 2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

# Community Consolidated School District 15

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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### NOTE N - CONSTRUCTION COMMITMENTS

The District has entered into certain contracts for construction in the next fiscal year. Commitments under these contracts approximate \$3,764,000 at June 30, 2019.

### NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 6, 2019, the date these financial statements were available to be issued. Management has determined that no events or transactions, other than described in Note H and below, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

Subsequent to year end, the District entered into a 5-year capital lease for printers, copiers, and multi-functional devices. The terms consist of 60 payments of \$6,739, plus additional costs related to toner and maintenance as incurred.

Subsequent to year end, the District approved a transfer of \$7,500,000 from the General (Educational Account) Fund to the Operations and Maintenance Fund. The amount to be transferred represents funding for future projects.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

## Community Consolidated School District 15

### MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Illinois Municipal Retirement Fund

Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 2,146,836	\$ 2,365,295	\$ 2,391,445
Interest on the total pension liability	9,338,430	9,370,058	8,954,239
Difference between expected and actual experience of the total pension liability	1,349,426	(1,579,013)	382,859
Assumption changes	3,390,009	(3,760,868)	(417,042)
Benefit payments and refunds	<u>(6,987,760)</u>	<u>(6,428,144)</u>	<u>(6,039,161)</u>
Net change in total pension liability	9,236,941	(32,672)	5,272,340
Total pension liability, beginning	<u>126,932,858</u>	<u>126,965,530</u>	<u>121,693,190</u>
Total pension liability, ending	<u>\$ 136,169,799</u>	<u>\$ 126,932,858</u>	<u>\$ 126,965,530</u>
 Plan fiduciary net position			
Contributions, employer	\$ 2,485,545	\$ 2,408,418	\$ 2,515,329
Contributions, employee	1,009,104	976,846	977,407
Net investment income	(6,956,143)	19,836,871	7,263,321
Benefit payments, including refunds of employee contributions	(6,987,760)	(6,428,144)	(6,039,161)
Other (net transfer)	<u>2,454,450.00</u>	<u>(3,000,058)</u>	<u>633,859</u>
Net change in plan fiduciary net position	(7,994,804)	13,793,933	5,350,755
Plan fiduciary net position, beginning	<u>125,923,050</u>	<u>112,129,117</u>	<u>106,778,362</u>
Plan fiduciary net position, ending	<u>\$ 117,928,246</u>	<u>\$ 125,923,050</u>	<u>\$ 112,129,117</u>
 Net pension liability	<u>\$ 18,241,553</u>	<u>\$ 1,009,808</u>	<u>\$ 14,836,413</u>
 Plan fiduciary net position as a percentage of the total pension liability	86.60 %	99.20 %	88.31 %
 Covered Valuation Payroll	\$ 21,659,433	\$ 21,196,007	\$ 21,434,510
 Net pension liability as a percentage of covered valuation payroll	84.22 %	4.76 %	69.22 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, therefore, 10 years of information is not available.

Note: Actuarial valuations are as of December 31, which is six months prior to the end of the fiscal year.

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	<u>2016</u>		<u>2015</u>
\$	2,480,476	\$	2,592,705
	8,642,367		7,902,341
	(1,108,127)		(104,887)
	271,397		4,959,313
	<u>(5,476,178)</u>		<u>(5,068,822)</u>
	4,809,935		10,280,650
	<u>116,883,255</u>		<u>106,602,605</u>
\$	<u><u>121,693,190</u></u>	\$	<u><u>116,883,255</u></u>

\$	2,523,412	\$	2,609,683
	980,331		1,000,950
	537,963		6,234,662
	(5,476,178)		(5,068,822)
	<u>(366,048)</u>		<u>865,734</u>
	(1,800,520)		5,642,207
	<u>108,578,882</u>		<u>102,936,675</u>
\$	<u><u>106,778,362</u></u>	\$	<u><u>108,578,882</u></u>

\$	<u><u>14,914,828</u></u>	\$	<u><u>8,304,373</u></u>
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87.74 %	92.90 %
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\$	21,350,975	\$	21,864,600
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69.86 %	37.98 %
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**Community Consolidated School District 15**  
**MULTIYEAR SCHEDULE OF CONTRIBUTIONS**  
 Illinois Municipal Retirement Fund  
Five Most Recent Fiscal Years

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2019	\$ 2,469,175	* \$ 2,485,545	\$ (16,370)	\$ 21,659,433	11.48 %
2018	2,403,627	2,408,418	(4,791)	21,196,007	11.36
2017	2,503,551	2,515,329	(11,778)	21,434,510	11.73
2016	2,504,469	2,523,412	(18,943)	21,350,975	11.82
2015	2,599,701	2,609,683	(9,982)	21,864,600	11.94

\* Estimated based on contribution rate of 11.40% and covered valuation payroll of \$21,659,433 (most recent information available).

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, therefore, 10 years of information is not available.

**Community Consolidated School District 15**  
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
Teachers' Retirement System of the State of Illinois  
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.0109165059 %	0.0220112192 %	0.0271555926 %
District's proportionate share of the net pension liability	\$ 8,508,853	\$ 16,816,162	\$ 21,435,551
State's proportionate share of the net pension liability associated with the District	<u>582,892,077</u>	<u>571,728,000</u>	<u>619,267,667</u>
Total	<u>\$ 591,400,930</u>	<u>\$ 588,544,162</u>	<u>\$ 640,703,218</u>
District's covered-employee payroll	\$ 78,216,900	\$ 77,096,168	\$ 79,091,122
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.88 %	21.81 %	27.10 %
Plan fiduciary net position as a percentage of the total pension liability	40.00 %	39.30 %	36.40 %

Note 1: Actuarial valuations are as of June 30 for the fiscal year prior to the fiscal year in which the net position liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, therefore, 10 years of information is not available.

<u>2016</u>		<u>2015</u>	
0.0280300574	%	0.0254451721	%
\$ 18,362,511		\$ 15,485,492	
<u>495,583,969</u>		<u>445,814,176</u>	
<u>\$ 513,946,480</u>		<u>\$ 461,299,668</u>	
\$ 76,909,767		\$ 74,922,034	

23.88 %                      20.67 %

41.50 %                      43.00 %

**Community Consolidated School District 15**  
**MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**Teachers' Retirement System of the State of Illinois**  
**Five Most Recent Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 453,658	\$ 905,705	\$ 1,056,048
Contributions in relation to the contractually required contribution	<u>453,570</u>	<u>906,854</u>	<u>1,051,657</u>
Contribution deficiency (excess)	<u>\$ 88</u>	<u>\$ (1,149)</u>	<u>\$ 4,391</u>
District's covered-employee payroll	\$ 80,633,994	\$ 78,216,900	\$ 77,096,168
Contributions as a percentage of covered-employee payroll	0.56 %	1.16 %	1.36 %

Note 1: Actuarial valuations are as of June 30 for the fiscal year prior to the fiscal year in which the net position liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, therefore, 10 years of information is not available.

<hr/>	
<u>2016</u>	<u>2015</u>
\$ 986,480	\$ 907,871
<u>982,172</u>	<u>907,871</u>
\$ <u><u>4,308</u></u>	\$ <u><u>-</u></u>
\$ 79,091,122	\$ 76,909,767
1.24 %	1.18 %

## Community Consolidated School District 15

### MULTIYEAR SCHEDULE OF CHANGES IN TOTAL OTHER POSTRETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

#### Retiree Health Plan

#### Two Most Recent Fiscal Years

	2019	2018
Total OPEB liability		
Service cost	\$ 678,459	\$ 655,471
Interest on the total OPEB liability	367,574	304,511
Difference between expected and actual experience of the total OPEB liability	-	(581,892)
Employee contributions	-	708,698
Changes of assumptions	(751,074)	68,930
Benefit payments	(594,437)	(1,351,198)
Net change in total OPEB liability	(299,478)	(195,480)
Total OPEB liability, beginning	11,362,325	11,557,805
Total OPEB liability, ending	\$ 11,062,847	\$ 11,362,325
Plan fiduciary net position		
Contributions, employer	\$ 594,437	\$ 642,500
Contributions, active and inactive employees	-	708,698
Net investment income	-	-
Benefit payments	(594,437)	(1,351,198)
Other (net transfer)	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position, beginning	-	-
Plan fiduciary net position, ending	\$ -	\$ -
Net OPEB liability	\$ 11,062,847	\$ 11,362,325
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %
Covered Valuation Payroll	\$ 99,089,475	\$ 100,478,072
Net OPEB liability as a percentage of covered valuation payroll	11.16 %	11.31 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

**Community Consolidated School District 15**  
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY  
Teachers' Health Insurance Security Fund  
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.3300404000 %	0.3351630000 %
District's proportionate share of the net OPEB liability	\$ 86,952,028	\$ 86,973,444
State's proportionate share of the net OPEB liability associated with the District	<u>116,757,822</u>	<u>114,217,743</u>
Total	<u>\$ 203,709,850</u>	<u>\$ 201,191,187</u>
District's covered-employee payroll	\$ 78,216,900	\$ 77,096,168
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	111.17%	112.81%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%

Note 1: Actuarial valuations are as of June 30 for the fiscal year prior to the fiscal year in which the net position liability is reported.

Note 2: The District implemented GASB 75 beginning with it's fiscal year ended June 30, 2018 therefore 10 years of information is not available.

**Community Consolidated School District 15**  
**MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**Teachers' Health Insurance Security Fund**  
Two Most Recent Fiscal Years

	2019	2018
Contractually required contribution	\$ 688,309	\$ 647,608
Contributions in relation to the contractually required contribution	688,502	647,665
Contribution excess	\$ 193	\$ 57
District's covered-employee payroll	\$ 80,633,994	\$ 78,216,900
Contributions as a percentage of covered-employee payroll	0.85%	0.83%

Note 1: Actuarial valuations are as of June 30 for the fiscal year prior to the fiscal year in which the net position liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.



**Community Consolidated School District 15**  
General Fund - Budgetary Basis  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$95,679,074	\$95,746,679	\$ 67,605	\$93,030,655
Corporate personal property replacement taxes	618,142	618,142	-	556,448
Regular tuition from other sources	20,000	13,505	(6,495)	15,138
Special education tuition from other districts	100,000	-	(100,000)	128,081
Interest on investments	1,101,300	1,308,368	207,068	700,093
Sales to pupils - lunch	775,000	1,118,731	343,731	777,564
Sales to pupils - breakfast	15,000	-	(15,000)	15,331
Sales to pupils - a la carte	325,000	16	(324,984)	306,981
Sales to adults	12,000	13,112	1,112	11,831
Other food service	44,500	50,129	5,629	40,852
Admissions - athletic	75,000	73,275	(1,725)	76,433
Admissions - other	500	450	(50)	500
Rentals - regular textbook	775,000	821,516	46,516	816,274
Rentals	6,000	3,750	(2,250)	2,785
Refund of prior years' expenditures	5,000	111,118	106,118	-
Proceeds from vendors' contracts	436,486	391,169	(45,317)	154,835
Local fees	16,000	2,354	(13,646)	1,612
Other	170,000	255,983	85,983	326,720
Total local sources	<u>101,178,779</u>	<u>101,527,973</u>	<u>349,194</u>	<u>97,915,853</u>
<b>State sources</b>				
Evidenced Based Funding	16,060,059	16,537,202	477,143	15,685,695
Special Education - Private Facility Tuition	468,082	617,883	149,801	468,083

(Continued)

**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
State sources (Continued)				
Special Education - Orphanage - Individual	\$ 80,110	\$ 327,620	\$ 247,510	\$ 169,828
Special Education - Orphanage - Summer Individual	2,500	4,417	1,917	2,626
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	454,988	-	(454,988)	455,083
State Free Lunch and Breakfast	20,000	42,596	22,596	41,445
Other state sources	<u>19,566</u>	<u>8,863</u>	<u>(10,703)</u>	<u>8,912</u>
Total state sources	<u>17,105,305</u>	<u>17,538,581</u>	<u>433,276</u>	<u>16,831,672</u>
Federal sources				
National School Lunch Program	2,300,000	2,439,773	139,773	2,439,825
Special Milk Program	500	33	(467)	152
Special Breakfast Program	475,000	595,183	120,183	547,723
Summer Food Service Program	15,000	31,405	16,405	23,805
Food Service - Other	-	28,447	28,447	-
Title I - Low Income	2,154,093	2,793,484	639,391	1,944,534
Title I - Other	-	41,574	41,574	-
Title IV A - Student Support and Academic Enrichment	108,684	-	(108,684)	-
Federal - Special Education - Pre-School Flow Through	106,335	114,751	8,416	108,007
Federal - Special Education - I.D.E.A. - Flow Through	2,640,106	3,109,972	469,866	2,619,312
Federal - Special Education - I.D.E.A. - Room and Board	-	284,867	284,867	72,206
Title III - Immigrant Education Program (IEP)	30,686	95,795	65,109	63,399
Title III - Language Inst. Program - Limited Eng (LIPLEP)	344,989	290,629	(54,360)	469,785

(Continued)

**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Federal sources (Continued)				
Title II - Teacher Quality	\$ 350,176	\$ 215,134	\$ (135,042)	\$ 155,373
Medicaid Matching Funds - Administrative Outreach	250,000	223,462	(26,538)	250,853
Medicaid Matching Funds - Fee-For-Service-Program	950,000	1,054,509	104,509	1,141,240
Other federal sources	<u>-</u>	<u>4,940</u>	<u>4,940</u>	<u>-</u>
Total federal sources	<u>9,725,569</u>	<u>11,323,958</u>	<u>1,598,389</u>	<u>9,836,214</u>
Total revenues	<u>128,009,653</u>	<u>130,390,512</u>	<u>2,380,859</u>	<u>124,583,739</u>
Expenditures				
Instruction				
Regular programs				
Salaries	46,846,560	45,744,549	1,102,011	46,132,931
Employee benefits	8,860,938	7,592,919	1,268,019	8,331,816
Purchased services	145,748	53,031	92,717	43,571
Supplies and materials	1,886,447	2,261,232	(374,785)	1,261,167
Capital outlay	5,500	-	5,500	-
Other objects	10,993	11,970	(977)	10,859
Non-capitalized equipment	<u>310,323</u>	<u>355,353</u>	<u>(45,030)</u>	<u>110,020</u>
Total	<u>58,066,509</u>	<u>56,019,054</u>	<u>2,047,455</u>	<u>55,890,364</u>

(Continued)

**Community Consolidated School District 15**  
General Fund - Budgetary Basis  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Special education programs				
Salaries	\$12,745,187	\$13,061,129	\$ (315,942)	\$11,111,190
Employee benefits	3,837,347	3,284,986	552,361	3,422,338
Purchased services	243,450	427,231	(183,781)	289,974
Supplies and materials	140,837	128,772	12,065	123,557
Other objects	1,367,420	1,723,209	(355,789)	1,614,382
Non-capitalized equipment	<u>61,311</u>	<u>20,816</u>	<u>40,495</u>	<u>21,383</u>
Total	<u>18,395,552</u>	<u>18,646,143</u>	<u>(250,591)</u>	<u>16,582,824</u>
Special education programs pre-K				
Salaries	-	1,586	(1,586)	684,839
Employee benefits	<u>-</u>	<u>23</u>	<u>(23)</u>	<u>126,585</u>
Total	<u>-</u>	<u>1,609</u>	<u>(1,609)</u>	<u>811,424</u>
Remedial and Supplemental programs K-12				
Salaries	989,470	1,046,340	(56,870)	937,376
Employee benefits	175,626	218,166	(42,540)	228,263
Supplies and materials	<u>100,000</u>	<u>363,419</u>	<u>(263,419)</u>	<u>222,655</u>
Total	<u>1,265,096</u>	<u>1,627,925</u>	<u>(362,829)</u>	<u>1,388,294</u>
Interscholastic programs				
Salaries	714,464	711,947	2,517	665,098
Employee benefits	10,448	12,121	(1,673)	9,328
Purchased services	16,259	21,529	(5,270)	22,531
Supplies and materials	62,170	49,982	12,188	31,535
Other objects	<u>1,900</u>	<u>2,080</u>	<u>(180)</u>	<u>924</u>
Total	<u>805,241</u>	<u>797,659</u>	<u>7,582</u>	<u>729,416</u>

(Continued)

**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Summer school programs				
Salaries	\$ 87,510	\$ 132,222	\$ (44,712)	\$ 128,658
Employee benefits	-	1,009	(1,009)	940
Total	<u>87,510</u>	<u>133,231</u>	<u>(45,721)</u>	<u>129,598</u>
Gifted programs				
Salaries	1,085,690	1,126,983	(41,293)	1,085,043
Employee benefits	173,160	153,958	19,202	151,588
Supplies and materials	5,535	5,350	185	4,448
Total	<u>1,264,385</u>	<u>1,286,291</u>	<u>(21,906)</u>	<u>1,241,079</u>
Bilingual programs				
Salaries	8,423,071	8,798,738	(375,667)	7,832,624
Employee benefits	1,613,746	1,674,754	(61,008)	1,591,170
Purchased services	180,384	197,712	(17,328)	174,793
Supplies and materials	308,822	241,887	66,935	282,539
Total	<u>10,526,023</u>	<u>10,913,091</u>	<u>(387,068)</u>	<u>9,881,126</u>
Total instruction	<u>90,410,316</u>	<u>89,425,003</u>	<u>985,313</u>	<u>86,654,125</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	2,374,581	2,734,957	(360,376)	2,914,966
Employee benefits	460,292	429,159	31,133	508,703
Purchased services	500	644	(144)	621
Supplies and materials	2,200	932	1,268	1,227
Total	<u>2,837,573</u>	<u>3,165,692</u>	<u>(328,119)</u>	<u>3,425,517</u>

(Continued)

**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Guidance services				
Salaries	\$ 281,984	\$ 151,689	\$ 130,295	\$ 275,890
Employee benefits	<u>62,175</u>	<u>22,886</u>	<u>39,289</u>	<u>38,567</u>
Total	<u>344,159</u>	<u>174,575</u>	<u>169,584</u>	<u>314,457</u>
Health services				
Salaries	1,675,001	1,661,917	13,084	1,522,733
Employee benefits	321,223	325,449	(4,226)	298,346
Purchased services	302,000	503,737	(201,737)	557,465
Supplies and materials	21,500	50,974	(29,474)	21,244
Capital outlay	-	-	-	7,006
Non-capitalized equipment	<u>6,700</u>	<u>12,356</u>	<u>(5,656)</u>	<u>5,207</u>
Total	<u>2,326,424</u>	<u>2,554,433</u>	<u>(228,009)</u>	<u>2,412,001</u>
Psychological services				
Salaries	1,272,818	1,306,197	(33,379)	962,508
Employee benefits	383,326	210,173	173,153	176,283
Purchased services	1,550	18,028	(16,478)	33,306
Supplies and materials	<u>6,500</u>	<u>4,423</u>	<u>2,077</u>	<u>6,313</u>
Total	<u>1,664,194</u>	<u>1,538,821</u>	<u>125,373</u>	<u>1,178,410</u>
Speech pathology and audiology services				
Salaries	2,374,070	2,368,644	5,426	2,308,492
Employee benefits	529,578	374,887	154,691	359,890
Purchased services	3,750	13,744	(9,994)	7,557
Supplies and materials	20,000	29,979	(9,979)	19,922
Non-capitalized equipment	<u>-</u>	<u>7,006</u>	<u>(7,006)</u>	<u>4,134</u>
Total	<u>2,927,398</u>	<u>2,794,260</u>	<u>133,138</u>	<u>2,699,995</u>
Total pupils	<u>10,099,748</u>	<u>10,227,781</u>	<u>(128,033)</u>	<u>10,030,380</u>

(Continued)

**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Instructional staff				
Improvement of instruction services				
Salaries	\$ 2,085,295	\$ 2,112,162	\$ (26,867)	\$ 1,418,944
Employee benefits	190,087	367,183	(177,096)	203,117
Purchased services	504,100	586,845	(82,745)	347,240
Supplies and materials	267,790	138,436	129,354	126,918
Non-capitalized equipment	<u>5,000</u>	<u>5,027</u>	<u>(27)</u>	<u>230</u>
Total	<u>3,052,272</u>	<u>3,209,653</u>	<u>(157,381)</u>	<u>2,096,449</u>
Educational media services				
Salaries	2,345,682	2,369,859	(24,177)	2,585,438
Employee benefits	445,430	350,149	95,281	390,440
Purchased services	516,948	505,905	11,043	491,955
Supplies and materials	189,525	170,948	18,577	169,420
Non-capitalized equipment	<u>2,247,694</u>	<u>2,030,280</u>	<u>217,414</u>	<u>1,187,881</u>
Total	<u>5,745,279</u>	<u>5,427,141</u>	<u>318,138</u>	<u>4,825,134</u>
Assessment and testing				
Salaries	369,276	363,733	5,543	258,009
Employee benefits	22,985	38,943	(15,958)	22,624
Purchased services	333,016	120,630	212,386	119,688
Supplies and materials	<u>61,150</u>	<u>60,312</u>	<u>838</u>	<u>55,521</u>
Total	<u>786,427</u>	<u>583,618</u>	<u>202,809</u>	<u>455,842</u>
Total instructional staff	<u>9,583,978</u>	<u>9,220,412</u>	<u>363,566</u>	<u>7,377,425</u>

(Continued)

**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
General administration				
Board of education services				
Salaries	\$ 518,997	\$ 601,061	\$ (82,064)	\$ 618,184
Employee benefits	46,514	86,674	(40,160)	83,150
Purchased services	308,750	308,760	(10)	652,029
Supplies and materials	3,000	11,757	(8,757)	6,232
Other objects	20,000	20,076	(76)	19,498
Non-capitalized equipment	<u>1,000</u>	<u>1,898</u>	<u>(898)</u>	<u>-</u>
Total	<u>898,261</u>	<u>1,030,226</u>	<u>(131,965)</u>	<u>1,379,093</u>
Executive administration services				
Salaries	626,451	780,399	(153,948)	856,620
Employee benefits	117,557	96,817	20,740	119,600
Purchased services	105,470	69,165	36,305	15,509
Supplies and materials	22,000	26,063	(4,063)	20,739
Other objects	4,000	4,618	(618)	6,797
Non-capitalized equipment	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,231</u>
Total	<u>876,478</u>	<u>977,062</u>	<u>(100,584)</u>	<u>1,020,496</u>
Special area administrative services				
Salaries	446,073	561,368	(115,295)	439,020
Employee benefits	55,366	66,136	(10,770)	40,218
Supplies and materials	250	-	250	-
Other objects	<u>500</u>	<u>1,450</u>	<u>(950)</u>	<u>1,056</u>
Total	<u>502,189</u>	<u>628,954</u>	<u>(126,765)</u>	<u>480,294</u>
Total general administration	<u>2,276,928</u>	<u>2,636,242</u>	<u>(359,314)</u>	<u>2,879,883</u>

(Continued)



**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
School administration				
Office of the principal services				
Salaries	\$ 5,914,997	\$ 6,118,417	\$ (203,420)	\$ 5,919,693
Employee benefits	1,193,671	1,149,230	44,441	1,239,555
Purchased services	93,563	66,783	26,780	79,545
Supplies and materials	<u>37,591</u>	<u>11,781</u>	<u>25,810</u>	<u>8,658</u>
Total	<u>7,239,822</u>	<u>7,346,211</u>	<u>(106,389)</u>	<u>7,247,451</u>
Total school administration	<u>7,239,822</u>	<u>7,346,211</u>	<u>(106,389)</u>	<u>7,247,451</u>
Fiscal services				
Salaries	780,121	766,143	13,978	745,463
Employee benefits	110,672	85,729	24,943	105,680
Purchased services	75,315	62,373	12,942	57,171
Supplies and materials	112,692	120,020	(7,328)	105,695
Capital outlay	40,840	5,136	35,704	-
Other objects	3,000	4,675	(1,675)	3,184
Non-capitalized equipment	<u>2,000</u>	<u>6,312</u>	<u>(4,312)</u>	<u>923</u>
Total	<u>1,124,640</u>	<u>1,050,388</u>	<u>74,252</u>	<u>1,018,116</u>
Pupil transportation services				
Salaries	40,000	43,335	(3,335)	74,677
Employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>354</u>
Total	<u>40,000</u>	<u>43,335</u>	<u>(3,335)</u>	<u>75,031</u>

(Continued)

**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
<b>Food services</b>				
Salaries	\$ 1,240,395	\$ 1,257,932	\$ (17,537)	\$ 1,156,863
Employee benefits	583,129	546,731	36,398	529,710
Purchased services	57,300	50,564	6,736	64,068
Supplies and materials	1,698,000	1,721,344	(23,344)	1,634,392
Capital outlay	140,000	154,890	(14,890)	53,260
Other objects	1,500	647	853	833
Non-capitalized equipment	<u>25,000</u>	<u>13,149</u>	<u>11,851</u>	<u>4,798</u>
Total	<u>3,745,324</u>	<u>3,745,257</u>	<u>67</u>	<u>3,443,924</u>
<b>Internal services</b>				
Salaries	222,116	212,886	9,230	225,452
Employee benefits	36,335	40,400	(4,065)	49,249
Purchased services	291,515	321,748	(30,233)	318,215
Supplies and materials	103,000	46,228	56,772	69,640
Capital outlay	245	-	245	-
Non-capitalized equipment	<u>6,500</u>	<u>-</u>	<u>6,500</u>	<u>-</u>
Total	<u>659,711</u>	<u>621,262</u>	<u>38,449</u>	<u>662,556</u>
Total business	<u>5,569,675</u>	<u>5,460,242</u>	<u>109,433</u>	<u>5,199,627</u>
<b>Central</b>				
Planning, research, development and evaluation services				
Salaries	31,500	25,500	6,000	31,671
Employee benefits	460	-	460	63
Purchased services	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>576</u>
Total	<u>41,960</u>	<u>25,500</u>	<u>16,460</u>	<u>32,310</u>

(Continued)

**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Information services				
Salaries	\$ 195,423	\$ 194,673	\$ 750	\$ 192,039
Employee benefits	20,193	24,726	(4,533)	27,491
Purchased services	21,442	17,677	3,765	59,344
Supplies and materials	70,355	73,083	(2,728)	30,614
Other objects	1,020	932	88	755
Non-capitalized equipment	<u>2,500</u>	<u>500</u>	<u>2,000</u>	<u>20</u>
Total	<u>310,933</u>	<u>311,591</u>	<u>(658)</u>	<u>310,263</u>
Staff services				
Salaries	652,042	642,051	9,991	600,060
Employee benefits	95,516	88,253	7,263	100,610
Purchased services	101,750	74,363	27,387	41,988
Supplies and materials	116,950	65,208	51,742	101,020
Capital outlay	-	1,888	(1,888)	2,780
Other objects	<u>1,500</u>	<u>1,793</u>	<u>(293)</u>	<u>917</u>
Total	<u>967,758</u>	<u>873,556</u>	<u>94,202</u>	<u>847,375</u>
Data processing services				
Salaries	286,753	308,352	(21,599)	291,959
Employee benefits	50,110	47,659	2,451	51,443
Purchased services	52,145	106,466	(54,321)	27,862
Supplies and materials	<u>300,750</u>	<u>230,975</u>	<u>69,775</u>	<u>105,921</u>
Total	<u>689,758</u>	<u>693,452</u>	<u>(3,694)</u>	<u>477,185</u>
Total central	<u>2,010,409</u>	<u>1,904,099</u>	<u>106,310</u>	<u>1,667,133</u>

(Continued)

**Community Consolidated School District 15**  
General Fund - Budgetary Basis  
**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other supporting services				
Purchased services	\$ 500	\$ 13,074	\$ (12,574)	\$ 1,429
Total	<u>500</u>	<u>13,074</u>	<u>(12,574)</u>	<u>1,429</u>
Total support services	<u>36,781,060</u>	<u>36,808,061</u>	<u>(27,001)</u>	<u>34,403,328</u>
Community services				
Salaries	300,321	237,886	62,435	232,705
Employee benefits	35,082	29,952	5,130	37,707
Purchased services	164,790	156,320	8,470	149,658
Supplies and materials	<u>114,082</u>	<u>23,375</u>	<u>90,707</u>	<u>13,741</u>
Total	<u>614,275</u>	<u>447,533</u>	<u>166,742</u>	<u>433,811</u>
Payments for other programs				
Purchased services	<u>237,500</u>	<u>409,832</u>	<u>(172,332)</u>	<u>292,848</u>
Total payments to other districts and other government units	<u>237,500</u>	<u>409,832</u>	<u>(172,332)</u>	<u>292,848</u>
Total expenditures	<u>128,043,151</u>	<u>127,090,429</u>	<u>952,722</u>	<u>121,784,112</u>
Excess (deficiency) of revenues over expenditures	<u>(33,498)</u>	<u>3,300,083</u>	<u>3,333,581</u>	<u>2,799,627</u>
Other financing uses				
Permanent transfer	(4,500,000)	(4,500,000)	-	-
Transfer to Debt Service Fund for principal on capital leases	(149,133)	(149,133)	-	(146,670)
Transfer to Debt Service Fund for interest on capital leases	<u>(5,053)</u>	<u>(5,053)</u>	<u>-</u>	<u>(7,516)</u>
Total other financing uses	<u>(4,654,186)</u>	<u>(4,654,186)</u>	<u>-</u>	<u>(154,186)</u>

(Continued)

**Community Consolidated School District 15**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Net change to fund balance	<u>\$ (4,687,684)</u>	\$ (1,354,103)	<u>\$ 3,333,581</u>	\$ 2,645,441
Fund balance, beginning of year		<u>50,479,736</u>		<u>47,834,295</u>
Fund balance, end of year		<u>\$49,125,633</u>		<u>\$50,479,736</u>

(Concluded)

**Community Consolidated School District 15**  
Operations and Maintenance Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 13,691,426	\$ 14,397,537	\$ 706,111	\$ 13,203,732
Corporate personal property replacement taxes	618,142	885,994	267,852	987,368
Interest on investments	45,000	64,375	19,375	45,600
Rentals	50,000	40,815	(9,185)	43,878
Contributions and donations from private sources	70,000	-	(70,000)	-
Refund of prior years' expenditures	-	500	500	-
Proceeds from vendors' contracts	20,250	60,986	40,736	46,890
Other	<u>90,000</u>	<u>166,001</u>	<u>76,001</u>	<u>92,559</u>
Total local sources	<u>14,584,818</u>	<u>15,616,208</u>	<u>1,031,390</u>	<u>14,420,027</u>
Total revenues	<u>14,584,818</u>	<u>15,616,208</u>	<u>1,031,390</u>	<u>14,420,027</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	<u>2,150</u>	<u>783</u>	<u>1,367</u>	<u>2,079</u>
Total	<u>2,150</u>	<u>783</u>	<u>1,367</u>	<u>2,079</u>

(Continued)

**Community Consolidated School District 15**  
**Operations and Maintenance Fund**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2019**  
**With Comparative Actual Amounts for the Year Ended June 30, 2018**

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Operation and maintenance of plant services				
Salaries	\$ 5,316,856	\$ 5,023,164	\$ 293,692	\$ 5,128,447
Employee benefits	1,031,432	1,027,884	3,548	1,006,136
Purchased services	1,339,623	937,644	401,979	1,470,887
Supplies and materials	3,353,656	2,775,127	578,529	3,225,637
Capital outlay	533,000	929,234	(396,234)	567,205
Other objects	750	1,214	(464)	1,870
Non-capitalized equipment	<u>164,750</u>	<u>860,532</u>	<u>(695,782)</u>	<u>139,988</u>
 Total	 <u>11,740,067</u>	 <u>11,554,799</u>	 <u>185,268</u>	 <u>11,540,170</u>
 Total business	 <u>11,742,217</u>	 <u>11,555,582</u>	 <u>186,635</u>	 <u>11,542,249</u>
 Total support services	 <u>11,742,217</u>	 <u>11,555,582</u>	 <u>186,635</u>	 <u>11,542,249</u>
 Total expenditures	 <u>11,742,217</u>	 <u>11,555,582</u>	 <u>186,635</u>	 <u>11,542,249</u>
 Excess of revenues over expenditures	 <u>2,842,601</u>	 <u>4,060,626</u>	 <u>1,218,025</u>	 <u>2,877,778</u>
 Other financing (uses)				
Permanent transfer in	4,500,000	4,500,000	-	-
Transfer to Capital Projects Fund	<u>(8,250,000)</u>	<u>(8,250,000)</u>	<u>-</u>	<u>(3,500,000)</u>
 Total other financing (uses)	 <u>(3,750,000)</u>	 <u>(3,750,000)</u>	 <u>-</u>	 <u>(3,500,000)</u>
 Net change in fund balance	 <u>\$ (907,399)</u>	 310,626	 <u>\$ 1,218,025</u>	 (622,222)
 Fund balance, beginning of year		 <u>2,626,191</u>		 <u>3,248,413</u>
 Fund balance, end of year		 <u>\$ 2,936,817</u>		 <u>\$ 2,626,191</u>

(Concluded)

**Community Consolidated School District 15**  
Tort Immunity and Judgment Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 1,287,259	\$ 1,365,081	\$ 77,822	\$ 1,281,061
Interest on investments	3,300	3,580	280	3,624
Other	-	25	25	11,473
Total local sources	<u>1,290,559</u>	<u>1,368,686</u>	<u>78,127</u>	<u>1,296,158</u>
Total revenues	<u>1,290,559</u>	<u>1,368,686</u>	<u>78,127</u>	<u>1,296,158</u>
Expenditures				
Support services - General administration				
Workers' compensation or workers' occupational disability payments				
Purchased services	<u>675,000</u>	<u>1,126,556</u>	<u>(451,556)</u>	<u>786,632</u>
Total	<u>675,000</u>	<u>1,126,556</u>	<u>(451,556)</u>	<u>786,632</u>
Unemployment insurance payments				
Purchased services	<u>50,000</u>	<u>22,617</u>	<u>27,383</u>	<u>58,026</u>
Total	<u>50,000</u>	<u>22,617</u>	<u>27,383</u>	<u>58,026</u>
Insurance payments (regular or self-insured)				
Purchased services	<u>567,500</u>	<u>592,182</u>	<u>(24,682)</u>	<u>554,199</u>
Total	<u>567,500</u>	<u>592,182</u>	<u>(24,682)</u>	<u>554,199</u>

(Continued)



**Community Consolidated School District 15**  
Tort Immunity and Judgment Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original Final Budget	Actual		
Risk management and claims services payments				
Purchased services	\$ 2,500	\$ -	\$ 2,500	\$ -
Total	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Total support services	<u>1,295,000</u>	<u>1,741,355</u>	<u>(446,355)</u>	<u>1,398,857</u>
Total expenditures	<u>1,295,000</u>	<u>1,741,355</u>	<u>(446,355)</u>	<u>1,398,857</u>
Deficiency of revenues over expenditures	<u>\$ (4,441)</u>	(372,669)	<u>\$ (368,228)</u>	(102,699)
Fund balance, beginning of year		<u>361,010</u>		<u>463,709</u>
Fund balance (deficit), end of year		<u>\$ (11,659)</u>		<u>\$ 361,010</u>

(Concluded)

**Community Consolidated School District 15**  
Transportation Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 4,240,802	\$ 4,083,111	\$ (157,691)	\$ 4,243,195
from pupils or parents	125,000	180,896	55,896	162,225
Regular transportation fees				
from other sources - in state	45,000	47,404	2,404	60,384
Special education transportation fees from other districts	5,000	3,136	(1,864)	-
Interest on investments	48,000	123,225	75,225	53,504
Other	<u>25,000</u>	<u>63,059</u>	<u>38,059</u>	<u>210</u>
Total local sources	<u>4,488,802</u>	<u>4,500,831</u>	<u>12,029</u>	<u>4,519,518</u>
<b>State sources</b>				
Transportation - Regular/Vocational	2,615,226	2,616,891	1,665	2,827,085
Transportation - Special Education	<u>2,224,894</u>	<u>2,164,212</u>	<u>(60,682)</u>	<u>2,287,393</u>
Total state sources	<u>4,840,120</u>	<u>4,781,103</u>	<u>(59,017)</u>	<u>5,114,478</u>
<b>Federal sources</b>				
Other Federal Sources	<u>-</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total federal sources	<u>-</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total revenues	<u>9,328,922</u>	<u>9,341,934</u>	<u>13,012</u>	<u>9,633,996</u>

(Continued)

**Community Consolidated School District 15**  
Transportation Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Expenditures				
Support services				
Business				
Pupil transportation services				
Salaries	\$ 4,684,879	\$ 4,669,270	\$ 15,609	\$ 4,362,797
Employee benefits	1,886,610	1,761,973	124,637	1,635,513
Purchased services	698,830	1,005,375	(306,545)	982,118
Supplies and materials	1,012,743	1,208,853	(196,110)	1,127,279
Capital outlay	759,200	749,359	9,841	758,256
Non-capitalized equipment	<u>4,000</u>	<u>2,496</u>	<u>1,504</u>	<u>78</u>
Total	<u>9,046,262</u>	<u>9,397,326</u>	<u>(351,064)</u>	<u>8,866,041</u>
Total support services	<u>9,046,262</u>	<u>9,397,326</u>	<u>(351,064)</u>	<u>8,866,041</u>
Total expenditures	<u>9,046,262</u>	<u>9,397,326</u>	<u>(351,064)</u>	<u>8,866,041</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 282,660</u>	(55,392)	<u>\$ (338,052)</u>	767,955
Fund balance, beginning of year		<u>6,692,932</u>		<u>5,924,977</u>
Fund balance, end of year		<u>\$ 6,637,540</u>		<u>\$ 6,692,932</u>

(Concluded)

**Community Consolidated School District 15**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 2,170,461	\$ 2,200,395	\$ 29,934	\$ 2,204,899
Social security/Medicare only levy	2,946,392	2,761,397	(184,995)	2,975,866
Corporate personal property replacement taxes	125,000	125,000	-	125,000
Interest on investments	<u>42,500</u>	<u>79,653</u>	<u>37,153</u>	<u>42,329</u>
Total local sources	<u>5,284,353</u>	<u>5,166,445</u>	<u>(117,908)</u>	<u>5,348,094</u>
Total revenues	<u>5,284,353</u>	<u>5,166,445</u>	<u>(117,908)</u>	<u>5,348,094</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular programs	1,135,290	951,007	184,283	982,671
Special education programs	732,721	742,634	(9,913)	699,290
Special education programs pre-K	-	23	(23)	9,541
Remedial and supplemental programs K-12	13,197	26,810	(13,613)	23,699
Interscholastic programs	9,816	11,323	(1,507)	10,290
Summer school programs	-	11,559	(11,559)	12,118
Gifted programs	15,743	15,590	153	14,848
Bilingual programs	<u>177,354</u>	<u>175,978</u>	<u>1,376</u>	<u>161,286</u>
Total instruction	<u>2,084,121</u>	<u>1,934,924</u>	<u>149,197</u>	<u>1,913,743</u>

(Continued)

**Community Consolidated School District 15**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services	\$ 42,504	\$ 40,576	\$ 1,928	\$ 46,107
Guidance services	4,089	2,173	1,916	4,592
Health services	288,884	259,873	29,011	254,691
Psychological services	1,618	46,288	(44,670)	17,364
Speech pathology and audiology services	<u>33,899</u>	<u>9,292</u>	<u>24,607</u>	<u>32,392</u>
Total pupils	<u>370,994</u>	<u>358,202</u>	<u>12,792</u>	<u>355,146</u>
Instructional staff				
Improvement of instruction services	24,982	65,024	(40,042)	44,182
Educational media services	181,345	149,658	31,687	167,853
Assessment and testing	<u>3,759</u>	<u>5,102</u>	<u>(1,343)</u>	<u>3,699</u>
Total instructional staff	<u>210,086</u>	<u>219,784</u>	<u>(9,698)</u>	<u>215,734</u>
General administration				
Board of education services	11,053	32,409	(21,356)	27,221
Executive administration services	74,564	55,939	18,625	77,339
Special area administrative services	<u>39,602</u>	<u>37,024</u>	<u>2,578</u>	<u>34,145</u>
Total general administration	<u>125,219</u>	<u>125,372</u>	<u>(153)</u>	<u>138,705</u>
School administration				
Office of the principal services	<u>329,296</u>	<u>310,549</u>	<u>18,747</u>	<u>307,902</u>
Total school administration	<u>329,296</u>	<u>310,549</u>	<u>18,747</u>	<u>307,902</u>

(Continued)

**Community Consolidated School District 15**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Business</b>				
Fiscal services	\$ 80,095	\$ 75,057	\$ 5,038	\$ 77,326
Operation and maintenance of plant services	764,564	810,722	(46,158)	957,632
Pupil transportation services	857,059	821,391	35,668	820,494
Food services	204,761	207,849	(3,088)	203,649
Internal services	<u>30,764</u>	<u>38,497</u>	<u>(7,733)</u>	<u>42,491</u>
Total business	<u>1,937,243</u>	<u>1,953,516</u>	<u>(16,273)</u>	<u>2,101,592</u>
<b>Central</b>				
Planning, research, development and evaluation services	-	370	(370)	791
Information services	16,390	34,060	(17,670)	36,199
Staff services	68,700	62,732	5,968	56,178
Data processing services	<u>52,083</u>	<u>53,032</u>	<u>(949)</u>	<u>54,408</u>
Total central	<u>137,173</u>	<u>150,194</u>	<u>(13,021)</u>	<u>147,576</u>
Total support services	<u>3,110,011</u>	<u>3,117,617</u>	<u>(7,606)</u>	<u>3,266,655</u>
Community services	<u>30,763</u>	<u>31,305</u>	<u>(542)</u>	<u>22,342</u>
Total expenditures	<u>5,224,895</u>	<u>5,083,846</u>	<u>141,049</u>	<u>5,202,740</u>
Excess of revenues over expenditures	<u>\$ 59,458</u>	82,599	<u>\$ 23,141</u>	145,354
Fund balance, beginning of year		<u>3,044,914</u>		<u>2,899,560</u>
Fund balance, end of year		<u>\$ 3,127,513</u>		<u>\$ 3,044,914</u>

(Concluded)

**Community Consolidated School District 15**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teacher's Retirement System pension and the Teachers' Health Insurance Security Fund other post employment benefits. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level.

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, of each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements were originally adopted by the Board of Education on September 12, 2018.
- g) All annual budgets lapse at the end of the fiscal year.

2. BUDGET RECONCILIATION

The statement of revenues, expenditures, and changes in fund balance - governmental funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the state of Illinois for the employer's share of the Teachers' Retirement System pension and the Teachers' Health Insurance Security Fund other post employment benefits. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

**Community Consolidated School District 15**  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

2. BUDGET RECONCILIATION (Continued)

	Revenues	Expenditures
General fund - budgetary basis	\$ 130,390,512	\$ 127,090,429
To adjust for on-behalf payments received	35,736,669	-
To adjust for on-behalf payments made	-	35,736,669
	\$ 166,127,181	\$ 162,827,098

3. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budgets at June 30, 2019:

Funds	Variance
Tort Immunity and Judgment	\$ 446,355
Transportation	351,064
Capital Projects	540,316

4. CHANGES OF ASSUMPTIONS - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

For the 2018 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.75 percent and a real return of 4.75%. Salary increases were assumed to vary by service credit.

For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.



**Community Consolidated School District 15**  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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**5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE\***

**Valuation Date:**

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

**Methods and Assumptions Used to Determine the 2018 Contribution Rate:**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 25-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF mortality table was used with fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Community Consolidated School District 15**  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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**5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE\*** (Continued)

**Other Information:**

Notes There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

**6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE\***

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.

Valuation Date June 30, 2017

Measurement Date June 30, 2018

Fiscal year End June 30, 2019

**Methods and Assumptions Used to Determine the 2018 Contribution Rate:**

Actuarial Cost Method Aggregate Entry Age Normal

Amortization Method Market value

Investment Rate of Return 0%, net of OPEB plan investment expense, including inflation, for all plan years.

Single equivalent discount rate 3.62%

Price Inflation 2.75%

Salary Increases Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.

Mortality Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

**Community Consolidated School District 15**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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**6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE\* (Continued)**

**Methods and Assumptions Used to Determine the 2018 Contribution Rate (Continued):**

Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

**Change in Assumptions:**

The Discount Rate was changed from 3.56% used in the Fiscal Year 2018 valuation to 3.62%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

**7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE\***

**Valuation Date:**

Valuation Date	July 1, 2017
Measurement Date	June 30, 2018
Fiscal year End	June 30, 2019

**Methods and Assumptions Used to Determine the 2018 Contribution Rate:**

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Market value
Discount Rate	3.87%
Price Inflation	2.50%
Salary Increases	3.00%
Healthcare inflation rate	7.50% initial 4.50% ultimate (reached in 2038)

**Community Consolidated School District 15**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE\* (Continued)

**Methods and Assumptions Used to Determine the 2018 Contribution Rate** (Continued):

Mortality	Retirement and Beneficiary Annuitants: RP-2014 Combined Mortality Table backed off to 2006 and projected generationally with Scale MP-2018. Rationale: Most current mortality table and projection scale as issued by the Society of Actuaries in 2014 and 2018, respectively.
Election at Retirement	20% of active employees in ESPA, SEIU, EXECS and OTHER (IMRF) plans currently electing health coverage are assumed to elect health coverage upon retirement. 100% of active employees in RIOP (TRS) plan currently electing health coverage are assumed to elect a \$4,500/\$7,500 employee/employee plus spouse 4-year annuity. 100% of participants are assumed to elect an annuity in lieu of \$11,250/\$18,750 employee/employee plus spouse one-time lump sum payment. 75% of participants in ESPA, SEIU, and EXECS (IMRF) plans currently electing health coverage are assumed to elect a \$3,000 employee only 3 year annuity. Participation and plan election assumption is based on actual experience and anticipated experience.
Coverage Status	20% Employees are assumed to continue in their current plan into retirement if a District medical plan is selected. Active employees with HMO Plan C coverage are assumed to elect HMO Plan D at retirement.
Marital Status	40% of eligible actives are assumed to be married and elect spouse coverage at retirement with males three years older than females. Actual spouse data was used for current retirees.

**Change in Assumptions:**

The Discount Rate was changed from 3.17% used in the Fiscal Year 2018 valuation to 3.87%, which is the Bond Buyer 20-Bond GO index as of June 30, 2018.

**SUPPLEMENTARY FINANCIAL INFORMATION**

# Community Consolidated School District 15

General Fund

COMBINING BALANCE SHEET

June 30, 2019

	Educational Account	Working Cash Account	Total
<b>ASSETS</b>			
Cash and investments	\$ 57,228,760	\$ 115,683	\$ 57,344,443
Receivables (net of allowance for uncollectibles):			
Property taxes	46,839,476	-	46,839,476
Intergovernmental	3,346,824	-	3,346,824
Loan to other funds	61,211	-	61,211
Prepaid items	1,342,930	-	1,342,930
Total assets	<u>\$ 108,819,201</u>	<u>\$ 115,683</u>	<u>\$ 108,934,884</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 954,613	\$ -	\$ 954,613
Salaries and wages payable	12,646,355	-	12,646,355
Claims payable	1,580,672	-	1,580,672
Payroll deductions payable	3,952	-	3,952
Other current liabilities	116,285	-	116,285
Total liabilities	<u>15,301,877</u>	<u>-</u>	<u>15,301,877</u>
<b>DEFERRED INFLOWS</b>			
Property taxes levied for a future period	<u>44,507,374</u>	<u>-</u>	<u>44,507,374</u>
Total deferred inflows	<u>44,507,374</u>	<u>-</u>	<u>44,507,374</u>
<b>FUND BALANCES</b>			
Nonspendable	1,404,141	-	1,404,141
Assigned	3,995,723	-	3,995,723
Unassigned	43,610,086	115,683	43,725,769
Total fund balance	<u>49,009,950</u>	<u>115,683</u>	<u>49,125,633</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 108,819,201</u>	<u>\$ 115,683</u>	<u>\$ 108,934,884</u>

# Community Consolidated School District 15

## General Fund

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	Educational Account	Working Cash Account	Total
Revenues			
Property taxes	\$ 96,746,355	\$ -	\$ 96,746,355
Replacement taxes	618,142	-	618,142
State aid	53,275,250	-	53,275,250
Federal aid	11,323,958	-	11,323,958
Interest	1,305,675	2,693	1,308,368
Other	2,855,108	-	2,855,108
	<u>166,124,488</u>	<u>2,693</u>	<u>166,127,181</u>
Total revenues			
Expenditures			
Current:			
Instruction:			
Regular programs	56,019,054	-	56,019,054
Special programs	20,275,677	-	20,275,677
Other instructional programs	13,130,272	-	13,130,272
State retirement contributions	35,736,669	-	35,736,669
Support services:			
Pupils	10,227,781	-	10,227,781
Instructional staff	9,220,412	-	9,220,412
General administration	2,636,242	-	2,636,242
School administration	7,346,211	-	7,346,211
Business	5,256,881	-	5,256,881
Transportation	43,335	-	43,335
Central	1,902,211	-	1,902,211
Other supporting services	13,074	-	13,074
Community services	447,533	-	447,533
Nonprogrammed charges	409,832	-	409,832
Capital outlay	161,914	-	161,914
	<u>162,827,098</u>	<u>-</u>	<u>162,827,098</u>
Total expenditures			
Excess of revenues over expenditures	<u>3,297,390</u>	<u>2,693</u>	<u>3,300,083</u>

(Continued)

# Community Consolidated School District 15

## General Fund

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2019

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	Educational Account	Working Cash Account	Total
Other financing uses			
Transfer to Operations and Maintenance Fund	\$ (4,500,000)	\$ -	\$ (4,500,000)
Transfer to Debt Service Fund for principal on capital leases	(149,133)	-	(149,133)
Transfer to Debt Service Fund for interest on capital leases	<u>(5,053)</u>	<u>-</u>	<u>(5,053)</u>
Total other financing uses	<u>(4,654,186)</u>	<u>-</u>	<u>(4,654,186)</u>
Net change in fund balance	(1,356,796)	2,693	(1,354,103)
Fund balance, beginning of year	<u>50,366,746</u>	<u>112,990</u>	<u>50,479,736</u>
Fund balance, end of year	<u>\$ 49,009,950</u>	<u>\$ 115,683</u>	<u>\$ 49,125,633</u>

(Continued)



## Community Consolidated School District 15

### Debt Service Fund

#### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 5,704,450	\$ 5,731,114	\$ 26,664	\$ 5,604,520
Interest on investments	<u>38,000</u>	<u>60,666</u>	<u>22,666</u>	<u>38,765</u>
Total local sources	<u>5,742,450</u>	<u>5,791,780</u>	<u>49,330</u>	<u>5,643,285</u>
Total revenues	<u>5,742,450</u>	<u>5,791,780</u>	<u>49,330</u>	<u>5,643,285</u>
Expenditures				
Bonds and other - interest	<u>1,351,202</u>	<u>1,349,702</u>	<u>1,500</u>	<u>1,352,166</u>
Total debt service - interest	<u>1,351,202</u>	<u>1,349,702</u>	<u>1,500</u>	<u>1,352,166</u>
Principal payments on long-term debt	<u>4,644,133</u>	<u>4,644,133</u>	<u>-</u>	<u>4,641,670</u>
Other debt service				
Other objects	<u>-</u>	<u>1,426</u>	<u>(1,426)</u>	<u>1,426</u>
Total	<u>-</u>	<u>1,426</u>	<u>(1,426)</u>	<u>1,426</u>
Total debt service	<u>5,995,335</u>	<u>5,995,261</u>	<u>74</u>	<u>5,995,262</u>
Total expenditures	<u>5,995,335</u>	<u>5,995,261</u>	<u>74</u>	<u>5,995,262</u>
Deficiency of revenues over expenditures	<u>(252,885)</u>	<u>(203,481)</u>	<u>49,404</u>	<u>(351,977)</u>

(Continued)

# Community Consolidated School District 15

## Debt Service Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Other financing sources				
Transfer to pay for principal on capital leases	\$ 149,133	\$ 149,133	\$ -	\$ 146,670
Transfer to pay for interest on capital leases	<u>5,053</u>	<u>5,053</u>	<u>-</u>	<u>7,516</u>
Total other financing sources	<u>154,186</u>	<u>154,186</u>	<u>-</u>	<u>154,186</u>
Net change in fund balance	<u>\$ (98,699)</u>	<u>(49,295)</u>	<u>\$ 49,404</u>	<u>(197,791)</u>
Fund balance, beginning of year		<u>3,211,606</u>		<u>3,409,397</u>
Fund balance, end of year		<u>\$ 3,162,311</u>		<u>\$ 3,211,606</u>

(Concluded)

**Community Consolidated School District 15**  
 Capital Projects Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
<b>Local sources</b>				
Interest on investments	\$ 5,000	\$ 4,541	\$ (459)	\$ 5,574
Contributions and donations from private sources	60,000	60,000	-	60,000
Impact fees from municipal or county governments	100,000	155,607	55,607	148,843
Payments of surplus moneys from TIF districts	<u>335,000</u>	<u>1,059,637</u>	<u>724,637</u>	<u>433,891</u>
Total local sources	<u>500,000</u>	<u>1,279,785</u>	<u>779,785</u>	<u>648,308</u>
Total revenues	<u>500,000</u>	<u>1,279,785</u>	<u>779,785</u>	<u>648,308</u>
<b>Expenditures</b>				
<b>Support services</b>				
Facilities acquisition and construction services				
Purchased services	662,647	642,204	20,443	1,649,751
Capital outlay	<u>6,727,340</u>	<u>7,288,099</u>	<u>(560,759)</u>	<u>6,982,258</u>
Total support services	<u>7,389,987</u>	<u>7,930,303</u>	<u>(540,316)</u>	<u>8,632,009</u>
Total expenditures	<u>7,389,987</u>	<u>7,930,303</u>	<u>(540,316)</u>	<u>8,632,009</u>
Deficiency of revenues over expenditures	<u>(6,889,987)</u>	<u>(6,650,518)</u>	<u>239,469</u>	<u>(7,983,701)</u>

(Continued)

**Community Consolidated School District 15**  
 Capital Projects Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Other financing sources				
Transfer from Operations and Maintenance Fund	<u>\$ 8,250,000</u>	<u>\$ 8,250,000</u>	<u>\$ -</u>	<u>\$ 3,500,000</u>
Total other financing sources	<u>8,250,000</u>	<u>8,250,000</u>	<u>-</u>	<u>3,500,000</u>
Net change in fund balance (deficit)	<u>\$ 1,360,013</u>	1,599,482	<u>\$ 239,469</u>	(4,483,701)
Fund balance (deficit), beginning of year		<u>(4,096,599)</u>		<u>387,102</u>
Fund balance (deficit), end of year		<u>\$ (2,497,117)</u>		<u>\$ (4,096,599)</u>

(Concluded)

**Community Consolidated School District 15**  
 Fire Prevention and Safety Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
Interest on investments	\$ 400	\$ 1,995	\$ 1,595	\$ 18,088
Total local sources	<u>400</u>	<u>1,995</u>	<u>1,595</u>	<u>18,088</u>
Total revenues	<u>400</u>	<u>1,995</u>	<u>1,595</u>	<u>18,088</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	-	-	-	6,195,918
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,195,918</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,195,918</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 400</u>	1,995	<u>\$ 1,595</u>	(6,177,830)
Fund balance, beginning of year		<u>17,000</u>		<u>6,194,830</u>
Fund balance, end of year		<u>\$ 18,995</u>		<u>\$ 17,000</u>

**Community Consolidated School District 15**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - STUDENT ACTIVITY FUNDS**  
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Assets</b>				
Cash and investments	\$ 1,762,791	\$ 1,001,681	\$ 1,012,084	\$ 1,752,388
<b>Liabilities</b>				
Due to student groups				
Schools				
Jane Addams	\$ 6,462	\$ 19,202	\$ 23,740	\$ 1,924
Central Road	51,788	18,943	15,966	54,765
Winston Churchill	390	24,521	14,077	10,834
Kimball Hill	(188)	8,101	3,695	4,218
Hunting Ridge	11,014	14,931	15,397	10,548
Thomas Jefferson	38,472	13,789	13,160	39,100
Marion Jordan	10,429	43,477	43,231	10,674
Lake Louise	6,512	9,407	14,980	939
Lincoln	14,280	26,407	24,856	15,832
Stuart R. Paddock	32,665	43,610	43,958	32,317
Pleasant Hill	21,571	22,577	25,526	18,622
Plum Grove Jr. High	23,018	104,849	99,624	28,243
Gray M. Sanborn	21,906	11,670	8,661	24,915
Carl Sandburg Jr. High	23,500	29,637	29,641	23,496
W. R. Sundling Jr. High	43,990	103,838	102,073	45,755
Virginia Lake	9,189	10,959	20,651	(503)
F. C. Whiteley	31,384	13,822	15,499	29,707
Willow Bend	28,881	18,347	14,503	32,725
Winston Park Jr. High	34,653	30,046	32,385	32,314
Special Olympics	10,269	500	-	10,769
Transportation	2,124	1,428	1,510	2,041
Social Work	233	450	174	509
The Learning Academy	3,998	5,206	733	8,471
Total schools	426,540	575,716	564,041	438,215
General				
Interest on Savings	72,817	12,622	-	85,439
Alan E. Hoover Memorial				
Student Health Fund	38,748	1,929	2,355	38,322
CARE program	1,213,589	411,154	445,688	1,179,055
Other	11,097	260	-	11,357
Total general	1,336,251	425,965	448,043	1,314,173
Total liabilities	\$ 1,762,791	\$ 1,001,681	\$ 1,012,084	\$ 1,752,388

**Community Consolidated School District 15**  
GENERAL LONG-TERM DEBT  
SCHEDULE OF GENERAL OBLIGATION BONDS PAYABLE  
Year Ended June 30, 2019

Maturity as follows for the Year Ended June 30	Working Cash, Series 2001 Capital Appreciation Bonds			General Obligation, Refunding Series 2014			Limit Tax General Obligation Life Safety School Bonds Series 2016 Bonds			Limit Tax General Obligation Life Safety Bonds School Series 2017 Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2020	\$ 4,495,000	\$ -	\$ 4,495,000	\$ -	\$ 299,900	\$ 299,900	\$ -	\$ 695,750	\$ 695,750	\$ -	\$ 349,000	\$ 349,000	\$ 5,839,650
2021	4,495,000	-	4,495,000	-	299,900	299,900	-	695,750	695,750	-	349,000	349,000	5,839,650
2022	-	-	-	2,865,000	240,925	3,105,925	300,000	688,250	988,250	695,000	335,100	1,030,100	5,124,275
2023	-	-	-	2,990,000	137,100	3,127,100	420,000	670,250	1,090,250	670,000	307,800	977,800	5,195,150
2024	-	-	-	3,075,000	46,125	3,121,125	555,000	645,875	1,200,875	675,000	280,900	955,900	5,277,900
2025	-	-	-	-	-	-	3,865,000	535,375	4,400,375	680,000	253,800	933,800	5,334,175
2026	-	-	-	-	-	-	2,840,000	367,750	3,207,750	2,015,000	199,900	2,214,900	5,422,650
2027	-	-	-	-	-	-	3,075,000	219,875	3,294,875	2,100,000	117,600	2,217,600	5,512,475
2028	-	-	-	-	-	-	2,860,000	71,500	2,931,500	1,890,000	37,800	1,927,800	4,859,300
	<u>\$ 8,990,000</u>	<u>\$ -</u>	<u>\$ 8,990,000</u>	<u>\$ 8,930,000</u>	<u>\$ 1,023,950</u>	<u>\$ 9,953,950</u>	<u>\$ 13,915,000</u>	<u>\$ 4,590,375</u>	<u>\$ 18,505,375</u>	<u>\$ 8,725,000</u>	<u>\$ 2,230,900</u>	<u>\$ 10,955,900</u>	<u>\$ 48,405,225</u>