



**HARVARD COMMUNITY UNIT
SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year June 30, 2020



SIKICH.COM

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HARVARD, ILLINOIS
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FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Harvard Community Unit School District #50
Harvard, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of Harvard Community Unit School District #50 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Special Education District of McHenry County (SEDOM) or McHenry County Cooperative for Employment Education. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for SEDOM and McHenry County Cooperative for Employment Education, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Harvard Community Unit School District #50, as of June 30, 2020, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also issued a report dated November 12, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Sikich LLP

Naperville, Illinois
November 12, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

HARVARD COMMUNITY UNIT SCHOOL DISTRICT NO. 50

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

The Management's Discussion and Analysis of Harvard Community Unit School District No. 50's (District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2020. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$12,954,786 (net position). Of this amount, \$10,647,017 is net investment in capital assets and \$10,640,985 is restricted net position. This results in a negative unrestricted net position of \$(8,333,216).
- The District's net position increased by \$2,399,271 from current activities.
- At June 30, 2020, the District's governmental funds reported combined ending fund balances of \$25,012,182, an increase of \$2,643,796 in comparison with the prior year.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 4 through 6 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 7 through 11 of this report.

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

The basic fiduciary fund financial statement can be found on page 13 of this report.

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

The notes to the financial statements can be found on pages 14 through 49 of this report.

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

Required supplementary information can be found on pages 50 through 69 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12,954,786 at the close of the most recent fiscal year.

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

Harvard Community Unit School District No. 50's Net Position at Year-End

| | Governmental Activities | |
|---|-------------------------|----------------------|
| | FY 2020 | FY 2019 |
| Assets | | |
| Current and Other Assets | \$ 44,216,762 | \$ 40,766,463 |
| Capital Assets | 33,039,071 | 34,131,649 |
| Total Assets | \$ 77,255,833 | \$ 74,898,112 |
| Deferred Outflows of Resources | | |
| Deferred Pension Expense | \$402,135 | \$ 1,163,810 |
| Deferred Employer Pension Contributions | 212,019 | 269,211 |
| Deferred OPEB Expense | 3,247,725 | 1,596,490 |
| Deferred Employer OPEB Contributions | 100,185 | 37,744 |
| Total Deferred Outflows of Resources | \$ 3,962,064 | \$ 3,067,255 |
| Liabilities | | |
| Other Liabilities | \$ 2,577,716 | \$ 2,220,922 |
| Long-Term Debt Outstanding | 44,023,065 | 43,925,506 |
| Total Liabilities | \$ 46,600,781 | \$ 46,146,428 |
| Deferred Inflows of Resources | | |
| Unavailable Revenue - Property Taxes | \$ 16,623,295 | \$ 16,244,016 |
| Deferred Pension Revenue | 2,307,230 | 2,689,831 |
| Deferred OPEB Revenue | 2,731,805 | 2,329,577 |
| Total Deferred Inflows of Resources | \$ 21,662,330 | \$ 21,263,424 |
| Net Position | | |
| Net Investment in Capital Assets | \$ 10,647,017 | \$ 10,839,893 |
| Restricted | 10,640,985 | 7,493,655 |
| Unrestricted | (8,333,216) | (7,778,033) |
| Total Net Position | \$ 12,954,786 | \$ 10,555,515 |

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

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

At the end of the current fiscal year, the District has a negative unrestricted net position.

The District's net position increased by \$2,399,271 during the current fiscal year.

Governmental Activities. Governmental activities increased the District's net position by \$2,399,271. Key elements of this increase are as follows:

Harvard Community Unit School District No. 50's Change in Net Position

| | Governmental Activities | |
|------------------------------------|-------------------------|----------------------|
| | FY 2020 | FY 2019 |
| Revenues: | | |
| Program Revenues | | |
| Charges for Services | \$ 311,072 | \$ 332,303 |
| Operating Grants and Contributions | 17,875,057 | 15,835,180 |
| Capital Grants and Contributions | - | - |
| General Revenues: | | |
| Property Taxes | 16,367,692 | 15,789,808 |
| Other Taxes | 676,818 | 618,304 |
| Other | 18,000,207 | 16,413,887 |
| Total Revenues | <u>53,230,846</u> | <u>\$ 48,989,482</u> |
| Expenses: | | |
| Instruction | \$ 28,732,798 | \$ 27,216,967 |
| Support Services | 20,861,608 | 19,491,781 |
| Other | 1,237,169 | 1,238,838 |
| Total Expenses | <u>\$ 50,831,575</u> | <u>\$ 47,947,586</u> |
| Increase in Net Position | \$2,399,271 | \$1,041,896 |
| Net Position - Beginning | 10,555,515 | 9,363,134 |
| Net Position Adjustment | - | 150,485 |
| Net Position - Ending | <u>\$ 12,954,786</u> | <u>\$ 10,555,515</u> |

The District's total revenue increased \$4,241,364 compared to the prior year. Significant revenue increase included an increase in Evidence-Based Funding of \$1,692,899 from the prior year.

The District's total expenses increased by \$2,883,989 (6%) compared to the prior year. Significant expense increases include the increase in Other Instructional Programs of \$2,158,336 from the prior year.

Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's seven governmental funds reported combined ending fund balances of \$25,012,182 an increase of \$2,643,796 from the prior fiscal year.

The General Fund is the chief operating fund of the District. At June 30, 2020, unassigned fund balance was \$10,830,858. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 25.7% of total General Fund expenditures. The General Fund's balance increased by \$1,320,186 in comparison with the prior year. This increase is due to lower expenses due to school closures from COVID-19.

The Operations and Maintenance Fund's balance increased by \$495,766 in comparison with the prior year. This increase is mainly due to lower expenses due to school closures from COVID-19.

The Debt Services Fund's balance increased by \$22,187 in comparison with the prior year. This increase in fund balance is due a reduction in expenses relating to interest on bond payments.

The Transportation Fund's balance increased by \$384,027 in comparison with the prior year. This increase is mainly due to an increase in State Aid revenue.

The Illinois Municipal Retirement/Social Security Fund's balance decreased by \$57,773 in comparison with the prior year. This decrease is mainly due to an increased IMRF employer rate.

The Capital Project Fund's balance increased by \$342,714 in comparison with the prior year. This increase in fund balance is due to decrease in capital outlay expenditures.

The Fire Prevention and Life Safety Fund's balance increased by \$136,689 in comparison with the prior year. This increase is mainly due to an increase in State Aid revenue

General Fund Budgetary Highlights

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

- The difference between budgeted revenues and actual revenues was \$109,968 (unfavorable) and was mainly due to a decrease in revenues as a result of COVID-19 impact on the district.
- The difference between budgeted expenditures and actual expenditures was \$1,354,598 (favorable) and was mainly due to a decrease in expenses as a result of COVID-19 impact on the district.

Capital Asset and Debt Administration

Capital Assets. At June 30, 2020 the District had invested \$33,039,071 net of accumulated depreciation) in a broad range of capital assets, including land, building and building improvements, site improvements and infrastructure, and capitalized equipment. Total depreciation expense for the year was \$1,978,374.

Harvard Community Unit School District No. 50's Capital Assets at Year-End
(net of depreciation)

| | Governmental Activities | |
|------------------------------------|-------------------------|---------------|
| | 2020 | 2019 |
| Land | \$ 581,019 | \$ 581,019 |
| Building and Building Improvements | 29,971,449 | 30,320,830 |
| Improvements Other Than Buildings | 1,572,512 | 2,157,989 |
| Equipment Other Than Food Service | 792,651 | 886,460 |
| Food Services Equipment | 12,978 | 12,076 |
| Construction in Progress | 108,462 | 173,275 |
| Total | \$ 33,039,071 | \$ 34,131,649 |

Additional information on the District's capital assets can be found in note 3 on page 23 of this report.

Long-Term Debt. At June 30, 2020 the District's long-term debt obligations consisted of general obligation bonds as listed below:

Harvard Community Unit School District No. 50's Outstanding Debt

| | Governmental Activities | |
|--------------------------|-------------------------|---------------|
| | 2020 | 2019 |
| General Obligation Bonds | \$ 21,650,000 | \$ 23,045,000 |

Additional information on the District's long-term debt can be found in note 4 on pages 24 and 25 of this report.

Economic Factors and Next Year's Budget

The 2018 tax levy was used to fund the District's operations in fiscal year 2020(July 1 through June 30). The 2018 equalized assessed valuation (EAV) was \$246,867,638. This represents an increase of \$20,316,113 (9%) over the prior year. Continued increases in the EAV will have a positive impact on the District.

Factors Bearing on the District's Future

- Uncertainty and apprehension in the state financing.
- Unknown impact on Districts from COVID-19.

Requests for Information

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

Harvard Community Unit School District No. 50
401 N. Division Street
Harvard, IL 60033

BASIC FINANCIAL STATEMENTS

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

STATEMENT OF NET POSITION

June 30, 2020

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash | \$ 12,276,849 |
| Investments | 22,094,168 |
| Receivables (net of allowance for uncollectibles) | |
| Property taxes | 8,616,997 |
| Intergovernmental | 846,594 |
| Other | 91,082 |
| Inventory | 17,894 |
| Prepaid items | 273,178 |
| Capital assets | |
| Land | 689,481 |
| Depreciable building, property and equipment, net | 32,349,590 |
| Total assets | 77,255,833 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension items - TRS | 212,019 |
| Pension items - IMRF | 402,135 |
| OPEB items - District plan | 100,185 |
| OPEB items - THIS | 3,247,725 |
| Total deferred outflows of resources | 3,962,064 |
| Total assets and deferred outflows of resources | 81,217,897 |
| LIABILITIES | |
| Accounts payable | 406,387 |
| Salaries and wages payable | 1,977,949 |
| Accrued interest payable | 63,805 |
| Unearned revenue | 129,575 |
| Long-term liabilities | |
| Due within one year | 1,932,831 |
| Due after one year | 42,090,234 |
| Total liabilities | 46,600,781 |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension items - TRS | 1,726,923 |
| Pension items - IMRF | 580,307 |
| OPEB items - District plan | 411,516 |
| OPEB items - THIS | 2,320,289 |
| Property taxes levied for subsequent years | 16,623,295 |
| Total deferred inflows of resources | 21,662,330 |
| Total liabilities and deferred inflows of resources | 68,263,111 |

(This statement is continued on the following page.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

June 30, 2020

| | <u>Governmental Activities</u> |
|----------------------------------|------------------------------------|
| NET POSITION | |
| Net investment in capital assets | \$ 10,647,017 |
| Restricted for | |
| Child nutrition program | 2,117,779 |
| Capital projects | 174,727 |
| Operations and maintenance | 5,682,626 |
| Tort | 275,929 |
| FICA | 102,107 |
| Fire prevention and safety | 32,098 |
| Debt service | 170,266 |
| Transportation | 2,085,453 |
| Unrestricted (deficit) | <u>(8,333,216)</u> |
| TOTAL NET POSITION | <u>\$ 12,954,786</u> |

See accompanying notes to financial statements.

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

| FUNCTIONS AND PROGRAMS | Expenses | Program Revenues | | | Net (Expense) |
|--|----------------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| | | | | | Primary Governmental Activities |
| PRIMARY GOVERNMENT | | | | | |
| Governmental Activities | | | | | |
| Instruction | | | | | |
| Regular programs | \$ 14,373,022 | \$ 289,129 | \$ 8,568,042 | \$ - | \$ (5,515,851) |
| Pre-K programs | 750,306 | - | 245,302 | - | (505,004) |
| Special programs | 6,046,218 | 21,943 | 3,171,514 | - | (2,852,761) |
| Other instructional programs | 7,563,252 | - | 2,522,295 | - | (5,040,957) |
| Support services | | | | | |
| Pupils | 4,338,961 | - | 1,364,662 | - | (2,974,299) |
| Instructional staff | 1,882,997 | - | 457,037 | - | (1,425,960) |
| General administration | 2,345,445 | - | 608,894 | - | (1,736,551) |
| School administration | 2,569,058 | - | 876,096 | - | (1,692,962) |
| Business | 8,246,866 | - | - | - | (8,246,866) |
| Central | 1,475,077 | - | 61,215 | - | (1,413,862) |
| Other | 3,204 | - | - | - | (3,204) |
| Community services | 237,294 | - | - | - | (237,294) |
| Payments to other governments | 349,330 | - | - | - | (349,330) |
| Interest and fees | 650,545 | - | - | - | (650,545) |
| Total governmental activities | 50,831,575 | 311,072 | 17,875,057 | - | (32,645,446) |
| TOTAL PRIMARY GOVERNMENT | \$ 50,831,575 | \$ 311,072 | \$ 17,875,057 | \$ - | (32,645,446) |
| General Revenues | | | | | |
| Property taxes | | | | | |
| Replacement taxes | | | | | |
| State aid - formula grants, grants and contributions | | | | | |
| Investment earnings | | | | | |
| Other general revenues | | | | | |
| Total | | | | | |
| CHANGE IN NET POSITION | | | | | |
| NET POSITION, JULY 1 | | | | | |
| NET POSITION, JUNE 30 | | | | | |
| \$ 12,954,786 | | | | | |

See accompanying notes to financial statements.

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2020

| | General | Operations and Maintenance | Debt Service |
|---|----------------------|-------------------------------|---------------------|
| ASSETS | | | |
| Cash | \$ 4,809,348 | \$ 4,627,238 | \$ 536,307 |
| Investments | 16,474,947 | 2,062,638 | 709,308 |
| Receivables | | | |
| Property taxes, net | 5,694,079 | 863,598 | 1,157,042 |
| Interfund loans | 2,294,914 | - | - |
| Intergovernmental | 509,979 | - | - |
| Other | 91,082 | - | - |
| Inventory | 17,894 | - | - |
| Prepaid items | 264,562 | 4,261 | - |
| | \$ 30,156,805 | \$ 7,557,735 | \$ 2,402,657 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 226,093 | \$ 155,213 | \$ - |
| Salaries and wages payable | 1,972,371 | 3,947 | - |
| Interfund payables | - | - | - |
| Unearned revenue | 79,575 | 50,000 | - |
| | 2,278,039 | 209,160 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property taxes levied for subsequent years | 10,984,382 | 1,665,949 | 2,232,391 |
| Unavailable grant revenue | 67,374 | - | - |
| | 11,051,756 | 1,665,949 | 2,232,391 |
| | 13,329,795 | 1,875,109 | 2,232,391 |
| FUND BALANCES | | | |
| Nonspendable | 282,456 | - | - |
| Restricted for | | | |
| Child nutrition program | 2,117,779 | - | - |
| Capital projects | - | - | - |
| Operations and maintenance | - | 5,682,626 | - |
| Tort | 275,929 | - | - |
| FICA | - | - | - |
| Fire prevention and safety | - | - | - |
| Debt service | - | - | 170,266 |
| Transportation | - | - | - |
| Assigned for | | | |
| Working cash | 3,319,988 | - | - |
| Unassigned (deficit) | 10,830,858 | - | - |
| | 16,827,010 | 5,682,626 | 170,266 |
| | \$ 30,156,805 | \$ 7,557,735 | \$ 2,402,657 |

| Transportation | Municipal Retirement/ Social Security | Capital Projects | Fire Prevention and Safety | Total |
|-----------------------|--|-------------------------|-----------------------------------|----------------------|
| \$ 1,746,516 | \$ 383,325 | \$ 174,115 | \$ - | \$ 12,276,849 |
| 520,263 | - | - | 2,327,012 | 22,094,168 |
| 534,507 | 367,771 | - | - | 8,616,997 |
| - | - | - | - | 2,294,914 |
| 336,003 | - | 612 | - | 846,594 |
| - | - | - | - | 91,082 |
| - | - | - | - | 17,894 |
| 4,355 | - | - | - | 273,178 |
| \$ 3,141,644 | \$ 751,096 | \$ 174,727 | \$ 2,327,012 | \$ 46,511,676 |
| \$ 25,081 | \$ - | \$ - | \$ - | \$ 406,387 |
| - | 1,631 | - | - | 1,977,949 |
| - | - | - | 2,294,914 | 2,294,914 |
| - | - | - | - | 129,575 |
| 25,081 | 1,631 | - | 2,294,914 | 4,808,825 |
| 1,031,110 | 709,463 | - | - | 16,623,295 |
| - | - | - | - | 67,374 |
| 1,031,110 | 709,463 | - | - | 16,690,669 |
| 1,056,191 | 711,094 | - | 2,294,914 | 21,499,494 |
| - | - | - | - | 282,456 |
| - | - | - | - | 2,117,779 |
| - | - | 174,727 | - | 174,727 |
| - | - | - | - | 5,682,626 |
| - | - | - | - | 275,929 |
| - | 102,107 | - | - | 102,107 |
| - | - | - | 32,098 | 32,098 |
| - | - | - | - | 170,266 |
| 2,085,453 | - | - | - | 2,085,453 |
| - | - | - | - | 3,319,988 |
| - | (62,105) | - | - | 10,768,753 |
| 2,085,453 | 40,002 | 174,727 | 32,098 | 25,012,182 |
| \$ 3,141,644 | \$ 751,096 | \$ 174,727 | \$ 2,327,012 | \$ 46,511,676 |

See accompanying notes to financial statements.

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

June 30, 2020

| | |
|---|----------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 25,012,182 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet | 33,039,071 |
| Revenues in the statement of activities that do not provide current financial resources are unavailable in the funds | 67,374 |
| Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position | |
| Deferred outflows of resources | 402,135 |
| Deferred inflows of resources | (580,307) |
| Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Teachers' Retirement System of the State of Illinois are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position | |
| Deferred outflows of resources | 212,019 |
| Deferred inflows of resources | (1,726,923) |
| Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Teachers' Health Insurance Security Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position | |
| Deferred outflows of resources | 3,247,725 |
| Deferred inflows of resources | (2,320,289) |
| Differences between expected and actual experiences and assumptions changes are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position | |
| Deferred outflows of resources | 100,185 |
| Deferred inflows of resources | (411,516) |
| Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet | (63,805) |
| Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position | |
| General obligation bonds | (21,650,000) |
| Unamortized bond premium | (742,063) |
| Net OPEB liability | (714,447) |
| Total OPEB liability - THIS | (18,317,173) |
| Net pension liability - IMRF | (716,730) |
| Net pension liability - TRS | (1,623,186) |
| Compensated absences | (259,466) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 12,954,786 |

See accompanying notes to financial statements.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

| | General | Operations and Maintenance | Debt Service |
|--|----------------------|-------------------------------|-------------------|
| REVENUES | | | |
| Property taxes | \$ 10,775,410 | \$ 1,634,623 | \$ 2,198,596 |
| Corporate personal property replacement taxes | 361,818 | 200,000 | - |
| State aid | 28,794,354 | 1,300,000 | - |
| Federal aid | 2,824,902 | - | - |
| Investment income | 320,763 | 15,927 | 4,964 |
| Other | 494,701 | 45,450 | - |
| Total revenues | 43,571,948 | 3,196,000 | 2,203,560 |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | | | |
| Regular programs | 14,008,142 | - | - |
| Pre-K programs | 707,958 | - | - |
| Special programs | 5,764,797 | - | - |
| Other instructional programs | 7,360,678 | - | - |
| Support services | | | |
| Pupils | 4,177,189 | - | - |
| Instructional staff | 1,850,568 | - | - |
| General administration | 2,267,431 | - | - |
| School administration | 2,461,091 | - | - |
| Business | 1,368,568 | 2,700,234 | - |
| Central | 1,378,050 | - | - |
| Other support services | 3,204 | - | - |
| Community services | 208,754 | - | - |
| Intergovernmental | | | |
| Payments to other districts and government units | 349,330 | - | - |
| Debt service | | | |
| Principal | - | - | 1,395,000 |
| Interest | - | - | 786,373 |
| Capital outlay | 315,438 | - | - |
| Total expenditures | 42,221,198 | 2,700,234 | 2,181,373 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,350,750 | 495,766 | 22,187 |
| OTHER FINANCING SOURCES (USES) | | | |
| Loss on sale of asset | (30,564) | - | - |
| Total other financing sources (uses) | (30,564) | - | - |
| NET CHANGE IN FUND BALANCE | 1,320,186 | 495,766 | 22,187 |
| FUND BALANCES (DEFICIT), JULY 1 | 15,506,824 | 5,186,860 | 148,079 |
| FUND BALANCES, JUNE 30 | \$ 16,827,010 | \$ 5,682,626 | \$ 170,266 |

| Transportation | Municipal Retirement/ Social Security | Capital Projects | Fire Prevention and Safety | Total |
|-----------------------|--|-------------------------|-----------------------------------|---------------|
| \$ 1,042,068 | \$ 716,995 | \$ - | \$ - | \$ 16,367,692 |
| - | 115,000 | - | - | 676,818 |
| 1,344,663 | - | 821,657 | 104,591 | 32,365,265 |
| - | - | - | - | 2,824,902 |
| 6,348 | - | - | 32,098 | 380,100 |
| - | 4,356 | 4,188 | - | 548,695 |
| 2,393,079 | 836,351 | 825,845 | 136,689 | 53,163,472 |
| - | 144,544 | - | - | 14,152,686 |
| - | 22,493 | - | - | 730,451 |
| - | 135,375 | - | - | 5,900,172 |
| - | 88,319 | - | - | 7,448,997 |
| - | 84,359 | - | - | 4,261,548 |
| - | 10,075 | - | - | 1,860,643 |
| - | 41,338 | - | - | 2,308,769 |
| - | 60,920 | - | - | 2,522,011 |
| 2,009,052 | 210,422 | 483,131 | - | 6,771,407 |
| - | 74,295 | - | - | 1,452,345 |
| - | - | - | - | 3,204 |
| - | 21,984 | - | - | 230,738 |
| - | - | - | - | 349,330 |
| - | - | - | - | 1,395,000 |
| - | - | - | - | 786,373 |
| - | - | - | - | 315,438 |
| 2,009,052 | 894,124 | 483,131 | - | 50,489,112 |
| 384,027 | (57,773) | 342,714 | 136,689 | 2,674,360 |
| - | - | - | - | (30,564) |
| - | - | - | - | (30,564) |
| 384,027 | (57,773) | 342,714 | 136,689 | 2,643,796 |
| 1,701,426 | 97,775 | (167,987) | (104,591) | 22,368,386 |
| \$ 2,085,453 | \$ 40,002 | \$ 174,727 | \$ 32,098 | \$ 25,012,182 |

See accompanying notes to financial statements.

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

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

For the Year Ended June 30, 2020

| | |
|---|---------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 2,643,796 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation expense in the current period | |
| Capital asset additions | 935,745 |
| Depreciation expense | (1,978,374) |
| The loss on disposal of capital assets does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds | |
| | (49,949) |
| The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources are not a source or use of financial resources | |
| | (112,939) |
| The change in the Teachers' Retirement System of the State of Illinois net pension liability and deferred outflows/inflows of resources are not a source or use of financial resources | |
| | 537,139 |
| The change in the Teachers' Health Insurance Security Fund total OPEB liability and deferred outflows/inflows of resources are not a source or use of financial resources | |
| | (1,095,565) |
| The change in the net OPEB liability and deferred outflows of resources are not a source or use of financial resources | |
| | (20,052) |
| Certain revenue included in the statement of activities does not provide current financial resources and, therefore, is deferred in the governmental fund statements | |
| | 67,374 |
| The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal on the government-wide statement of activities | |
| | 1,395,000 |
| Governmental funds report the effects of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities | |
| Interest payable | 3,056 |
| Bond premium | 132,772 |
| Compensated absences | (58,732) |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 2,399,271 |

See accompanying notes to financial statements.

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND**

June 30, 2020

| | <u>Student Activity Fund</u> |
|--------------------------|----------------------------------|
| ASSETS | |
| Cash and investments | \$ 112,075 |
| Investments | <u>8,799</u> |
| TOTAL ASSETS | <u><u>\$ 120,874</u></u> |
| LIABILITIES | |
| Due to students groups | <u>\$ 120,874</u> |
| TOTAL LIABILITIES | <u><u>\$ 120,874</u></u> |

See accompanying notes to financial statements.

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Harvard School District #50 (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 accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Nature of Operations

The District Board of Education (the Board) is the level of government that has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. The Board receives funding from local, state and federal government sources and must comply with requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. Based on these criteria, the District is considered a primary government and there are no other organizations or agencies whose financial statements should be combined or discretely presented with these basic financial statements.

b. Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary district is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by governmental accounting standards have been considered and there are no agencies or entities which should be presented with the District.

c. Fund Accounting

The accounts of the District are organized and operated 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 legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Fund Accounting (Continued)

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

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District has no permanent funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The District's fiduciary funds consist of agency funds which are used to account for assets that the District holds on behalf of others as their agent.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. The District uses three departmental accounts to summarize its operating fund activities: the Educational Account, the Tort Account and the Working Cash Account.

The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund and Illinois Municipal Retirement/Social Security Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The Transportation Fund and Illinois Municipal Retirement/Social Security Fund did not meet the criteria for inclusion as a major fund; however, the District has elected to report them as such.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Fund Accounting (Continued)

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

The Capital Projects Fund and Fire Prevention and Safety Fund are used to account for financial resources that are restricted, committed or assigned to expenditures for the acquisition or construction of capital facilities and other capital assets. The Capital Projects did not meet the criteria for inclusion as a major fund; however, the District has elected to report it as such.

d. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity other than interfund sales and services has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Indirect expenses not allocated to functions are reported separately. Interest on general long-term debt is considered such an indirect expense. Depreciation expense is specifically identified by function and is included in the direct expenses of each function.

e. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Measurement Focus, Basis of Accounting and Financial Statement 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 become both measurable and available). “Measurable” means 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 (60 days is used for property taxes and most other revenues). The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related liability is incurred.

Principal and interest on general long-term debt are recorded as expenditures become due.

Those revenues susceptible to accrual are property taxes, charges for services, intergovernmental and interest on investments.

The District reports unearned and unavailable revenue on its financial statements. Unavailable revenues arise when potential revenue does not meet the available criteria for recognition in the current period for governmental funds. Unearned revenues also arise when resources are received by the District before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the District has a legal claim to the resources by meeting all eligibility requirements, the liability for unearned revenue is removed from the financial statements and revenue is recognized. Unavailable revenue results from property taxes being levied and reported as a receivable before the period for which the taxes are levied.

The Agency Fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

f. Cash and Investments

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in depository accounts and short-term, highly liquid investment instruments with original maturities of three months or less from the date of acquisition, which are stated at cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Cash and Investments (Continued)

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on 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; and Level 3 inputs are significant unobservable inputs. The District held no investments to measure at fair value at June 30, 2020.

g. Property Taxes

Property taxes are recognized as a receivable at the time they are levied, and the current taxes receivable represent the 2019 levy and prior levies still uncollected, if any.

Property taxes are levied in December of each year and attach as an enforceable lien on the property as of the preceding January 1. The original 2019 tax levy was adopted on December 18, 2019. Taxes from the 2019 levy are intended to finance the expenditures for the year ended June 30, 2021, and accordingly, the entire tax levy has been deferred as of June 30, 2020. Property taxes are collected by the Boone and McHenry County Collector, who in turn remits to the District its respective share. Taxes levied in one year become due and payable by the taxpayers in two installments in March and September during the following year.

The 2020 tax levy, which attached as an enforceable lien on property as of January 1, 2020, has not been recorded as a receivable as of June 30, 2020 as the tax has not yet been levied by the District and will not be levied until December 2020 and, therefore, the levy is not measurable at June 30, 2020.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Inventories and Vocational Projects

Inventories and vocational projects are valued at the lower of cost or market. Inventories consist of expendable supplies held for consumption and are valued at the average cost first-in/first-out (FIFO) method. The cost of governmental fund type inventories is recorded as expenditures when consumed rather than purchased. Vocational projects consist of real property purchased for the purpose of constructing homes in conjunction with vocational programs. When completed, the District sells the homes. These assets are included in the inventory amount on the statement of net position.

i. Capital Assets

Capital assets are defined as assets with an initial cost of \$500 or more with an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at acquisition value at the date of donation. Land and construction in progress are not depreciated by the District.

The estimated useful life is management’s estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

| Assets | Years |
|-----------------------------------|-------|
| Buildings | 50 |
| Land improvements | 20 |
| Furniture, equipment and vehicles | 5-10 |

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Compensated Absences/Other

District employees earn vacation days and these vacation days may be taken at any time during the year subsequent to the year they were earned. The vacation days earned is dependent on the type of position and length of service. The District's liability for the vested compensated absences/other and salary related payments are reported in the government-wide financial statements. The General Fund and Operations and Maintenance Fund liquidate the liabilities pertaining to their employees.

All full-time employees receive various numbers of sick days per years based on the collective bargaining agreements or policies in place. These days may accumulate to an unlimited number of days. Sick leave does not vest and, therefore, is recognized only when used.

l. Long-Term Liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as deferred amounts on refunding, are deferred and amortized over the life of the bond. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized during the current period.

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

m. Net Position/Fund Balances

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or which are legally or contractually required to be maintained intact.

Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities or from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the Board, which is considered the District's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Net Position/Fund Balances (Continued)

Currently, the Board has not delegated the authority to assign fund balances. Any residual fund balance in the General Fund and any deficit fund balance of any other governmental fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the District considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the District.

n. Use of Estimates

The preparation of financial statements in conformity with the GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates.

o. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the District has delayed the implementation of GASB Statement No. 84, *Fiduciary Activities* to June 30, 2021.

2. DEPOSITS AND INVESTMENTS

The District's investment policy authorizes the District to make deposits/invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, credit union shares, repurchase agreements, commercial paper rated with the three highest classifications by at least two standard rating services and the Illinois School District Liquid Asset Fund Plus.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Certain district funds maintain their cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, rate of return and diversification.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District’s deposits may not be returned to it. The District’s investment policy requires all amounts deposited or invested with financial institutions be either covered by federal depository insurance or collateral, preferably held by a third party, in the District’s name, in an amount equal to the amount of deposits in excess of depository insurance coverage.

Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District’s investment policy prefers that all security transactions that are exposed to custodial credit risk are processed with the underlying investments held by a third party custodian.

The District’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Credit risk for investments is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The District’s investment policy seeks to minimize credit risk by requiring investments in securities allowed under the investment policy.

Concentration of credit risk for investments is the risk that the District has a high percentage of their investments invested in one type of investment. The District’s investment policy does not further limit its investment choices beyond the Illinois School Code.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District’s investment policy does not address interest rate risk.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

Changes in capital assets during the year ended June 30, 2020 are as follows:

| | Beginning Balances, as Reclassified | Increases | Decreases | Ending Balances |
|---|---|---------------------|-------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 581,019 | \$ - | \$ - | \$ 581,019 |
| Construction in progress | 173,275 | 567,201 | 632,014 | 108,462 |
| Total capital assets not being depreciated | <u>754,294</u> | <u>567,201</u> | <u>632,014</u> | <u>689,481</u> |
| Capital assets being depreciated | | | | |
| Land improvements | 2,778,091 | 701,822 | - | 3,479,913 |
| Buildings | 29,201,292 | - | - | 29,201,292 |
| Building improvements | 17,847,229 | 25,995 | - | 17,873,224 |
| Equipment | 5,604,308 | 272,741 | 2,656,830 | 3,220,219 |
| Food services equipment | 135,118 | - | 35,988 | 99,130 |
| Total capital assets being depreciated | <u>55,566,038</u> | <u>1,000,558</u> | <u>2,692,818</u> | <u>53,873,778</u> |
| Less accumulated depreciation for | | | | |
| Capital assets being depreciated | | | | |
| Land improvements | 1,750,482 | 156,919 | - | 1,907,401 |
| Buildings | 11,949,969 | 655,671 | - | 12,605,640 |
| Building improvements | 3,517,122 | 980,305 | - | 4,497,427 |
| Equipment | 4,855,874 | 184,138 | 2,612,444 | 2,427,568 |
| Food services equipment | 115,236 | 1,341 | 30,425 | 86,152 |
| Total accumulated depreciation | <u>22,188,683</u> | <u>1,978,374</u> | <u>2,642,869</u> | <u>21,524,188</u> |
| Total capital assets being depreciated, net | <u>33,377,355</u> | <u>(977,816)</u> | <u>49,949</u> | <u>32,349,590</u> |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | <u>\$ 34,131,649</u> | <u>\$ (410,615)</u> | <u>\$ 681,963</u> | <u>\$ 33,039,071</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|--|---------------------|
| Business - Facilities Acquisition and Construction | <u>\$ 1,978,374</u> |
| TOTAL | <u>\$ 1,978,374</u> |

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT

a. General Obligation Bonds

General obligation bonds consisted of the following at June 30, 2020:

| | Date of Issuance | Maturity Date | Interest Rate | Face Amount | Carrying Amount |
|--------------------------|------------------|---------------|----------------|--------------|-----------------|
| General obligation bonds | | | | | |
| Series 2015 | 9/26/2015 | 11/1/2025 | 0.80% to 4.00% | \$ 7,220,000 | \$ 6,735,000 |
| Series 2016 | 2/11/2016 | 11/1/2028 | 2.00% to 4.00% | 7,780,000 | 7,380,000 |
| Series 2017A | 8/29/2017 | 11/1/2036 | 2.00% to 4.00% | 1,725,000 | 1,580,000 |
| Series 2017B | 8/29/2017 | 11/1/2036 | 2.00% to 4.00% | 2,190,000 | 2,010,000 |
| Series 2018 | 9/26/2018 | 11/1/2029 | 3.00% to 5.00% | 4,845,000 | 3,945,000 |

b. Changes in Long-Term Debt

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

| | Beginning Balances | Additions | Reductions | Ending Balances | Current Portion |
|---------------------------------------|----------------------|---------------------|---------------------|----------------------|---------------------|
| General obligation bonds | \$ 23,045,000 | \$ - | \$ 1,395,000 | \$ 21,650,000 | \$ 1,480,000 |
| Unamortized bond premium and discount | 874,835 | - | 132,772 | 742,063 | - |
| Net pension liability - TRS | 1,523,408 | 99,778 | - | 1,623,186 | - |
| Net pension liability - IMRF | 1,676,974 | - | 960,244 | 716,730 | - |
| Net OPEB liability - District | 1,043,470 | - | 329,023 | 714,447 | 43,717 |
| Net OPEB Liability - THIS | 15,561,085 | 2,756,088 | - | 18,317,173 | 149,648 |
| Compensated absences | 200,734 | 259,466 | 200,734 | 259,466 | 259,466 |
| TOTAL | \$ 43,925,506 | \$ 3,115,332 | \$ 3,017,773 | \$ 44,023,065 | \$ 1,932,831 |

The obligation for net pension liabilities and net OPEB liabilities will be paid from the General and Municipal Retirement/Social Security Funds.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

c. Future Debt Service Requirements

A summary of the future debt service requirements to amortize the remaining outstanding general obligation bonds as of June 30, 2020 is as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|---------------------|----------------------|
| 2021 | \$ 1,480,000 | \$ 750,826 | \$ 2,230,826 |
| 2022 | 1,570,000 | 716,148 | 2,286,148 |
| 2023 | 1,670,000 | 671,738 | 2,341,738 |
| 2024 | 1,785,000 | 614,800 | 2,399,800 |
| 2025 | 1,905,000 | 547,535 | 2,452,535 |
| 2026-2030 | 11,510,000 | 1,500,256 | 13,010,256 |
| 2031-2035 | 1,190,000 | 222,004 | 1,412,004 |
| 2036-2037 | 540,000 | 21,800 | 561,800 |
| TOTAL | \$ 21,650,000 | \$ 5,045,107 | \$ 26,695,107 |

d. Legal Debt Margin

The June 30, 2020 remaining legal debt limit of the District was \$14,815,687 based upon 13.80% of its 2019 equalized assessed valuation of \$264,244,109, resulting in a legal debt margin of \$36,465,687. Total debt applicable to the limit was \$21,650,000, which includes the outstanding general obligation bonds.

5. RETIREMENT PLAN COMMITMENTS

The retirement plans of the District include the Teachers' Retirement System (TRS or the System) of the State of Illinois (the State) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State on behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed on the following pages.

5. RETIREMENT PLAN COMMITMENTS (Continued)

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

Plan Description

The District participates in the TRS. TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration. TRS issues a publicly available financial report that can be obtained at <http://trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with ten years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last ten years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.20% of final average salary up to a maximum of 75% with 34 years of service.

Tier 2 members qualify for retirement benefits at age 67 with ten years of service, or a discounted annuity can be paid at age 62 with ten years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

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

5. RETIREMENT PLAN COMMITMENTS (Continued)

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

Benefits Provided (Continued)

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it had not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS

The State makes employer pension contributions on behalf of the District. For the year ended June 30, 2020, state contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability (NPL) associated with the employer, and the employer recognized revenue and expenditures of \$12,542,634 in pension contributions from the State.

2.2 Formula Contributions

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020 were \$93,406 and are deferred because they were paid after the June 30, 2019 measurement date.

5. RETIREMENT PLAN COMMITMENTS (Continued)

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

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 District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contributions rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2020, the employer pension contribution was 10.66% of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$227,607 were paid from federal and special trust funds that required employer contributions of \$24,263. These contributions are deferred because they were paid after the June 30, 2019 measurement date.

Employer Retirement Cost Contributions

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the employer paid \$49 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 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 employer. 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:

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT PLAN COMMITMENTS (Continued)

a. 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)

| | |
|---|------------------------------|
| District's proportionate share of the net pension liability | \$ 1,623,186 |
| State's proportionate share of the net pension liability associated with the District | <u>115,520,395</u> |
| TOTAL | <u>\$ 117,143,581</u> |

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2019, the employer's proportion was 0.0020012612%, which was an increase of 0.0000467915% from its proportion measured as of June 30, 2018 (0.0019544697%).

For the year ended June 30, 2020, the employer recognized pension expense of \$12,542,634 and revenue of \$12,542,634 for support provided by the State. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 26,616 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | 2,571 | - |
| Assumption changes | 36,370 | 31,157 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 28,793 | 1,695,766 |
| District contributions subsequent to the measurement date | <u>117,669</u> | - |
| TOTAL | <u>\$ 212,019</u> | <u>\$ 1,726,923</u> |

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT PLAN COMMITMENTS (Continued)

a. 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)*

\$117,669 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|---------------------------------|---------------------------|
| 2021 | \$ (638,803) |
| 2022 | (531,892) |
| 2023 | (331,868) |
| 2024 | (133,338) |
| 2025 | <u>3,328</u> |
| TOTAL | <u>\$ (1,632,573)</u> |

Actuarial Assumptions

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

| | |
|---------------------------|--|
| Inflation | 2.50% |
| Salary increases | Varies by amount of service credit |
| Investment rate of return | 7.00%, net of pension plan investment expenses, including inflation |

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

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT PLAN COMMITMENTS (Continued)

a. Teachers' Retirement System of the State of Illinois (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. large cap | 15.00% | 6.30% |
| U.S. equities small/mid cap | 2.00% | 7.70% |
| International equities developed | 13.60% | 7.00% |
| Emerging market equities | 3.40% | 9.50% |
| U.S. bonds core | 8.00% | 2.20% |
| U.S. bonds high yield | 4.20% | 4.00% |
| International debt developed | 2.20% | 1.10% |
| Emerging international debt | 2.60% | 4.40% |
| Real estate | 16.00% | 5.20% |
| Real return | 4.00% | 1.80% |
| Absolute return | 14.00% | 4.10% |
| Private equity | 15.00% | 9.70% |
| | | |
| TOTAL | 100.00% | |

Discount Rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7%, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, district contributions and state contributions will be made at the current statutorily required rates.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT PLAN COMMITMENTS (Continued)

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

Discount Rate (Continued)

Based on those assumptions, TRS' fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 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 Employer'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%, 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%) or 1 percentage point higher (8%) than the current rate.

| | 1% Decrease (6%) | Current Discount Rate (7%) | 1% Increase (8%) |
|---|---------------------|----------------------------------|---------------------|
| Employer's proportionate share of the net pension liability | \$ 1,982,580 | \$ 1,623,186 | \$ 1,327,693 |

TRS Fiduciary Net Position

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

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT PLAN COMMITMENTS (Continued)

b. 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 employer plan is affiliated with IMRF, an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information (RSI). That report may be obtained at www.imrf.org.

Plan Administration

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2019, IMRF membership consisted of:

| | |
|--|---------|
| Inactive employees or their beneficiaries | |
| currently receiving benefits | 113 |
| Inactive employees entitled to but not yet | |
| receiving benefits | 189 |
| Active employees | 139 |
| TOTAL | 441 |

5. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Benefits Provided

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the year ended June 30, 2020 was 7.75% of covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

| | |
|---------------------------|-------------------|
| Actuarial valuation date | December 31, 2019 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Price inflation | 2.50% |
| Salary increases | 3.35% to 14.25% |
| Investment rate of return | 7.25% |
| Asset valuation method | Market value |

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

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flows used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that district contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2019 | \$ 12,257,307 | \$ 10,580,333 | \$ 1,676,974 |
| Changes for the period | | | |
| Service cost | 401,961 | - | 401,961 |
| Interest | 879,850 | - | 879,850 |
| Difference between expected and actual experience | 106,343 | - | 106,343 |
| Changes in assumptions | - | - | - |
| Employer contributions | - | 305,112 | (305,112) |
| Employee contributions | - | 189,502 | (189,502) |
| Net investment income | - | 1,977,354 | (1,977,354) |
| Benefit payments and refunds | (644,840) | (644,840) | - |
| Other (net transfer) | - | (123,570) | 123,570 |
| Net changes | 743,314 | 1,703,558 | (960,244) |
| BALANCES AT DECEMBER 31, 2019 | \$ 13,000,621 | \$ 12,283,891 | \$ 716,730 |

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2020, the District recognized pension expense of \$765,831.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 86,725 | \$ 45,246 |
| Assumption changes | 138,756 | 49,965 |
| Net difference between projected and actual earnings on pension plan investments | - | 485,096 |
| Employer contributions after the measurement date | 176,654 | - |
| TOTAL | <u>\$ 402,135</u> | <u>\$ 580,307</u> |

\$176,654 reported as deferred outflows of resources resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending 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:

| Year Ending June 30, | |
|-------------------------|---------------------|
| 2021 | \$ (72,117) |
| 2022 | (96,411) |
| 2023 | 57,743 |
| 2024 | (244,041) |
| 2025 | - |
| Thereafter | - |
| TOTAL | <u>\$ (354,826)</u> |

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT PLAN COMMITMENTS (Continued)

b. Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability (asset) | \$ 2,403,781 | \$ 716,730 | \$ (667,109) |

6. OTHER POSTEMPLOYMENT BENEFITS

a. Retirees Health Plan

Plan Description

The District's other postemployment benefits (OPEB) plan is a single-employer defined benefit healthcare plan that is administered by the District. The District provides postemployment benefits for eligible participants enrolled in the District sponsored plan. Benefits are provided in the form of an explicit subsidy where the District contributes towards the retiree premiums and an implicit rate subsidy under which retirees that have not yet reached age 65 receive health insurance coverage by paying a combined retiree/active rate. Benefit provisions are established through contractual agreements and may only be amended through negotiations with the Board. The plan does not issue a separate, publicly available report. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The activity of the plan is reported in the District's General Fund.

Benefits Provided

The District provides continued health insurance coverage at the blended employee rate to all eligible retirees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. In addition, the District provides a reimbursement benefit to aid with premium costs for certain eligible retirees, which creates an explicit subsidy.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Retirees Health Plan (Continued)

Membership

At June 30, 2020, membership consisted of:

| | |
|---|-------------------|
| Retirees and beneficiaries currently receiving benefits | 8 |
| Active employees | <u>415</u> |
| TOTAL | <u>423</u> |
| Participating employers | <u>1</u> |

Total OPEB Liability

The District's total OPEB liability of \$714,447 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2020, as determined by an actuarial valuation as of June 30, 2020, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

| | |
|-----------------------------|------------------|
| Actuarial cost method | Entry-age normal |
| Actuarial value of assets | Market value |
| Salary increases | 2.50% |
| Discount rate | 2.21% |
| Healthcare cost trend rates | 5% - 6% |

The discount rate was based on the 20-year municipal bond yield at June 30, 2020.

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for Males or Females, as appropriate. These rates are improved generationally using MP-2016 Improvement rates.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Retirees Health Plan (Continued)

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|---------------------------------|
| BALANCES AT JULY 1, 2019 | \$ 1,043,470 |
| Changes for the period | |
| Service cost | 44,099 |
| Interest | 36,004 |
| Difference between expected and actual experience | (435,334) |
| Changes in benefit terms | - |
| Changes in assumptions | 69,925 |
| Benefit payments | <u>(43,717)</u> |
| Net changes | <u>(329,023)</u> |
| BALANCES AT JUNE 30, 2020 | <u>\$ 714,447</u> |

There were changes in assumptions related to the discount rate, inflation rate, payroll increases, mortality rates, mortality improvement rates, retirement rates, termination rates, and disability rates since the prior measurement date.

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 2.21% as well as what the District total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate:

| | 1% Decrease (1.21%) | Current Discount Rate (2.21%) | 1% Increase (3.21%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 778,689 | \$ 714,447 | \$ 656,240 |

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Retirees Health Plan (Continued)

Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 5% to 6% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4% to 5%) or 1 percentage point higher (6% to 7%) than the current rate:

| | 1% Decrease (4% to 5%) | Current Healthcare Rate (5% to 6%) | 1% Increase (6% to 7%) |
|----------------------|---------------------------|---|---------------------------|
| Total OPEB liability | \$ 644,190 | \$ 714,447 | \$ 800,536 |

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$63,769. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ 411,516 |
| Changes of assumptions | 100,185 | - |
| TOTAL | \$ 100,185 | \$ 411,516 |

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Retirees Health Plan (Continued)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

| <u>Year Ending</u> <u>June 30,</u> | |
|---------------------------------------|-------------------------|
| 2021 | \$ (16,334) |
| 2022 | (16,334) |
| 2023 | (16,334) |
| 2024 | (16,334) |
| 2025 | (16,334) |
| Thereafter | <u>(229,661)</u> |
| TOTAL | <u>\$ (311,331)</u> |

b. Teacher Health Insurance Security Fund of the State of Illinois

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

The 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.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

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

- On-behalf contributions to the THIS Fund - The State makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2020. State contributions were \$199,696 and the District recognized revenue and expenditures of this amount during the year.
- Employer contributions to the THIS Fund - The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92% during the year ended June 30, 2020. For the year ended June 30, 2020, the District paid \$148,162 to the THIS Fund, which was 100% of the required contribution.

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.”

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

| | |
|-----------------------------|---|
| Inflation | 2.50% |
| Salary increases | Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption |
| Investment rate of return | 0%, net of OPEB plan investment expense, including inflation |
| Healthcare cost trend rates | Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax. |

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

Actuarial Assumptions (Continued)

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

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the THIS Fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.62% as of June 30, 2018, and 3.13% as of June 30, 2019.

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

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

| | 1% Decrease (2.13%) | Current Discount Rate (3.13%) | 1% Increase (4.13%) |
|--|------------------------|-------------------------------------|------------------------|
| Employer’s proportionate share of the collective net OPEB liability | \$ 22,023,890 | \$ 18,317,173 | \$ 15,389,662 |

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table shows the District's net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either 1 percentage point higher or lower. The key trend rates are 8% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027 for non-Medicare coverage and 9% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

| | <u>1% Decrease^a</u> | <u>Current Discount Rate</u> | <u>1% Increase^b</u> |
|--|--------------------------------|----------------------------------|--------------------------------|
| Employer's proportionate share of the collective net OPEB liability | \$ 14,798,782 | \$ 18,317,173 | \$ 23,069,205 |

^a *One percentage point decrease in healthcare trend rates are 7% in 2020 decreasing to an ultimate rate of 3.81% in 2027 for non-Medicare coverage and 8% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.*

^b *One percentage point increase in healthcare trend rates are 9% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage and 10% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.*

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

At June 30, 2020, the District disclosed a liability for its proportionate share of the net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2019, the District's proportion was 0.066181%, which was an increase of 0.007116% from its proportion measured as of June 30, 2018 (0.059065%). The State's support and total are for disclosure purposes only.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

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

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:

| | |
|--|-----------------------------|
| Employer's proportionate share of the net OPEB liability | \$ 18,317,173 |
| State's proportionate share of the net OPEB liability associated with the employer | <u>24,803,727</u> |
| TOTAL | <u>\$ 43,120,900</u> |

For the year ended June 30, 2020, the District recognized OPEB expense of \$199,696 and revenue of \$199,696 for support provided by the State. At June 30, 2020, the District disclosed deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 303,959 |
| Changes of assumptions | 6,944 | 2,009,745 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 600 |
| Changes in the proportion and differences between employer contributions and proportionate share of contributions | 3,092,619 | 5,985 |
| Employer contributions subsequent to the measurement date | <u>148,162</u> | <u>-</u> |
| TOTAL | <u>\$ 3,247,725</u> | <u>\$ 2,320,289</u> |

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Teacher Health Insurance Security Fund of the State of Illinois (Continued)

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

\$148,162 disclosed as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2021. Other amounts disclosed as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

| Year Ended June 30, | |
|------------------------|--------------------------|
| 2021 | \$ 93,116 |
| 2022 | 93,116 |
| 2023 | 93,116 |
| 2024 | 93,116 |
| 2025 | 93,116 |
| Thereafter | <u>313,694</u> |
| TOTAL | <u><u>\$ 779,274</u></u> |

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2020, there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. COMMITMENTS AND CONTINGENCIES

a. Grantor Agencies

Federal and state grants-in-aid received by the District are subject to audit and adjustment by grantor agencies. If grant revenues are received for expenditures which are subsequently disallowed, the District may be required to repay the revenues. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. COMMITMENTS AND CONTINGENCIES (Continued)

b. Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District’s counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

9. JOINT VENTURES

a. Special Education District of McHenry County (SEDOM)

The District and 16 other districts within McHenry County have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

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

| | |
|---|-----------------------------|
| Assets | \$ 10,026,351 |
| Liabilities | <u>25,149</u> |
| NET POSITION | <u><u>\$ 10,001,202</u></u> |
| Revenues received | \$ 7,363,502 |
| Expenditures disbursed | <u>7,489,222</u> |
| NET INCREASE (DECREASE) IN NET POSITION | <u><u>\$ (125,720)</u></u> |

Complete financial statements for SEDOM can be obtained from the Administrative Offices at 1200 Claussen Drive, Woodstock, Illinois 60098.

b. McHenry County Cooperative for Employment Education

The District and eight other districts within McHenry County have entered into a joint agreement to provide vocational education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the Board of Control.

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. JOINT VENTURES (Continued)

b. McHenry County Cooperative for Employment Education (Continued)

A summary of financial condition (cash basis) of McHenry County Cooperative for Employment Education at June 30, 2019 (most recent information available) is as follows:

| | |
|---|-------------------------|
| Assets | \$ 210,157 |
| Liabilities | <u>-</u> |
| FUND EQUITY | <u>\$ 210,157</u> |
| Revenues received | \$ 989,505 |
| Expenditures disbursed | <u>1,098,402</u> |
| NET INCREASE (DECREASE) IN NET POSITION | <u>\$ (108,897)</u> |

Complete financial statements for McHenry County Cooperative for Employment Education can be obtained from the Administrative Offices at 2200 North Seminary Ave., Suite 207, Woodstock, Illinois 60098.

10. INDIVIDUAL FUND DISCLOSURES

Due from/to other funds at June 30, 2020 consisted of the following:

| | Due From | Due To |
|---------------------------------|-------------------------|-------------------------|
| | <u> </u> | <u> </u> |
| General Fund | \$ - | \$ 2,294,914 |
| Fire Prevention and Safety Fund | <u>2,294,914</u> | <u>-</u> |
| TOTAL | <u>\$ 2,294,914</u> | <u>\$ 2,294,914</u> |

All due from/to balances are to fund temporary cash shortfalls.

REQUIRED SUPPLEMENTARY INFORMATION

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|--------------------------------------|-------------------|--|
| REVENUES | | | |
| Local sources | | | |
| Educational property taxes | \$ 9,197,960 | \$ 9,089,264 | \$ (108,696) |
| Special education property taxes | 1,569,369 | 1,553,892 | (15,477) |
| Working cash property taxes | 102,253 | 101,245 | (1,008) |
| Tort property taxes | 31,310 | 31,009 | (301) |
| Corporate personal property replacement taxes | 225,000 | 361,818 | 136,818 |
| Regular - tuition from pupils or parents | - | 198,083 | 198,083 |
| Special education - tuition from other districts | - | 21,943 | 21,943 |
| Interest | 70,000 | 320,763 | 250,763 |
| Sales to pupils - lunch | 500 | 782 | 282 |
| Sales to pupils - breakfast | 200 | - | (200) |
| Sales to pupils - a la carte | 250 | - | (250) |
| Sales to adults | - | 527 | 527 |
| Admission - athletics | 42,000 | 12,693 | (29,307) |
| Admission - other | - | 750 | 750 |
| Rentals - regular textbooks | 103,000 | - | (103,000) |
| Fees | 64,700 | 48,131 | (16,569) |
| Other District/school activity revenue | - | 185 | 185 |
| Drivers' education fees | 8,000 | 15,329 | 7,329 |
| Refund of prior year expenses | - | 295 | 295 |
| Impact fees from municipal or county governments | - | 7,137 | 7,137 |
| Other local fees | 5,000 | 1,175 | (3,825) |
| Other | 100,000 | 150,742 | 50,742 |
| Total local sources | <u>11,519,542</u> | <u>11,915,763</u> | <u>396,221</u> |
| Flow-through revenue from one District to another District | | | |
| Flow-through revenue from state sources | - | 21,815 | 21,815 |
| Flow-through revenue from federal sources | - | 15,114 | 15,114 |
| Total flow-through revenue from one District to another District | <u>-</u> | <u>36,929</u> | <u>36,929</u> |
| State sources | | | |
| General state aid | 15,215,301 | 15,193,164 | (22,137) |
| Special education - private facility tuition | 60,000 | 181,958 | 121,958 |
| Special education - orphanage - individual | - | 40,942 | 40,942 |
| CTE - secondary program improvement (CTEI) | 45,000 | 22,593 | (22,407) |
| CTE - agriculture education | 3,000 | 5,173 | 2,173 |
| State free lunch and breakfast | 22,000 | 20,486 | (1,514) |
| Driver's education | 22,000 | 21,832 | (168) |
| Early childhood - block grant | 555,000 | 448,226 | (106,774) |
| Other restricted revenue from state sources | 101,550 | 169,184 | 67,634 |
| Total state sources | <u>16,023,851</u> | <u>16,103,558</u> | <u>79,707</u> |
| Federal sources | | | |
| Title V - rural education initiative (REI) | - | 12,748 | 12,748 |
| National school lunch program | 1,045,000 | 759,864 | (285,136) |
| School breakfast program | 500,000 | 342,701 | (157,299) |
| Summer food service | - | 201,359 | 201,359 |
| Food service - other | - | 94,660 | 94,660 |
| Title I - low income | 750,000 | 303,034 | (446,966) |
| School improvement grant | - | 35,633 | 35,633 |

(This schedule is continued on the following pages.)

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
 GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|--------------------------------------|-------------------|--|
| REVENUES (Continued) | | | |
| Federal sources (Continued) | | | |
| Title IV - safe and drug free schools | \$ - | \$ 11,981 | \$ 11,981 |
| Federal special education - preschool flow through | 18,300 | 19,443 | 1,143 |
| Federal special education - IDEA flow through | 625,127 | 588,713 | (36,414) |
| Federal special education - room and board | 4,000 | 80,434 | 76,434 |
| CTE - Perkins - title III E - tech prep | 30,000 | - | (30,000) |
| CTE - other | - | 20,216 | 20,216 |
| Title III - immigrant education program (IEP) | - | 1,115 | 1,115 |
| Title III - language inst program - limited eng (LIPLEP) | 94,300 | 86,562 | (7,738) |
| Title II - teacher quality | - | 34,218 | 34,218 |
| Medicaid matching funds - administrative outreach | - | 48,738 | 48,738 |
| Medicaid matching funds - fee-for-service program | 250,000 | 111,472 | (138,528) |
| Other restricted revenues from federal sources | 131,000 | 72,011 | (58,989) |
| Total federal sources | <u>3,447,727</u> | <u>2,824,902</u> | <u>(622,825)</u> |
| Total revenues | <u>30,991,120</u> | <u>30,881,152</u> | <u>(109,968)</u> |
| EXPENDITURES | | | |
| Instruction | | | |
| Regular programs | | | |
| Salaries | 7,155,255 | 7,271,423 | 116,168 |
| Employee benefits | 1,145,697 | 1,273,917 | 128,220 |
| Purchased services | 201,350 | 180,227 | (21,123) |
| Supplies and materials | 585,750 | 489,247 | (96,503) |
| Capital outlay | - | 9,432 | 9,432 |
| Other objects | 6,300 | 1,386 | (4,914) |
| Noncapitalized equipment | 225,000 | 65,587 | (159,413) |
| Total regular programs | <u>9,319,352</u> | <u>9,291,219</u> | <u>(28,133)</u> |
| Pre-K programs | | | |
| Salaries | 296,800 | 377,402 | 80,602 |
| Employee benefits | 36,935 | 68,475 | 31,540 |
| Purchased services | 15,000 | 8,328 | (6,672) |
| Supplies and materials | 6,000 | 8,446 | 2,446 |
| Noncapitalized equipment | 10,000 | - | (10,000) |
| Total Pre-K programs | <u>364,735</u> | <u>462,651</u> | <u>97,916</u> |
| Special education programs | | | |
| Salaries | 2,422,186 | 2,529,712 | 107,526 |
| Employee benefits | 458,360 | 420,288 | (38,072) |
| Purchased services | 51,000 | 14,924 | (36,076) |
| Supplies and materials | 64,500 | 8,572 | (55,928) |
| Noncapitalized equipment | 5,000 | - | (5,000) |
| Total special education programs | <u>3,001,046</u> | <u>2,973,496</u> | <u>(27,550)</u> |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Instruction (Continued) | | | |
| Special education programs - Pre-K | | | |
| Salaries | \$ - | \$ 197,158 | \$ 197,158 |
| Employee benefits | - | 30,719 | 30,719 |
| Purchased services | - | 1,402 | 1,402 |
| Supplies and materials | - | 4,294 | 4,294 |
| Noncapitalized equipment | - | 5,437 | 5,437 |
| Total special education programs - Pre-K | - | 239,010 | 239,010 |
| Remedial and supplemental programs | | | |
| Salaries | 280,000 | 86,738 | (193,262) |
| Employee benefits | 34,400 | 14,046 | (20,354) |
| Purchased services | 50,000 | 52,954 | 2,954 |
| Supplies and materials | 9,500 | 8,659 | (841) |
| Total remedial and supplemental programs | 373,900 | 162,397 | (211,503) |
| Remedial and supplemental programs - Pre-K | | | |
| Supplies and materials | - | 1,239 | 1,239 |
| Total remedial and supplemental programs - Pre-K | - | 1,239 | 1,239 |
| CTE programs | | | |
| Salaries | 534,438 | 537,970 | 3,532 |
| Employee benefits | 53,062 | 67,138 | 14,076 |
| Purchased services | 32,000 | 8,756 | (23,244) |
| Supplies and materials | 35,500 | 33,872 | (1,628) |
| Capital outlay | 15,000 | 81,339 | 66,339 |
| Noncapitalized equipment | 15,000 | 14,936 | (64) |
| Total CTE programs | 685,000 | 744,011 | 59,011 |
| Interscholastic programs | | | |
| Salaries | 510,453 | 503,313 | (7,140) |
| Employee benefits | 20,830 | 68,308 | 47,478 |
| Purchased services | 113,900 | 98,487 | (15,413) |
| Supplies and materials | 108,310 | 83,563 | (24,747) |
| Capital outlay | - | 1,525 | 1,525 |
| Other objects | 4,000 | 4,565 | 565 |
| Noncapitalized equipment | 48,500 | 31,252 | (17,248) |
| Total interscholastic programs | 805,993 | 791,013 | (14,980) |
| Summer school programs | | | |
| Salaries | 50,000 | 113,441 | 63,441 |
| Employee benefits | 800 | 10,628 | 9,828 |
| Purchased services | 200 | - | (200) |
| Supplies and materials | 1,000 | 809 | (191) |
| Total summer school programs | 52,000 | 124,878 | 72,878 |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|--------------------------------------|-------------------|--|
| EXPENDITURES (Continued) | | | |
| Instruction (Continued) | | | |
| Driver's education programs | | | |
| Salaries | \$ 80,000 | \$ 72,288 | \$ (7,712) |
| Employee benefits | 11,332 | 13,141 | 1,809 |
| Purchased services | 1,200 | 998 | (202) |
| Supplies and materials | 2,500 | 1,966 | (534) |
| Capital outlay | - | 10,000 | 10,000 |
| Total driver's education programs | <u>95,032</u> | <u>98,393</u> | <u>3,361</u> |
| Bilingual programs | | | |
| Salaries | 1,431,237 | 2,653,584 | 1,222,347 |
| Employee benefits | 184,480 | 443,432 | 258,952 |
| Purchased services | 2,000 | 17,755 | 15,755 |
| Supplies and materials | 5,000 | 43,089 | 38,089 |
| Total bilingual programs | <u>1,622,717</u> | <u>3,157,860</u> | <u>1,535,143</u> |
| Special education programs K-12 private tuition | | | |
| Other objects | 450,000 | 559,839 | 109,839 |
| Total special education programs K-12 private tuition | <u>450,000</u> | <u>559,839</u> | <u>109,839</u> |
| Total instruction | <u>16,769,775</u> | <u>18,606,006</u> | <u>1,836,231</u> |
| Support services | | | |
| Pupils | | | |
| Attendance and social work services | | | |
| Salaries | 724,590 | 611,713 | (112,877) |
| Employee benefits | 128,542 | 96,674 | (31,868) |
| Purchased services | 20,000 | 5,000 | (15,000) |
| Total attendance and social work services | <u>873,132</u> | <u>713,387</u> | <u>(159,745)</u> |
| Guidance services | | | |
| Salaries | 203,639 | 302,370 | 98,731 |
| Employee benefits | 18,764 | 39,906 | 21,142 |
| Purchased services | 50,000 | 70,519 | 20,519 |
| Supplies and materials | 2,200 | 1,216 | (984) |
| Total guidance services | <u>274,603</u> | <u>414,011</u> | <u>139,408</u> |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| Pupils (Continued) | | | |
| Health services | | | |
| Salaries | \$ 184,894 | \$ 205,939 | \$ 21,045 |
| Employee benefits | 42,512 | 28,330 | (14,182) |
| Purchased services | 10,600 | 2,370 | (8,230) |
| Supplies and materials | 7,000 | 6,402 | (598) |
| Other objects | - | 146 | 146 |
| Noncapitalized equipment | 4,000 | - | (4,000) |
| Total health services | 249,006 | 243,187 | (5,819) |
| Psychological services | | | |
| Salaries | 174,200 | 179,164 | 4,964 |
| Employee benefits | 24,382 | 24,982 | 600 |
| Purchased services | 2,000 | 9,847 | 7,847 |
| Other objects | - | 3,584 | 3,584 |
| Total psychological services | 200,582 | 217,577 | 16,995 |
| Speech pathology and audiology services | | | |
| Salaries | 450,000 | 542,499 | 92,499 |
| Employee benefits | 48,664 | 61,103 | 12,439 |
| Purchased services | 61,200 | 150,123 | 88,923 |
| Other objects | - | 853 | 853 |
| Total speech pathology and audiology services | 559,864 | 754,578 | 194,714 |
| Other support services - pupils | | | |
| Salaries | - | 257,872 | 257,872 |
| Employee benefits | - | 23,069 | 23,069 |
| Purchased services | - | 184,766 | 184,766 |
| Supplies and materials | - | 4,052 | 4,052 |
| Total support services - pupils | - | 469,759 | 469,759 |
| Total pupils | 2,157,187 | 2,812,499 | 655,312 |
| Instructional staff | | | |
| Improvement of instructional services | | | |
| Salaries | 371,320 | 528,097 | 156,777 |
| Employee benefits | 11,095 | 55,516 | 44,421 |
| Purchased services | 750,500 | 407,290 | (343,210) |
| Supplies and materials | 31,000 | 4,390 | (26,610) |
| Other objects | - | 14,048 | 14,048 |
| Total improvement of instructional services | 1,163,915 | 1,009,341 | (154,574) |

(This schedule is continued on the following pages.)

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
 GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| Instructional staff (Continued) | | | |
| Educational media services | | | |
| Salaries | \$ 216,321 | \$ 174,153 | \$ (42,168) |
| Employee benefits | 27,564 | 27,629 | 65 |
| Purchased services | 18,077 | 50,416 | 32,339 |
| Supplies and materials | 52,900 | 52,010 | (890) |
| Capital outlay | - | 26,050 | 26,050 |
| Other objects | - | 530 | 530 |
| Total educational media services | 314,862 | 330,788 | 15,926 |
| Assessment and testing | | | |
| Salaries | 5,000 | 910 | (4,090) |
| Employee benefits | 150 | 325 | 175 |
| Purchased services | 100,125 | 44,539 | (55,586) |
| Supplies and materials | - | 33,668 | 33,668 |
| Total assessment and testing | 105,275 | 79,442 | (25,833) |
| Total instructional staff | 1,584,052 | 1,419,571 | (164,481) |
| Board of Education services | | | |
| Salaries | 33,100 | 1,800 | (31,300) |
| Employee benefits | 22,395 | - | (22,395) |
| Purchased services | 311,400 | 63,518 | (247,882) |
| Supplies and materials | - | 137 | 137 |
| Total Board of Education services | 366,895 | 65,455 | (301,440) |
| Executive administration services | | | |
| Salaries | 407,200 | 449,759 | 42,559 |
| Employee benefits | 26,000 | 68,228 | 42,228 |
| Purchased services | 13,729 | 311,831 | 298,102 |
| Supplies and materials | 31,200 | 5,421 | (25,779) |
| Other objects | 17,000 | 11,511 | (5,489) |
| Noncapitalized equipment | 2,000 | 713 | (1,287) |
| Total executive administration services | 497,129 | 847,463 | 350,334 |
| General administration | | | |
| Special area administration services | | | |
| Salaries | 369,340 | 485,236 | 115,896 |
| Employee benefits | 30,966 | 33,262 | 2,296 |
| Purchased services | - | 65,476 | 65,476 |
| Supplies and materials | - | 37,759 | 37,759 |
| Other objects | - | 1,180 | 1,180 |
| Noncapitalized equipment | - | 7,803 | 7,803 |
| Total special area administration services | 400,306 | 630,716 | 230,410 |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|-----------|---|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| General administration (Continued) | | | |
| Workers' compensation | | | |
| Purchased services | \$ 70,000 | \$ 90,735 | \$ 20,735 |
| Total workers' compensation | 70,000 | 90,735 | 20,735 |
| Unemployment insurance payments | | | |
| Purchased services | 15,000 | 24,155 | 9,155 |
| Total unemployment insurance payments | 15,000 | 24,155 | 9,155 |
| Total general administration | 1,349,330 | 1,658,524 | 309,194 |
| School administration | | | |
| Office of the principal services | | | |
| Salaries | 1,112,327 | 1,148,810 | 36,483 |
| Employee benefits | 144,915 | 182,173 | 37,258 |
| Purchased services | 5,600 | 7,394 | 1,794 |
| Supplies and materials | 22,840 | 12,803 | (10,037) |
| Other objects | - | 2,217 | 2,217 |
| Total office of the principal services | 1,285,682 | 1,353,397 | 67,715 |
| Other support services - school administration | | | |
| Salaries | 112,200 | 199,119 | 86,919 |
| Employee benefits | 11,200 | 31,632 | 20,432 |
| Purchased services | - | 503 | 503 |
| Supplies and materials | - | 5 | 5 |
| Other objects | - | 361 | 361 |
| Total support services - school administration | 123,400 | 231,620 | 108,220 |
| Total school administration | 1,409,082 | 1,585,017 | 175,935 |
| Business | | | |
| Direction of business support services | | | |
| Salaries | 120,562 | 123,768 | 3,206 |
| Employee benefits | 7,400 | 10,393 | 2,993 |
| Purchased services | - | 784 | 784 |
| Total direction of business support services | 127,962 | 134,945 | 6,983 |
| Fiscal services | | | |
| Salaries | 214,500 | 142,749 | (71,751) |
| Employee benefits | 30,425 | 24,228 | (6,197) |
| Purchased services | 32,200 | 30,175 | (2,025) |
| Supplies and materials | 15,600 | 27,589 | 11,989 |
| Other objects | 2,000 | 1,414 | (586) |
| Total fiscal services | 294,725 | 226,155 | (68,570) |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| Business (Continued) | | | |
| Food service | | | |
| Purchased services | \$ 1,112,000 | \$ 998,111 | \$ (113,889) |
| Supplies and materials | 3,900 | 9,357 | 5,457 |
| Capital outlay | - | 13,861 | 13,861 |
| Noncapitalized equipment | 19,000 | - | (19,000) |
| Total food service | 1,134,900 | 1,021,329 | (113,571) |
| Total business | 1,557,587 | 1,382,429 | (175,158) |
| Central | | | |
| Direction of central support services | | | |
| Salaries | 10,000 | - | (10,000) |
| Employee benefits | 200 | - | (200) |
| Total direction of central support services | 10,200 | - | (10,200) |
| Planning, research, development and evaluation services | | | |
| Purchased services | 5,000 | - | (5,000) |
| Total planning, research, development and evaluation services | 5,000 | - | (5,000) |
| Information services | | | |
| Salaries | 111,925 | 76,031 | (35,894) |
| Employee benefits | 66 | 7,903 | 7,837 |
| Purchased services | 43,700 | 20,371 | (23,329) |
| Supplies and materials | 2,000 | 4,636 | 2,636 |
| Other objects | 500 | 195 | (305) |
| Noncapitalized equipment | 5,000 | - | (5,000) |
| Total information services | 163,191 | 109,136 | (54,055) |
| Staff services | | | |
| Salaries | - | 94,180 | 94,180 |
| Employee benefits | - | 28,948 | 28,948 |
| Purchased services | 18,000 | 64,700 | 46,700 |
| Supplies and materials | 2,000 | 29,437 | 27,437 |
| Capital outlay | - | 6,580 | 6,580 |
| Other objects | 2,000 | 1,726 | (274) |
| Noncapitalized equipment | 5,000 | 559 | (4,441) |
| Total staff services | 27,000 | 226,130 | 199,130 |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| Central (Continued) | | | |
| Data processing services | | | |
| Salaries | \$ 328,083 | \$ 319,779 | \$ (8,304) |
| Employee benefits | 62,650 | 56,706 | (5,944) |
| Purchased services | 529,775 | 246,201 | (283,574) |
| Supplies and materials | 80,000 | 285,312 | 205,312 |
| Capital outlay | 150,000 | 181,651 | 31,651 |
| Other objects | 2,000 | - | (2,000) |
| Noncapitalized equipment | 670,000 | 80,153 | (589,847) |
| Total data processing services | 1,822,508 | 1,169,802 | (652,706) |
| Total central | 2,027,899 | 1,505,068 | (522,831) |
| Other support services | | | |
| Salaries | 80,320 | - | (80,320) |
| Employee benefits | 66 | - | (66) |
| Purchased services | 19,000 | - | (19,000) |
| Supplies and materials | 25,744 | 3,204 | (22,540) |
| Total other support services | 125,130 | 3,204 | (121,926) |
| Total support services | 10,210,267 | 10,366,312 | 156,045 |
| Community services | | | |
| Salaries | - | 147,278 | 147,278 |
| Employee benefits | - | 21,407 | 21,407 |
| Purchased services | - | 16,683 | 16,683 |
| Supplies and materials | - | 23,386 | 23,386 |
| Total community services | - | 208,754 | 208,754 |
| Payments to other districts and governmental units | | | |
| Payments for special education programs | | | |
| Purchased services | 190,000 | - | (190,000) |
| Total payments for special education programs | 190,000 | - | (190,000) |
| Other payments to in-state governmental units | | | |
| Purchased services | 75,000 | 47,045 | (27,955) |
| Total other payments to in-state governmental units | 75,000 | 47,045 | (27,955) |
| Payments for special education programs - tuition | | | |
| Other objects | - | 284,307 | 284,307 |
| Total payments for special education programs - tuition | - | 284,307 | 284,307 |

(This schedule is continued on the following page.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|--------------------------------------|-----------------------------|--|
| EXPENDITURES (Continued) | | | |
| Payments to other districts and governmental units (Continued) | | | |
| Payments for community college programs - tuition | | | |
| Purchased services | \$ - | \$ 17,978 | \$ 17,978 |
| Total payments for community college programs - tuition | - | 17,978 | 17,978 |
| Total payments to other districts and governmental units | 265,000 | 349,330 | 84,330 |
| Provision for contingencies | 3,639,958 | - | (3,639,958) |
| Total expenditures | 30,885,000 | 29,530,402 | (1,354,598) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 106,120 | 1,350,750 | 1,244,630 |
| OTHER FINANCING SOURCES (USES) | | | |
| Loss on sale of asset | - | (30,564) | (30,564) |
| Total other financing sources (uses) | - | (30,564) | (30,564) |
| NET CHANGE IN FUND BALANCE (BUDGETARY BASIS) | <u>\$ 106,120</u> | 1,320,186 | <u>\$ 1,214,066</u> |
| ADJUSTMENTS TO BUDGETARY BASIS | | | |
| On-behalf revenues | | 12,690,796 | |
| On-behalf expenditures | | <u>(12,690,796)</u> | |
| NET CHANGE IN FUND BALANCE (GAAP BASIS) | | 1,320,186 | |
| FUND BALANCE, JULY 1 | | <u>15,506,824</u> | |
| FUND BALANCE, JUNE 30 | | <u><u>\$ 16,827,010</u></u> | |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Six Fiscal Years

| FISCAL YEAR ENDED JUNE 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------------------|--------------|--------------|-----------------|--------------|--------------|
| Actuarially determined contribution | \$ 263,260 | \$ 318,738 | \$ 293,167 | \$ 335,969 | \$ 342,593 | \$ 326,446 |
| Contributions in relation to the actuarially determined contribution | 265,478 | 318,738 | 293,167 | 336,455 | 342,593 | 326,446 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ (2,218) | \$ - | \$ - | \$ (486) | \$ - | \$ - |
| Covered payroll | \$ 2,624,729 | \$ 3,296,155 | \$ 3,228,709 | \$ 3,738,507 | \$ 4,188,706 | \$ 4,211,062 |
| Contributions as a percentage of covered payroll | 10.11% | 9.67% | 9.08% | 9.00% | 8.18% | 7.75% |

Notes to Required Supplemental Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and price inflation of 2.50%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

Last Six Fiscal Years

| FISCAL YEAR ENDED JUNE 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 234,288 | \$ 248,849 | \$ 217,791 | \$ 178,707 | \$ 105,045 | \$ 117,669 |
| Contributions in relation to the actuarially determined contribution | 234,288 | 248,849 | 217,791 | 178,707 | 105,045 | 117,669 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ - |
| Covered payroll | \$ 10,947,397 | \$ 11,162,099 | \$ 12,476,880 | \$ 14,001,644 | \$ 15,742,587 | \$ 16,537,656 |
| Contributions as a percentage of covered payroll | 2.14% | 2.23% | 1.75% | 1.28% | 0.67% | 0.71% |

Notes to Required Supplemental Information

Changes of assumptions: For the 2019, 2018, 2017 and 2016 measurement years, the assumed investment rate of return was 7.00%, including an inflation rate of 2.50% 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%, including an inflation rate of 3.00% and a real return of 4.50%. 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 ended June 30, 2014. For the 2014 measurement year, the assumed investment rate of return was also 7.50%, including an inflation rate of 3.00% and a real return of 4.50%. However, salary increases were assumed to vary by age.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND**

Last Three Fiscal Years

| FISCAL YEAR ENDED JUNE 30, | 2018 | 2019 | 2020 |
|--|----------------|----------------|----------------|
| Statutorily required contribution | \$ 111,781 | \$ 143,010 | \$ 148,162 |
| Contributions in relation to the statutorily required contribution | <u>111,781</u> | <u>143,010</u> | <u>148,162</u> |
| CONTRIBUTION DEFICIENCY (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 14,284,736 | \$ 15,742,587 | \$ 16,104,520 |
| Contributions as a percentage of covered payroll | 0.78% | 0.91% | 0.92% |

Notes to Required Supplemental Information

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented or as many years as is available.

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Six Fiscal Years

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 |
|---|---------------------|----------------------|
| TOTAL PENSION LIABILITY | | |
| Service cost | \$ 307,096 | \$ 289,929 |
| Interest | 648,284 | 704,183 |
| Differences between expected and actual experience | (166,003) | 621,658 |
| Changes in assumptions | 394,224 | 13,013 |
| Benefit payments, including refunds of member contributions | (414,169) | (445,222) |
| Net change in total pension liability | 769,432 | 1,183,561 |
| Total pension liability - beginning | 8,697,324 | 9,466,756 |
| TOTAL PENSION LIABILITY - ENDING | \$ 9,466,756 | \$ 10,650,317 |
| PLAN FIDUCIARY NET POSITION | | |
| Contributions - employer | \$ 265,478 | \$ 318,738 |
| Contributions - member | 119,327 | 148,327 |
| Net investment income | 530,811 | 46,163 |
| Benefit payments, including refunds of member contributions | (414,169) | (445,222) |
| Other (net transfer) | 3,679 | (92,141) |
| Net change in plan fiduciary net position | 505,126 | (24,135) |
| Plan fiduciary net position - beginning | 8,716,505 | 9,221,631 |
| PLAN FIDUCIARY NET POSITION - ENDING | \$ 9,221,631 | \$ 9,197,496 |
| EMPLOYER'S NET PENSION LIABILITY | \$ 245,125 | \$ 1,452,821 |
| Plan fiduciary net position as a percentage of the total pension liability | 97.41% | 86.36% |
| Covered payroll | \$ 2,624,729 | \$ 3,296,155 |
| Employer's net pension liability as a percentage of covered payroll | 9.34% | 44.08% |

Notes to Required Supplemental Information

Changes in assumptions related to the discount rate were made in 2018.

Changes in assumptions related to inflation rates, salary rates and mortality were made in 2017 and 2018.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

| | 2016 | 2017 | 2018 | 2019 |
|----|-------------|---------------|---------------|---------------|
| \$ | 362,808 | \$ 350,847 | \$ 366,574 | \$ 401,961 |
| | 793,852 | 820,150 | 846,524 | 879,850 |
| | (302,207) | 91,254 | (114,084) | 106,343 |
| | (13,387) | (357,510) | 349,858 | - |
| | (465,782) | (531,370) | (590,537) | (644,840) |
| | 375,284 | 373,371 | 858,335 | 743,314 |
| | 10,650,317 | 11,025,601 | 11,398,972 | 12,257,307 |
| \$ | 11,025,601 | \$ 11,398,972 | \$ 12,257,307 | \$ 13,000,621 |
| \$ | 293,167 | \$ 336,455 | \$ 359,381 | \$ 305,112 |
| | 153,193 | 161,173 | 178,690 | 189,502 |
| | 623,439 | 1,718,526 | (623,674) | 1,977,354 |
| | (465,782) | (531,370) | (590,537) | (644,840) |
| | (50,359) | (264,148) | 84,683 | (123,570) |
| | 553,658 | 1,420,636 | (591,457) | 1,703,558 |
| | 9,197,496 | 9,751,154 | 11,171,790 | 10,580,333 |
| \$ | 9,751,154 | \$ 11,171,790 | \$ 10,580,333 | \$ 12,283,891 |
| \$ | 1,274,447 | \$ 227,182 | \$ 1,676,974 | \$ 716,730 |
| | 88.44% | 98.01% | 86.32% | 94.49% |
| \$ | 3,228,709 | \$ 3,512,251 | \$ 3,965,964 | \$ 4,162,504 |
| | 39.47% | 6.47% | 42.28% | 17.22% |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND RELATED RATIOS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Last Six Fiscal Years

| MEASUREMENT DATE JUNE 30, | 2014 | 2015 |
|---|----------------------|----------------------|
| District's proportion of the net pension liability | 0.00656690% | 0.00710110% |
| District's proportionate share of the net pension liability | \$ 3,996,503 | \$ 4,652,441 |
| State's proportionate share of the net pension liability associated with the District | <u>68,879,845</u> | <u>74,458,911</u> |
| TOTAL | <u>\$ 72,876,348</u> | <u>\$ 79,111,352</u> |
| District's covered payroll | \$ 13,306,335 | \$ 10,947,397 |
| District's proportionate share of the net pension liability associated with the employer as a percentage of its covered payroll | 547.68% | 722.65% |
| Plan fiduciary net position as a percentage of the total pension liability | 42.95% | 41.50% |

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

| 2016 | 2017 | 2018 | 2019 |
|----------------|----------------|----------------|----------------|
| 0.00563610% | 0.00433760% | 0.00195447% | 0.00200126% |
| \$ 4,448,937 | \$ 3,313,835 | \$ 1,523,408 | \$ 1,623,186 |
| 96,438,438 | 98,521,192 | 104,359,848 | 115,520,395 |
| \$ 100,887,375 | \$ 101,835,027 | \$ 105,883,256 | \$ 117,143,581 |
| \$ 11,162,099 | \$ 12,476,880 | \$ 14,001,644 | \$ 15,742,587 |
| 903.84% | 816.19% | 756.22% | 744.12% |
| 36.40% | 39.30% | 40.00% | 39.60% |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Three Fiscal Years

| MEASUREMENT DATE JUNE 30, | 2018 | 2019 | 2020 |
|---|-------------------|---------------------|-------------------|
| TOTAL OPEB LIABILITY | | | |
| Service cost | \$ 53,379 | \$ 55,445 | \$ 44,099 |
| Interest | 33,870 | 36,028 | 36,004 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | - | - | (435,334) |
| Changes of assumptions | - | 41,402 | 69,925 |
| Benefit payments | (22,280) | (40,698) | (43,717) |
| Net change in total OPEB liability | 64,969 | 92,177 | (329,023) |
| Total OPEB liability - beginning | 886,324 | 951,293 | 1,043,470 |
| TOTAL OPEB LIABILITY - ENDING | \$ 951,293 | \$ 1,043,470 | \$ 714,447 |
| Covered payroll | \$ 17,795,913 | \$ 20,632,057 | \$ 20,463,410 |
| Employer's total OPEB liability as a percentage of covered payroll | 5.35% | 5.06% | 3.49% |

There were changes in assumptions related to the discount rate made in 2019.

There were changes in assumptions related to the discount rate, inflation rate, payroll increases, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates in 2020.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
COLLECTIVE NET OPEB LIABILITY AND RELATED RATIOS
TEACHER'S HEALTH INSURANCE SECURITY FUND

Last Three Fiscal Years

| MEASUREMENT DATE JUNE 30, | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|
| District's proportion of the collective net OPEB liability | 0.057846% | 0.059065% | 0.066181% |
| District's proportionate share of the collective net OPEB liability | \$ 15,010,769 | \$ 15,561,085 | \$ 18,317,173 |
| State's proportionate share of the collective net OPEB liability associated with the District | <u>19,712,894</u> | <u>20,895,101</u> | <u>24,803,727</u> |
| TOTAL | <u>\$ 34,723,663</u> | <u>\$ 36,456,186</u> | <u>\$ 43,120,900</u> |
| Plan's fiduciary net position as a percentage of the total pension liability | (0.17%) | (0.07%) | 0.25% |
| District's covered payroll | \$ 12,476,880 | \$ 14,001,644 | \$ 15,742,587 |
| Proportionate of the collective net OPEB liability associated with employer as a percentage of its covered payroll | 278.30% | 260.37% | 273.91% |

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2020

1. BUDGETS AND BUDGETARY ACCOUNTING

The District follows procedures mandated by Illinois State law and District board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 18, 2019. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

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

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

- a. Prior to July 1, the Superintendent submits to the Board a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally adopted through passage of resolution.
- d. Formal budgetary integration is employed as a management control device during the year for the General, Operations and Maintenance, Debt Service, Transportation, Municipal Retirement/Social Security, Capital Projects, and Fire Prevention and Safety funds.
- e. The Board of Education may make transfers between the various items in any fund not exceeding in aggregate 10% of the total of such fund as set forth in the budget.
- f. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

2. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following fund over expended appropriations in fiscal year 2020:

| Fund | Appropriations | Expenditures | Excess |
|----------------|----------------|--------------|-----------|
| Debt Service | \$ 2,180,999 | \$ 2,181,373 | \$ (374) |
| Transportation | 1,856,000 | 2,009,052 | (331,559) |

SUPPLEMENTARY INFORMATION

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

COMBINING BALANCE SHEET
GENERAL FUND - BY ACCOUNT

June 30, 2020

| | Educational Accounts | Working Cash Accounts | Tort Accounts | Total |
|---|-------------------------|-----------------------------|-------------------|----------------------|
| ASSETS | | | | |
| Cash | \$ 3,795,644 | \$ 699,866 | \$ 313,838 | \$ 4,809,348 |
| Investments | 13,803,199 | 2,671,748 | - | 16,474,947 |
| Receivables | | | | |
| Property taxes, net | 5,622,539 | 55,565 | 15,975 | 5,694,079 |
| Interfund loans | 2,294,914 | - | - | 2,294,914 |
| Intergovernmental | 509,979 | - | - | 509,979 |
| Interest | 91,082 | - | - | 91,082 |
| Inventory | 17,894 | - | - | 17,894 |
| Prepaid items | 264,562 | - | - | 264,562 |
| | \$ 26,399,813 | \$ 3,427,179 | \$ 329,813 | \$ 30,156,805 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 202,954 | \$ - | \$ 23,139 | \$ 226,093 |
| Salaries and wages payable | 1,972,371 | - | - | 1,972,371 |
| Unearned revenue | 79,575 | - | - | 79,575 |
| | 2,254,900 | - | 23,139 | 2,278,039 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes levied for subsequent years | 10,846,446 | 107,191 | 30,745 | 10,984,382 |
| Unavailable grant revenue | 67,374 | - | - | 67,374 |
| | 10,913,820 | 107,191 | 30,745 | 11,051,756 |
| | 13,168,720 | 107,191 | 53,884 | 13,329,795 |
| FUND BALANCES | | | | |
| Nonspendable | 282,456 | - | - | 282,456 |
| Restricted | | | | |
| Child nutrition program | 2,117,779 | - | - | 2,117,779 |
| Tort | - | - | 275,929 | 275,929 |
| Assigned for working cash | - | 3,319,988 | - | 3,319,988 |
| Unassigned | 10,830,858 | - | - | 10,830,858 |
| | 13,231,093 | 3,319,988 | 275,929 | 16,827,010 |
| | \$ 26,399,813 | \$ 3,427,179 | \$ 329,813 | \$ 30,156,805 |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND - BY ACCOUNT

For the Year Ended June 30, 2020

| | Educational Accounts | Working Cash Accounts | Tort Accounts | Total |
|--|---------------------------------|--------------------------------------|--------------------------|----------------------|
| REVENUES | | | | |
| Property taxes | \$ 10,643,156 | \$ 101,245 | \$ 31,009 | \$ 10,775,410 |
| Corporate personal property replacement taxes | 361,818 | - | - | 361,818 |
| State aid | 28,794,354 | - | - | 28,794,354 |
| Federal aid | 2,824,902 | - | - | 2,824,902 |
| Investment income | 286,510 | 34,253 | - | 320,763 |
| Other | 494,406 | - | 295 | 494,701 |
| Total revenues | 43,405,146 | 135,498 | 31,304 | 43,571,948 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular programs | 14,008,142 | - | - | 14,008,142 |
| Pre-K programs | 707,958 | - | - | 707,958 |
| Special programs | 5,764,797 | - | - | 5,764,797 |
| Other instructional programs | 7,360,678 | - | - | 7,360,678 |
| Support services | | | | |
| Pupils | 4,177,189 | - | - | 4,177,189 |
| Instructional staff | 1,850,568 | - | - | 1,850,568 |
| General administration | 2,152,541 | - | 114,890 | 2,267,431 |
| School administration | 2,461,091 | - | - | 2,461,091 |
| Business | 1,368,568 | - | - | 1,368,568 |
| Central | 1,378,050 | - | - | 1,378,050 |
| Other support services | 3,204 | - | - | 3,204 |
| Community services | 208,754 | - | - | 208,754 |
| Intergovernmental | 349,330 | - | - | 349,330 |
| Capital outlay | 315,438 | - | - | 315,438 |
| Total expenditures | 42,106,308 | - | 114,890 | 42,221,198 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,298,838 | 135,498 | (83,586) | 1,350,750 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Loss on sale of asset | (30,564) | - | - | (30,564) |
| Total other financing sources (uses) | (30,564) | - | - | (30,564) |
| NET CHANGE IN FUND BALANCES | 1,268,274 | 135,498 | (83,586) | 1,320,186 |
| FUND BALANCES, JULY 1 | 11,962,819 | 3,184,490 | 359,515 | 15,506,824 |
| FUND BALANCES, JUNE 30 | \$ 13,231,093 | \$ 3,319,988 | \$ 275,929 | \$ 16,827,010 |

(See independent auditor's report.)

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|------------------------------|--------------|---|
| REVENUES | | | |
| Local sources | | | |
| Educational property taxes | \$ 9,197,960 | \$ 9,089,264 | \$ (108,696) |
| Special education property taxes | 1,569,369 | 1,553,892 | (15,477) |
| Corporate personal property replacement taxes | 225,000 | 361,818 | 136,818 |
| Regular - tuition from pupils or parents | - | 198,083 | 198,083 |
| Special education - tuition from other districts | - | 21,943 | 21,943 |
| Interest on investments | 60,000 | 286,510 | 226,510 |
| Sales to pupils - lunch | 500 | 782 | 282 |
| Sales to pupils - breakfast | 200 | - | (200) |
| Sales to pupils - a la carte | 250 | - | (250) |
| Sales to adults | - | 527 | 527 |
| Admission - athletics | 42,000 | 12,693 | (29,307) |
| Admission - other | - | 750 | 750 |
| Rentals - regular textbooks | 103,000 | - | (103,000) |
| Fees | 64,700 | 48,131 | (16,569) |
| Other district/school activity revenue | - | 185 | 185 |
| Driver's education fees | 8,000 | 15,329 | 7,329 |
| Impact fees from municipal or county governments | - | 7,137 | 7,137 |
| Other local fees | 5,000 | 1,175 | (3,825) |
| Other local revenue | 100,000 | 150,742 | 50,742 |
| Total local sources | 11,375,979 | 11,748,961 | 372,982 |
| Flow-through revenues from one district to another district | | | |
| Flow-through revenue from state sources | - | 21,815 | 21,815 |
| Flow-through revenue from federal sources | - | 15,114 | 15,114 |
| Total flow-through revenue from one district to another district | - | 36,929 | 36,929 |
| State sources | | | |
| Evidence based funding formula | 15,215,301 | 15,193,164 | (22,137) |
| Special education - private facility tuition | 60,000 | 181,958 | 121,958 |
| Special education - orphanage - individual | - | 40,942 | 40,942 |
| CTE - secondary program improvement (CTEI) | 45,000 | 22,593 | (22,407) |
| CTE - agriculture education | 3,000 | 5,173 | 2,173 |
| CTE - other | 12,000 | - | (12,000) |
| State free lunch and breakfast | 22,000 | 20,486 | (1,514) |
| Driver's education | 22,000 | 21,832 | (168) |
| Early childhood - block grant | 555,000 | 448,226 | (106,774) |
| Other restricted revenue from state sources | 101,550 | 169,184 | 67,634 |
| Total state sources | 16,035,851 | 16,103,558 | 67,707 |

(This schedule is continued on the following pages.)

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|-------------------|---|
| REVENUES (Continued) | | | |
| Federal sources | | | |
| Title V - Rural education initiative (REI) | \$ - | \$ 12,748 | \$ 12,748 |
| National school lunch program | 1,045,000 | 759,864 | (285,136) |
| School breakfast program | 500,000 | 342,701 | (157,299) |
| Summer food service | - | 201,359 | 201,359 |
| Food service - other | - | 94,660 | 94,660 |
| Title I - low income | 750,000 | 303,034 | (446,966) |
| School improvement grant | - | 35,633 | 35,633 |
| Title IV - safe and drug free schools | - | 11,981 | 11,981 |
| Federal special education - preschool flow-through | 18,300 | 19,443 | 1,143 |
| Federal special education - IDEA - flow-through | 625,127 | 588,713 | (36,414) |
| Federal special education - IDEA - room and board | 4,000 | 80,434 | 76,434 |
| CTE - Perkins - title IIIE - tech prep | 30,000 | - | (30,000) |
| CTE - other | - | 20,216 | 20,216 |
| Title III - immigrant education program (IEP) | - | 1,115 | 1,115 |
| Title III - language inst program - limited eng (LIPLEP) | 94,300 | 86,562 | (7,738) |
| Title II - teacher quality | - | 34,218 | 34,218 |
| Medicaid matching funds - administrative outreach | - | 48,738 | 48,738 |
| Medicaid matching funds - fee-for-service program | 250,000 | 111,472 | (138,528) |
| Other restricted revenues from federal sources | 131,000 | 72,011 | (58,989) |
| | <u>3,447,727</u> | <u>2,824,902</u> | <u>(622,825)</u> |
| Total federal sources | | | |
| | <u>30,859,557</u> | <u>30,714,350</u> | <u>(145,207)</u> |
| Total revenues | | | |
| EXPENDITURES | | | |
| Instruction | | | |
| Regular programs | | | |
| Salaries | 7,155,255 | 7,271,423 | 116,168 |
| Employee benefits | 1,145,697 | 1,273,917 | 128,220 |
| Purchased services | 201,350 | 180,227 | (21,123) |
| Supplies and materials | 585,750 | 489,247 | (96,503) |
| Capital outlay | - | 9,432 | 9,432 |
| Other objects | 6,300 | 1,386 | (4,914) |
| Noncapitalized equipment | 225,000 | 65,587 | (159,413) |
| | <u>9,319,352</u> | <u>9,291,219</u> | <u>(28,133)</u> |
| Total regular programs | | | |
| Pre-K programs | | | |
| Salaries | 296,800 | 377,402 | 80,602 |
| Employee benefits | 36,935 | 68,475 | 31,540 |
| Purchased services | 15,000 | 8,328 | (6,672) |
| Supplies and materials | 6,000 | 8,446 | 2,446 |
| Noncapitalized equipment | 10,000 | - | (10,000) |
| | <u>364,735</u> | <u>462,651</u> | <u>97,916</u> |
| Total Pre-K programs | | | |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|--------------|---|
| EXPENDITURES (Continued) | | | |
| Instruction (Continued) | | | |
| Special education programs | | | |
| Salaries | \$ 2,422,186 | \$ 2,529,712 | \$ 107,526 |
| Employee benefits | 458,360 | 420,288 | (38,072) |
| Purchased services | 51,000 | 14,924 | (36,076) |
| Supplies and materials | 64,500 | 8,572 | (55,928) |
| Noncapitalized equipment | 5,000 | - | (5,000) |
| Total special education programs | 3,001,046 | 2,973,496 | (27,550) |
| Special education programs - Pre-K | | | |
| Salaries | - | 197,158 | 197,158 |
| Employee benefits | - | 30,719 | 30,719 |
| Purchased services | - | 1,402 | 1,402 |
| Supplies and materials | - | 4,294 | 4,294 |
| Noncapitalized equipment | - | 5,437 | 5,437 |
| Total special education programs - Pre-K | - | 239,010 | 239,010 |
| Remedial and supplemental programs K-12 | | | |
| Salaries | 280,000 | 86,738 | (193,262) |
| Employee benefits | 34,400 | 14,046 | (20,354) |
| Purchased services | 50,000 | 52,954 | 2,954 |
| Supplies and materials | 9,500 | 8,659 | (841) |
| Total remedial and supplemental programs K-12 | 373,900 | 162,397 | (211,503) |
| Remedial and supplemental programs - Pre-K | | | |
| Supplies and materials | - | 1,239 | 1,239 |
| Total remedial and supplemental programs - Pre-K | - | 1,239 | 1,239 |
| CTE programs | | | |
| Salaries | 534,438 | 537,970 | 3,532 |
| Employee benefits | 53,062 | 67,138 | 14,076 |
| Purchased services | 32,000 | 8,756 | (23,244) |
| Supplies and materials | 35,500 | 33,872 | (1,628) |
| Capital outlay | 15,000 | 81,339 | 66,339 |
| Other objects | - | 40 | 40 |
| Noncapitalized equipment | 15,000 | 14,936 | (64) |
| Total CTE programs | 685,000 | 744,051 | 59,051 |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Instruction (Continued) | | | |
| Interscholastic programs | | | |
| Salaries | \$ 510,453 | \$ 503,313 | \$ (7,140) |
| Employee benefits | 20,830 | 68,308 | 47,478 |
| Purchased services | 113,900 | 98,487 | (15,413) |
| Supplies and materials | 108,310 | 83,563 | (24,747) |
| Capital outlay | - | 1,525 | 1,525 |
| Other objects | 4,000 | 4,565 | 565 |
| Noncapitalized equipment | 48,500 | 31,252 | (17,248) |
| Total interscholastic programs | 805,993 | 791,013 | (14,980) |
| Summer school programs | | | |
| Salaries | 50,000 | 113,441 | 63,441 |
| Employee benefits | 800 | 10,628 | 9,828 |
| Purchased services | 200 | - | (200) |
| Supplies and materials | 1,000 | 809 | (191) |
| Total summer school programs | 52,000 | 124,878 | 72,878 |
| Driver's education programs | | | |
| Salaries | 80,000 | 72,288 | (7,712) |
| Employee benefits | 11,332 | 13,141 | 1,809 |
| Purchased services | 1,200 | 998 | (202) |
| Supplies and materials | 2,500 | 1,966 | (534) |
| Capital outlay | - | 10,000 | 10,000 |
| Total driver's education programs | 95,032 | 98,393 | 3,361 |
| Bilingual programs | | | |
| Salaries | 1,431,237 | 2,653,584 | 1,222,347 |
| Employee benefits | 184,480 | 443,432 | 258,952 |
| Purchased services | 2,000 | 17,755 | 15,755 |
| Supplies and materials | 5,000 | 43,089 | 38,089 |
| Total bilingual programs | 1,622,717 | 3,157,860 | 1,535,143 |
| Special education programs K-12 private tuition | | | |
| Other objects | 450,000 | 559,839 | 109,839 |
| Total special education programs K-12 private tuition | 450,000 | 559,839 | 109,839 |
| Total instruction | 16,769,775 | 18,606,046 | 1,836,271 |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Support services | | | |
| Pupils | | | |
| Attendance and social work services | | | |
| Salaries | \$ 724,590 | \$ 611,713 | \$ (112,877) |
| Employee benefits | 128,542 | 96,674 | (31,868) |
| Purchased services | 20,000 | 5,000 | (15,000) |
| Total attendance and social work services | 873,132 | 713,387 | (159,745) |
| Guidance services | | | |
| Salaries | 203,639 | 302,370 | 98,731 |
| Employee benefits | 18,764 | 39,906 | 21,142 |
| Purchased services | 50,000 | 70,519 | 20,519 |
| Supplies and materials | 2,200 | 1,216 | (984) |
| Total guidance services | 274,603 | 414,011 | 139,408 |
| Health services | | | |
| Salaries | 184,894 | 205,939 | 21,045 |
| Employee benefits | 42,512 | 28,330 | (14,182) |
| Purchased services | 10,600 | 2,370 | (8,230) |
| Supplies and materials | 7,000 | 6,402 | (598) |
| Other objects | - | 146 | 146 |
| Noncapitalized equipment | 4,000 | - | (4,000) |
| Total health services | 249,006 | 243,187 | (5,819) |
| Psychological services | | | |
| Salaries | 174,200 | 179,164 | 4,964 |
| Employee benefits | 24,382 | 24,982 | 600 |
| Purchased services | 2,000 | 9,847 | 7,847 |
| Supplies and materials | - | 3,584 | 3,584 |
| Total psychological services | 200,582 | 217,577 | 16,995 |
| Speech pathology and audiology services | | | |
| Salaries | 450,000 | 542,499 | 92,499 |
| Employee benefits | 48,664 | 61,103 | 12,439 |
| Purchased services | 61,200 | 150,123 | 88,923 |
| Other objects | - | 853 | 853 |
| Total speech pathology and audiology services | 559,864 | 754,578 | 194,714 |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| Pupils (Continued) | | | |
| Other support services - pupils | | | |
| Salaries | \$ - | \$ 257,872 | \$ 257,872 |
| Employee benefits | - | 23,069 | 23,069 |
| Purchased services | - | 184,766 | 184,766 |
| Supplies and materials | - | 4,052 | 4,052 |
| Total other support services - pupils | - | 469,759 | 469,759 |
| Total pupils | 2,157,187 | 2,812,499 | 655,312 |
| Instructional staff | | | |
| Improvement of instructional services | | | |
| Salaries | 371,320 | 528,097 | 156,777 |
| Employee benefits | 11,095 | 55,516 | 44,421 |
| Purchased services | 750,500 | 407,290 | (343,210) |
| Supplies and materials | 31,000 | 4,390 | (26,610) |
| Other objects | - | 14,048 | 14,048 |
| Total improvement of instructional services | 1,163,915 | 1,009,341 | (154,574) |
| Educational media services | | | |
| Salaries | 216,321 | 174,153 | (42,168) |
| Employee benefits | 27,564 | 27,629 | 65 |
| Purchased services | 18,077 | 50,416 | 32,339 |
| Supplies and materials | 52,900 | 52,010 | (890) |
| Capital outlay | - | 26,050 | 26,050 |
| Other objects | - | 530 | 530 |
| Total educational media services | 314,862 | 330,788 | 15,926 |
| Assessment and testing | | | |
| Salaries | 5,000 | 910 | (4,090) |
| Employee benefits | 150 | 325 | 175 |
| Purchased services | 100,125 | 44,539 | (55,586) |
| Supplies and materials | - | 33,668 | 33,668 |
| Total assessment and testing | 105,275 | 79,442 | (25,833) |
| Total instructional staff | 1,584,052 | 1,419,571 | (164,481) |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|-----------|---|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| General administration | | | |
| Board of Education services | | | |
| Salaries | \$ 33,100 | \$ 1,800 | \$ (31,300) |
| Employee benefits | 22,395 | - | (22,395) |
| Purchased services | 311,400 | 63,518 | (247,882) |
| Supplies and materials | - | 137 | 137 |
| Total Board of Education services | 366,895 | 65,455 | (301,440) |
| Executive administration services | | | |
| Salaries | 407,200 | 449,759 | 42,559 |
| Employee benefits | 26,000 | 68,228 | 42,228 |
| Purchased services | 13,729 | 311,831 | 298,102 |
| Supplies and materials | 31,200 | 5,421 | (25,779) |
| Other objects | 17,000 | 11,511 | (5,489) |
| Noncapitalized equipment | 2,000 | 713 | (1,287) |
| Total executive administration services | 497,129 | 847,463 | 350,334 |
| Special area administration services | | | |
| Salaries | 369,340 | 485,236 | 115,896 |
| Employee benefits | 30,966 | 33,262 | 2,296 |
| Purchased services | - | 65,476 | 65,476 |
| Supplies and materials | - | 37,759 | 37,759 |
| Other objects | - | 1,180 | 1,180 |
| Noncapitalized equipment | - | 7,803 | 7,803 |
| Total special area administration services | 400,306 | 630,716 | 230,410 |
| Total general administration | 1,264,330 | 1,543,634 | 279,304 |
| School administration | | | |
| Office of the principal services | | | |
| Salaries | 1,112,327 | 1,148,770 | 36,443 |
| Employee benefits | 144,915 | 182,173 | 37,258 |
| Purchased services | 5,600 | 7,394 | 1,794 |
| Supplies and materials | 22,840 | 12,803 | (10,037) |
| Other objects | - | 2,217 | 2,217 |
| Total office of the principal services | 1,285,682 | 1,353,357 | 67,675 |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| School administration (Continued) | | | |
| Other support services - school administration | | | |
| Salaries | \$ 112,200 | \$ 199,119 | \$ 86,919 |
| Employee benefits | 11,200 | 31,632 | 20,432 |
| Purchased services | - | 503 | 503 |
| Supplies and materials | - | 5 | 5 |
| Other objects | - | 361 | 361 |
| Total support services - school administration | 123,400 | 231,620 | 108,220 |
| Total school administration | 1,409,082 | 1,584,977 | 175,895 |
| Business | | | |
| Direction of business support services | | | |
| Salaries | 120,562 | 123,768 | 3,206 |
| Employee benefits | 7,400 | 10,393 | 2,993 |
| Purchased services | - | 784 | 784 |
| Total direction of business support services | 127,962 | 134,945 | 6,983 |
| Fiscal services | | | |
| Salaries | 214,500 | 142,749 | (71,751) |
| Employee benefits | 30,425 | 24,228 | (6,197) |
| Purchased services | 32,200 | 30,175 | (2,025) |
| Supplies and materials | 15,600 | 27,589 | 11,989 |
| Other objects | 2,000 | 1,414 | (586) |
| Total fiscal services | 294,725 | 226,155 | (68,570) |
| Food services | | | |
| Purchased services | 1,112,000 | 998,111 | (113,889) |
| Supplies and materials | 3,900 | 9,357 | 5,457 |
| Capital outlay | - | 13,861 | 13,861 |
| Noncapitalized equipment | 19,000 | - | (19,000) |
| Total food service | 1,134,900 | 1,021,329 | (113,571) |
| Total business | 1,557,587 | 1,382,429 | (175,158) |
| Central | | | |
| Direction of central support services | | | |
| Salaries | 10,000 | - | (10,000) |
| Employee benefits | 200 | - | (200) |
| Total direction of central support services | 10,200 | - | (10,200) |

(This schedule is continued on the following pages.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|-----------|---|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| Central (Continued) | | | |
| Planning, research, development and evaluation services | | | |
| Purchased services | \$ 5,000 | \$ - | \$ (5,000) |
| | | | |
| Total planning, research, development and evaluation services | 5,000 | - | (5,000) |
| Information services | | | |
| Salaries | 111,925 | 76,031 | (35,894) |
| Employee benefits | 66 | 7,903 | 7,837 |
| Purchased services | 43,700 | 20,371 | (23,329) |
| Supplies and materials | 2,000 | 4,636 | 2,636 |
| Other objects | 500 | 195 | (305) |
| Noncapitalized equipment | 5,000 | - | (5,000) |
| | | | |
| Total information services | 163,191 | 109,136 | (54,055) |
| Staff services | | | |
| Salaries | - | 94,180 | 94,180 |
| Employee benefits | - | 28,948 | 28,948 |
| Purchased services | 18,000 | 64,700 | 46,700 |
| Supplies and materials | 2,000 | 29,437 | 27,437 |
| Capital outlay | - | 6,580 | 6,580 |
| Other objects | 2,000 | 1,726 | (274) |
| Noncapitalized equipment | 5,000 | 559 | (4,441) |
| | | | |
| Total staff services | 27,000 | 226,130 | 199,130 |
| Data processing services | | | |
| Salaries | 328,083 | 319,779 | (8,304) |
| Employee benefits | 62,650 | 56,706 | (5,944) |
| Purchased services | 529,775 | 246,201 | (283,574) |
| Supplies and materials | 80,000 | 285,312 | 205,312 |
| Capital outlay | 150,000 | 181,651 | 31,651 |
| Other objects | 2,000 | - | (2,000) |
| Noncapitalized equipment | 670,000 | 80,153 | (589,847) |
| | | | |
| Total data processing services | 1,822,508 | 1,169,802 | (652,706) |
| | | | |
| Total central | 2,027,899 | 1,505,068 | (522,831) |

(This schedule is continued on the following pages.)

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|------------------------------|------------|---|
| EXPENDITURES (Continued) | | | |
| Support Services (Continued) | | | |
| Other support services | | | |
| Salaries | \$ 80,320 | \$ - | \$ (80,320) |
| Employee benefits | 66 | - | (66) |
| Purchased services | 19,000 | - | (19,000) |
| Supplies and materials | 25,744 | 3,204 | (22,540) |
| Total other support services | 125,130 | 3,204 | (121,926) |
| Total support services | 10,125,267 | 10,251,382 | 126,115 |
| Community services | | | |
| Salaries | - | 147,278 | 147,278 |
| Employee benefits | - | 21,407 | 21,407 |
| Purchased services | - | 16,683 | 16,683 |
| Supplies and materials | - | 23,386 | 23,386 |
| Total community services | - | 208,754 | 208,754 |
| Payments to other districts and governmental units | | | |
| Payments for special education programs | | | |
| Purchased services | 190,000 | - | (190,000) |
| Total payments for special education programs | 190,000 | - | (190,000) |
| Other payments to in-state governmental units | | | |
| Purchased services | 75,000 | 47,045 | (27,955) |
| Total other payments to in-state governmental units | 75,000 | 47,045 | (27,955) |
| Payments for special education programs - tuition | | | |
| Other objects | - | 284,307 | 284,307 |
| Total payments for special education programs - tuition | - | 284,307 | 284,307 |
| Payments for community college programs - tuition | | | |
| Other objects | - | 17,978 | 17,978 |
| Total payments for community college programs - tuition | - | 17,978 | 17,978 |
| Total payments to other districts and governmental units | 265,000 | 349,330 | 84,330 |

(This schedule is continued on the following page.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
EDUCATIONAL ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|--------------------------------------|----------------------|--|
| EXPENDITURES (Continued) | | | |
| Provision for contingencies | \$ 3,639,958 | \$ - | \$ (3,639,958) |
| Total expenditures | 30,800,000 | 29,415,512 | (1,384,488) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 59,557 | 1,298,838 | 1,239,281 |
| OTHER FINANCING SOURCES (USES) | | | |
| Loss on sale of asset | - | (30,564) | (30,564) |
| Total other financing sources (uses) | - | (30,564) | (30,564) |
| NET CHANGE IN FUND BALANCE (BUDGETARY BASIS) | \$ 59,557 | 1,268,274 | \$ 1,208,717 |
| ADJUSTMENTS TO BUDGETARY BASIS | | | |
| On-behalf revenue | | 12,690,796 | |
| On-behalf expenditures | | (12,690,796) | |
| NET CHANGE IN FUND BALANCE (GAAP BASIS) | | 1,268,274 | |
| FUND BALANCE, JULY 1 | | 11,962,819 | |
| FUND BALANCE, JUNE 30 | | \$ 13,231,093 | |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH ACCOUNTS**

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|--------------------------------------|----------------------------|--|
| REVENUES | | | |
| Local sources | | | |
| Property taxes | \$ 102,253 | \$ 101,245 | \$ (1,008) |
| Interest on investments | 10,000 | 34,253 | 24,253 |
| | | | |
| Total local sources | 112,253 | 135,498 | 23,245 |
| | | | |
| Total revenues | 112,253 | 135,498 | 23,245 |
| | | | |
| EXPENDITURES | | | |
| None | - | - | - |
| | | | |
| Total expenditures | - | - | - |
| | | | |
| NET CHANGE IN FUND BALANCE | <u><u>\$ 112,253</u></u> | 135,498 | <u><u>\$ 23,245</u></u> |
| FUND BALANCE, JULY 1 | | <u>3,184,490</u> | |
| FUND BALANCE, JUNE 30 | | <u><u>\$ 3,319,988</u></u> | |

(See independent auditor's report.)

HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 TORT ACCOUNTS

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|--------------------------------------|-------------------|--|
| REVENUES | | | |
| Local sources | | | |
| Property taxes | \$ 31,310 | \$ 31,009 | \$ (301) |
| Refund of prior year expenses | - | 295 | 295 |
| Total local sources | 31,310 | 31,304 | (6) |
| Total revenues | 31,310 | 31,304 | (6) |
| EXPENDITURES | | | |
| Support services | | | |
| General administration | | | |
| Workers' compensation | | | |
| Purchased services | 70,000 | 90,735 | 20,735 |
| Total workers' compensation | 70,000 | 90,735 | 20,735 |
| Unemployment insurance payments | | | |
| Purchased services | 15,000 | 24,155 | 9,155 |
| Total unemployment insurance payments | 15,000 | 24,155 | 9,155 |
| Total support services - general administration | 85,000 | 114,890 | 29,890 |
| Total expenditures | 85,000 | 114,890 | 29,890 |
| NET CHANGE IN FUND BALANCE | \$ (53,690) | (83,586) | \$ (29,896) |
| FUND BALANCE, JULY 1 | | 359,515 | |
| FUND BALANCE, JUNE 30 | | \$ 275,929 | |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (under) |
|---|--------------------------------------|---------------------|--|
| REVENUES | | | |
| Local sources | | | |
| Property taxes | \$ 1,650,906 | \$ 1,634,623 | \$ (16,283) |
| Corporate personal property replacement taxes | 200,000 | 200,000 | - |
| Interest on investments | 10,000 | 15,927 | 5,927 |
| Fees | 8,500 | 10,925 | 2,425 |
| Rentals | 12,000 | 1,725 | (10,275) |
| Contributions and donations from private sources | 1,000 | - | (1,000) |
| Other local revenue | 50,000 | 32,800 | (17,200) |
| | 1,932,406 | 1,896,000 | (36,406) |
| State sources | | | |
| Evidence based funding formula | 1,300,000 | 1,300,000 | - |
| | 1,300,000 | 1,300,000 | - |
| | 3,232,406 | 3,196,000 | (36,406) |
| EXPENDITURES | | | |
| Support services | | | |
| Business | | | |
| Operation and maintenance of plant services | | | |
| Salaries | 1,127,344 | 1,143,139 | 15,795 |
| Employee benefits | 204,316 | 187,059 | (17,257) |
| Purchased services | 616,900 | 597,525 | (19,375) |
| Supplies and materials | 463,500 | 534,690 | 71,190 |
| Capital outlay | 775,000 | 217,838 | (557,162) |
| Other objects | 600 | 273 | (327) |
| Noncapitalized equipment | 42,000 | 19,710 | (22,290) |
| | 3,229,660 | 2,700,234 | (529,426) |
| Total operation and maintenance of plant services | 3,229,660 | 2,700,234 | (529,426) |
| Total support services - business | 3,229,660 | 2,700,234 | (529,426) |
| Total expenditures | 3,229,660 | 2,700,234 | (529,426) |
| NET CHANGE IN FUND BALANCE | \$ 2,746 | 495,766 | \$ 493,020 |
| FUND BALANCE, JULY 1 | | 5,186,860 | |
| FUND BALANCE, JUNE 30 | | \$ 5,682,626 | |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--------------------------------------|--------------------------------------|-------------------|--|
| REVENUES | | | |
| Local sources | | | |
| Property taxes | \$ 2,180,000 | \$ 2,198,596 | \$ 18,596 |
| Interest on investments | 1,000 | 4,964 | 3,964 |
| Total local sources | 2,181,000 | 2,203,560 | 22,560 |
| Total revenues | 2,181,000 | 2,203,560 | 22,560 |
| EXPENDITURES | | | |
| Debt service | | | |
| Payments on long-term debt | | | |
| Interest on long-term debt | 785,999 | 786,373 | 374 |
| Principal payments on long-term debt | 1,395,000 | 1,395,000 | - |
| Total payments on long-term debt | 2,180,999 | 2,181,373 | 374 |
| Total expenditures | 2,180,999 | 2,181,373 | 374 |
| NET CHANGE IN FUND BALANCE | \$ 1 | 22,187 | \$ 22,186 |
| FUND BALANCE, JULY 1 | | 148,079 | |
| FUND BALANCE, JUNE 30 | | \$ 170,266 | |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|-------------------------------------|--------------------------------------|----------------------------|--|
| REVENUES | | | |
| Local sources | | | |
| Property taxes | \$ 1,052,454 | \$ 1,042,068 | \$ (10,386) |
| Investment income | 4,000 | 6,348 | 2,348 |
| Other local revenues | 5,000 | - | (5,000) |
| | <hr/> | <hr/> | <hr/> |
| Total local sources | 1,061,454 | 1,048,416 | (13,038) |
| | <hr/> | <hr/> | <hr/> |
| State sources | | | |
| Transportation - regular | 850,000 | 913,417 | 63,417 |
| Transportation - special education | 250,000 | 431,246 | 181,246 |
| | <hr/> | <hr/> | <hr/> |
| Total state sources | 1,100,000 | 1,344,663 | 244,663 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 2,161,454 | 2,393,079 | 231,625 |
| | <hr/> | <hr/> | <hr/> |
| EXPENDITURES | | | |
| Support services | | | |
| Business | | | |
| Pupil transportation services | | | |
| Purchased services | 1,851,000 | 2,001,543 | 329,232 |
| Supplies and materials | 5,000 | 7,509 | 2,327 |
| | <hr/> | <hr/> | <hr/> |
| Total pupil transportation services | 1,856,000 | 2,009,052 | 331,559 |
| | <hr/> | <hr/> | <hr/> |
| Total support services - business | 1,856,000 | 2,009,052 | 331,559 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 1,856,000 | 2,009,052 | 331,559 |
| | <hr/> | <hr/> | <hr/> |
| NET CHANGE IN FUND BALANCE | <u>\$ 305,454</u> | 384,027 | <u>\$ (99,934)</u> |
| FUND BALANCE, JULY 1 | | <u>1,701,426</u> | |
| FUND BALANCE, JUNE 30 | | <u><u>\$ 2,085,453</u></u> | |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|--------------------------------------|---------------|--|
| REVENUES | | | |
| Local sources | | | |
| Property taxes | \$ 356,937 | \$ 322,548 | \$ (34,389) |
| FICA/Medicare only property taxes | 367,207 | 394,447 | 27,240 |
| Corporate personal property replacement taxes | 115,000 | 115,000 | - |
| Other local revenue | - | 4,356 | 4,356 |
| | <hr/> | <hr/> | <hr/> |
| Total local sources | 839,144 | 836,351 | (2,793) |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 839,144 | 836,351 | (2,793) |
| EXPENDITURES | | | |
| Instruction | | | |
| Regular programs | 149,691 | 144,544 | (5,147) |
| Pre-K programs | 18,600 | 22,493 | 3,893 |
| Special education programs | 199,950 | 135,375 | (64,575) |
| Special education programs - Pre-K | - | 12,179 | 12,179 |
| Remedial and supplemental programs - K-12 | 16,500 | 11,652 | (4,848) |
| CTE programs | 5,900 | 6,709 | 809 |
| Interscholastic programs | 28,670 | 18,140 | (10,530) |
| Summer school programs | 3,000 | 2,173 | (827) |
| Driver's education programs | 1,250 | 1,047 | (203) |
| Bilingual programs | 24,870 | 36,419 | 11,549 |
| | <hr/> | <hr/> | <hr/> |
| Total instruction | 448,431 | 390,731 | (57,700) |
| Support services | | | |
| Pupils | | | |
| Attendance and social work services | 39,420 | 9,514 | (29,906) |
| Guidance services | 3,220 | 7,611 | 4,391 |
| Health services | 19,600 | 26,033 | 6,433 |
| Psychological services | 2,650 | 2,535 | (115) |
| Speech pathology and audiology services | 6,550 | 7,382 | 832 |
| Other support services | - | 31,284 | 31,284 |
| | <hr/> | <hr/> | <hr/> |
| Total pupils | 71,440 | 84,359 | (18,365) |
| Instructional staff | | | |
| Improvement of instructional services | 440 | 7,615 | 7,175 |
| Educational media services | 2,320 | 2,442 | 122 |
| Assessment and testing | 140 | 18 | (122) |
| | <hr/> | <hr/> | <hr/> |
| Total instructional staff | 2,900 | 10,075 | 7,297 |

(This schedule is continued on the following page.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|--------------------------------------|---------------|--|
| EXPENDITURES (Continued) | | | |
| Support services (Continued) | | | |
| General administration | | | |
| Board of education services | \$ 1,395 | \$ 295 | \$ (1,100) |
| Executive administration services | 14,300 | 17,857 | 3,557 |
| Special area administration services | 15,450 | 23,186 | 7,736 |
| | 31,145 | 41,338 | 10,193 |
| School administration | | | |
| Office of principal services | 64,820 | 57,954 | (6,866) |
| Office support services - school administration | 1,850 | 2,966 | 1,116 |
| | 66,670 | 60,920 | (5,750) |
| Business | | | |
| Direction of business support services | 2,000 | 19,054 | 17,054 |
| Fiscal services | 33,000 | 20,626 | (12,374) |
| Operation and maintenance of plant services | 179,000 | 170,742 | (8,258) |
| | 214,000 | 210,422 | (3,578) |
| Central | | | |
| Direction of central support services | 40 | - | (40) |
| Information services | 10,000 | 11,977 | 1,977 |
| Staff services | - | 13,886 | 13,886 |
| Data processing services | 56,450 | 48,432 | (8,018) |
| | 66,490 | 74,295 | 7,805 |
| Total support services | 452,645 | 481,409 | (2,398) |
| Community services | 6,450 | 21,984 | 15,534 |
| Total expenditures | 907,526 | 894,124 | (44,564) |
| NET CHANGE IN FUND BALANCE | \$ (68,382) | (57,773) | \$ 41,771 |
| FUND BALANCE, JULY 1 | | 97,775 | |
| FUND BALANCE, JUNE 30 | | \$ 40,002 | |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|--------------------------------------|-------------------|--|
| REVENUES | | | |
| Local sources | | | |
| Other local revenue | \$ - | \$ 4,188 | \$ 4,188 |
| Total local sources | - | 4,188 | 4,188 |
| State sources | | | |
| Evidence based funding formula | 855,970 | 821,657 | (34,313) |
| Total state sources | 855,970 | 821,657 | (34,313) |
| Total revenues | 855,970 | 825,845 | (30,125) |
| EXPENDITURES | | | |
| Support services | | | |
| Business | | | |
| Facilities acquisition and construction services | | | |
| Purchased services | 212,843 | 22,524 | (190,319) |
| Capital outlay | 643,129 | 460,607 | (182,522) |
| Total facilities acquisition and construction services | 855,972 | 483,131 | (372,841) |
| Total support services - business | 855,972 | 483,131 | (372,841) |
| Total expenditures | 855,972 | 483,131 | (372,841) |
| NET CHANGE IN FUND BALANCE | \$ (2) | 342,714 | \$ 342,716 |
| FUND BALANCE (DEFICIT), JULY 1 | | (167,987) | |
| FUND BALANCE, JUNE 30 | | \$ 174,727 | |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PREVENTION AND SAFETY FUND**

For the Year Ended June 30, 2020

| | Original and Final Budget | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|--------------------------------------|------------------|--|
| REVENUES | | | |
| Local sources | | | |
| Investment income | \$ 10,000 | \$ 32,098 | \$ 22,098 |
| Total local sources | 10,000 | 32,098 | 22,098 |
| State sources | | | |
| Evidence based funding formula | - | 104,591 | 104,591 |
| Total state sources | - | 104,591 | 104,591 |
| Total revenues | 10,000 | 136,689 | 126,689 |
| EXPENDITURES | | | |
| None | - | - | - |
| Total expenditures | - | - | - |
| NET CHANGE IN FUND BALANCE | \$ 10,000 | 136,689 | \$ 126,689 |
| FUND BALANCE (DEFICIT), JULY 1 | | (104,591) | |
| FUND BALANCE, JUNE 30 | | \$ 32,098 | |

(See independent auditor's report.)

FIDUCIARY FUND

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND**

For the Year Ended June 30, 2020

| | Balance July 1, 2019 | Additions | Deductions | Balance June 30, 2019 |
|------------------------------|---------------------------------|-------------------|-------------------|----------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 120,825 | \$ 182,683 | \$ 191,433 | \$ 112,075 |
| Investments | 8,622 | 177 | - | 8,799 |
| TOTAL ASSETS | \$ 157,841 | \$ 182,860 | \$ 191,433 | \$ 120,874 |
| LIABILITIES | | | | |
| Due to student organizations | | | | |
| Washington | \$ 4 | \$ 2,008 | \$ 740 | \$ 1,272 |
| Crosby | 5,174 | 9,884 | 8,578 | 6,480 |
| Jefferson | 6,798 | 28,168 | 23,014 | 11,952 |
| Junior high | 13,027 | 6,658 | 11,911 | 7,774 |
| High school | 114,204 | 119,549 | 119,491 | 114,262 |
| District wide | (9,760) | 16,593 | 27,699 | (20,866) |
| TOTAL LIABILITIES | \$ 157,841 | \$ 182,860 | \$ 191,433 | \$ 120,874 |

(See independent auditor's report.)

**HARVARD COMMUNITY UNIT SCHOOL DISTRICT #50
HARVARD, ILLINOIS**

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended June 30, 2020

| CSFA Number | Program Name | State | Federal | Other | Total |
|----------------|---|---------------------|---------------------|----------------------|----------------------|
| 478-00-0251 | Medical Assistance Program | \$ - | \$ 57,357 | \$ - | \$ 57,357 |
| 586-13-0427 | Title V - Rural Education Initiative | - | 12,748 | - | 12,748 |
| 586-18-0406 | School Breakfast Program | - | 342,701 | - | 342,701 |
| 586-18-0407 | National School Lunch Program | - | 759,865 | - | 759,865 |
| 586-18-0428 | Title III Immigrant Education Programs - Lang Inst Prog - Limited Eng LIPLEP | - | 86,562 | - | 86,562 |
| 586-18-0520 | Early Childhood Block Grant | - | - | - | - |
| 586-18-0868 | Early Childhood Block Grant | 448,226 | - | - | 448,226 |
| 586-44-0414 | Title I - Low Income | - | 303,034 | - | 303,034 |
| 586-47-0429 | Mathematics and Science Partnerships | - | - | - | - |
| | Other grant programs and activities | - | 1,244,051 | - | 1,244,051 |
| | All other costs not allocated | 1,806,832 | - | 45,770,199 | 47,577,031 |
| | TOTAL | <u>\$ 2,255,058</u> | <u>\$ 2,806,318</u> | <u>\$ 45,770,199</u> | <u>\$ 50,831,575</u> |

(See independent auditor's report.)