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**COMMUNITY HIGH SCHOOL
DISTRICT NO. 117
STATE OF ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2020

eder, casella & co

COMMUNITY HIGH SCHOOL DISTRICT NO. 117

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Community High School District No. 117
Lake Villa, Illinois

We have audited the accompanying basic financial statements of

Community High School District No. 117

as of and for the year ended June 30, 2020, and the related notes to the 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 practices prescribed or permitted by the Illinois State Board of Education to demonstrate compliance with the Illinois State Board of Education's regulatory basis of accounting and budget laws as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinion.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Community High School District No. 117 on the basis of accounting practices prescribed or permitted by the Illinois State Board of Education to demonstrate compliance with the Illinois State Board of Education's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Also as described in Note 1, Community High School District No. 117 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Community High School District No. 117 as of June 30, 2020, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Cash Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Community High School District No. 117 as of June 30, 2020, and the revenue it received and expenditures it paid for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Illinois State Board of Education as described in Note 1.

Other Matters

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 supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2020 on our consideration of Community High School District No. 117's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Community High School District No. 117's internal control over financial reporting and compliance.

Restriction on Use

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

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

McHenry, Illinois
September 2, 2020



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

To the Board of Education
 Community High School District No. 117
 Lake Villa, Illinois

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

Community High School District No. 117

as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Community High School District No. 117's basic financial statements, and have issued our report thereon dated September 2, 2020. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community High School District No. 117's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community High School District No. 117's internal control. Accordingly, we do not express an opinion on the effectiveness of Community High School District No. 117's internal control.

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community High School District No. 117's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

McHenry, Illinois
September 2, 2020

BASIC FINANCIAL STATEMENTS

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2020

<u>ASSETS</u>	<u>EDUCATIONAL</u>	<u>OPERATIONS AND MAINTENANCE</u>	<u>DEBT SERVICES</u>	<u>TRANSPOR- TATION</u>	<u>ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>	<u>CAPITAL PROJECTS</u>	<u>WORKING CASH</u>
Cash and Cash Equivalents	\$ 25,805,778	\$ 3,953,919	\$ 3,514,595	\$ 1,770,700	\$ 279,925	\$ 6,185,337	\$ 754,063
Other Receivables	708	-	-	-	251	-	-
Capital Assets							
Land	-	-	-	-	-	-	-
Building and Building Improvements	-	-	-	-	-	-	-
Site Improvements and Infrastructure	-	-	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-	-	-
Construction in Progress	-	-	-	-	-	-	-
Amount Available in Debt Services Fund	-	-	-	-	-	-	-
Amount to be Provided for Payment of Long-Term Debt	-	-	-	-	-	-	-
Total Assets	\$ 25,806,486	\$ 3,953,919	\$ 3,514,595	\$ 1,770,700	\$ 280,176	\$ 6,185,337	\$ 754,063
 <u>LIABILITIES AND FUND BALANCE</u>							
LIABILITIES							
Current Liabilities							
Intergovernmental Accounts Payable	\$ -	\$ -	\$ -	\$ 47	\$ -	\$ -	\$ -
Other Payables	-	422	-	-	-	-	-
Payroll Deductions and Withholdings	124,931	-	-	-	-	-	-
Due to Activity Fund Organizations	-	-	-	-	-	-	-
Total Current Liabilities	\$ 124,931	\$ 422	\$ -	\$ 47	\$ -	\$ -	\$ -
Long-Term Liabilities							
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ 124,931	\$ 422	\$ -	\$ 47	\$ -	\$ -	\$ -
FUND BALANCE							
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance							
Reserved	90,930	-	-	-	165,743	-	-
Unreserved							
Undesignated	25,590,625	3,953,497	3,514,595	1,770,653	114,433	6,185,337	754,063
Total Fund Balance	\$ 25,681,555	\$ 3,953,497	\$ 3,514,595	\$ 1,770,653	\$ 280,176	\$ 6,185,337	\$ 754,063
Total Liabilities and Fund Balance	\$ 25,806,486	\$ 3,953,919	\$ 3,514,595	\$ 1,770,700	\$ 280,176	\$ 6,185,337	\$ 754,063

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2020

<u>ASSETS</u>	TORT	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
Cash and Cash Equivalents	\$ 175,310	\$ 535,927	\$ -	\$ -	\$ 42,975,554
Other Receivables	-	-	-	-	959
Capital Assets					
Land	-	-	7,280,608	-	7,280,608
Building and Building Improvements	-	-	78,201,216	-	78,201,216
Site Improvements and Infrastructure	-	-	18,407,301	-	18,407,301
Capitalized Equipment	-	-	23,111,006	-	23,111,006
Construction in Progress	-	-	4,903,848	-	4,903,848
Amount Available in Debt Services Fund	-	-	-	3,514,595	3,514,595
Amount to be Provided for Payment of Long-Term Debt	-	-	-	(1,533,365)	(1,533,365)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,533,365)</u>	<u>(1,533,365)</u>
Total Assets	<u>\$ 175,310</u>	<u>\$ 535,927</u>	<u>\$ 131,903,979</u>	<u>\$ 1,981,230</u>	<u>\$ 176,861,722</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Current Liabilities					
Intergovernmental Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 47
Other Payables	-	-	-	-	422
Payroll Deductions and Withholdings	-	-	-	-	124,931
Due to Activity Fund Organizations	-	535,927	-	-	535,927
Total Current Liabilities	<u>\$ -</u>	<u>\$ 535,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661,327</u>
Long-Term Liabilities					
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ 1,981,230	\$ 1,981,230
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,981,230</u>	<u>\$ 1,981,230</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 535,927</u>	<u>\$ -</u>	<u>\$ 1,981,230</u>	<u>\$ 2,642,557</u>
FUND BALANCE					
Investment in General Fixed Assets	\$ -	\$ -	\$ 131,903,979	\$ -	\$ 131,903,979
Fund Balance					
Reserved	-	-	-	-	256,673
Unreserved					
Undesignated	175,310	-	-	-	42,058,513
Total Fund Balance	<u>\$ 175,310</u>	<u>\$ -</u>	<u>\$ 131,903,979</u>	<u>\$ -</u>	<u>\$ 174,219,165</u>
Total Liabilities and Fund Balance	<u>\$ 175,310</u>	<u>\$ 535,927</u>	<u>\$ 131,903,979</u>	<u>\$ 1,981,230</u>	<u>\$ 176,861,722</u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
SOURCES (USES), AND CHANGES IN FUND BALANCES -
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources	\$ 29,550,402	\$ 6,458,457	\$ 6,059,474	\$ 1,569,212	\$ 652,370
State Sources	3,547,880	6,000,000	520,000	1,474,890	50,000
Federal Sources	639,768	-	-	-	-
On-Behalf Payments	14,818,894	-	-	-	-
	<u>\$ 48,556,944</u>	<u>\$ 12,458,457</u>	<u>\$ 6,579,474</u>	<u>\$ 3,044,102</u>	<u>\$ 702,370</u>
EXPENDITURES DISBURSED					
Instruction	\$ 25,125,204	\$ -	\$ -	\$ -	\$ 489,541
Support Services	10,305,362	6,729,337	-	3,051,797	356,341
Payments to Other Districts and Governmental Units	1,294,459	114,466	-	-	-
Debt Services	-	-	7,961,910	-	-
On-Behalf Payments	14,818,894	-	-	-	-
	<u>\$ 51,543,919</u>	<u>\$ 6,843,803</u>	<u>\$ 7,961,910</u>	<u>\$ 3,051,797</u>	<u>\$ 845,882</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ (2,986,975)	\$ 5,614,654	\$ (1,382,436)	\$ (7,695)	\$ (143,512)
OTHER FINANCING SOURCES (USES)					
Proceeds from Debt	\$ 18,736	\$ -	\$ -	\$ -	\$ -
Interfund Transfers	(1,910)	(6,000,000)	1,910	-	-
	<u>\$ 16,826</u>	<u>\$ (6,000,000)</u>	<u>\$ 1,910</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ (2,970,149)	\$ (385,346)	\$ (1,380,526)	\$ (7,695)	\$ (143,512)
FUND BALANCE - JULY 1, 2019	<u>28,651,704</u>	<u>4,338,843</u>	<u>4,895,121</u>	<u>1,778,348</u>	<u>423,688</u>
FUND BALANCE - JUNE 30, 2020	<u>\$ 25,681,555</u>	<u>\$ 3,953,497</u>	<u>\$ 3,514,595</u>	<u>\$ 1,770,653</u>	<u>\$ 280,176</u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
SOURCES (USES), AND CHANGES IN FUND BALANCES -
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources	\$ 76,791	\$ 87,058	\$ 249,809	\$ -	\$ 44,703,573
State Sources	-	-	-	-	11,592,770
Federal Sources	-	-	-	-	639,768
On-Behalf Payments	-	-	-	-	14,818,894
	<u>\$ 76,791</u>	<u>\$ 87,058</u>	<u>\$ 249,809</u>	<u>\$ -</u>	<u>\$ 71,755,005</u>
EXPENDITURES DISBURSED					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ 25,614,745
Support Services	4,847,518	-	265,987	-	25,556,342
Payments to Other Districts and Governmental Units	-	-	-	-	1,408,925
Debt Services	-	-	-	-	7,961,910
On-Behalf Payments	-	-	-	-	14,818,894
	<u>\$ 4,847,518</u>	<u>\$ -</u>	<u>\$ 265,987</u>	<u>\$ -</u>	<u>\$ 75,360,816</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ (4,770,727)	\$ 87,058	\$ (16,178)	\$ -	\$ (3,605,811)
OTHER FINANCING SOURCES (USES)					
Proceeds from Debt	\$ -	\$ -	\$ -	\$ -	\$ 18,736
Interfund Transfers	6,000,000	-	-	-	-
	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,736</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ 1,229,273	\$ 87,058	\$ (16,178)	\$ -	\$ (3,587,075)
FUND BALANCE - JULY 1, 2019	<u>4,956,064</u>	<u>667,005</u>	<u>191,488</u>	<u>-</u>	<u>45,902,261</u>
FUND BALANCE - JUNE 30, 2020	<u>\$ 6,185,337</u>	<u>\$ 754,063</u>	<u>\$ 175,310</u>	<u>\$ -</u>	<u>\$ 42,315,186</u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
AT JUNE 30, 2020

REVENUE RECEIVED	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ 25,830,576	\$ 6,143,969	\$ 6,005,892	\$ 1,537,687	\$ 227,743
Leasing Purposes Levy	92,215	-	-	-	-
Special Education Purpose Levy	411,514	-	-	-	59,247
FICA/Medicare Only Purposes Levy	-	-	-	-	313,576
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	216,297	-	-	-	45,000
Tuition					
Summer School Tuition from Pupils or Parents (In State)	23,071	-	-	-	-
Special Education Tuition from Other Districts (In State)	900,933	-	-	-	-
Interest on Investments	430,616	86,317	53,582	31,456	6,804
Food Service					
Sales to Pupils - Lunch	723,428	-	-	-	-
District/School Activity Income					
Admissions - Athletic	105,398	-	-	-	-
Admissions - Other	20,602	-	-	-	-
Fees	280,611	50,730	-	-	-
Other District/School Activity Revenue	11,785	-	-	-	-
Textbooks					
Rentals - Regular Textbook	237,488	-	-	-	-
Sales - Regular Textbook	20,481	-	-	-	-
Rentals	-	50,770	-	-	-
Contributions and Donations from Private Sources	81,567	54,715	-	-	-
Services Provided Other Districts	74,756	-	-	-	-
Refund of Prior Years' Expenditures	2,307	244	-	69	-
Drivers' Education Fees	54,379	-	-	-	-
Proceeds from Vendors' Contracts	5,160	-	-	-	-
Other Local Revenues	27,218	71,712	-	-	-
Total Local Sources	\$ 29,550,402	\$ 6,458,457	\$ 6,059,474	\$ 1,569,212	\$ 652,370
State Sources					
Unrestricted Grants-In-Aid					
Evidence Based Funding	\$ 2,030,678	\$ 6,000,000	\$ 520,000	\$ 300,000	\$ 50,000
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	205,077	-	-	-	-
Orphanage - Individual	938,016	-	-	-	-
Orphanage - Summer	229,268	-	-	-	-
Career & Technical Education (CTE)					
Secondary Program Improvement	23,546	-	-	-	-
Driver Education	43,071	-	-	-	-
Transportation					
Regular/Vocational	-	-	-	231,705	-
Special Education	-	-	-	943,185	-
Other Restricted Revenue from State Sources	78,224	-	-	-	-
Total State Sources	\$ 3,547,880	\$ 6,000,000	\$ 520,000	\$ 1,474,890	\$ 50,000
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Title I					
Low Income	\$ 100,667	\$ -	\$ -	\$ -	\$ -
Low Income - Neglected, Private	92,394	-	-	-	-
Federal - Special Education					
IDEA - Flow Through/Low Incidence	280,091	-	-	-	-
IDEA - Room and Board	7,550	-	-	-	-
CTE					
Perkins - Title III E Tech Prep	1,111	-	-	-	-
Title II - Teacher Quality	62,122	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	21,047	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	74,786	-	-	-	-
Total Federal Sources	\$ 639,768	\$ -	\$ -	\$ -	\$ -
Total Direct Revenue	\$ 33,738,050	\$ 12,458,457	\$ 6,579,474	\$ 3,044,102	\$ 702,370

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
AT JUNE 30, 2020

REVENUE RECEIVED	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ -	\$ 65,541	\$ 247,771	\$ -	\$ 40,059,179
Leasing Purposes Levy	-	-	-	-	92,215
Special Education Purpose Levy	-	-	-	-	470,761
FICA/Medicare Only Purposes Levy	-	-	-	-	313,576
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	-	-	-	-	261,297
Tuition					
Summer School Tuition from Pupils or Parents (In State)	-	-	-	-	23,071
Special Education Tuition from Other Districts (In State)	-	-	-	-	900,933
Interest on Investments	76,791	21,517	2,038	-	709,121
Food Service					
Sales to Pupils - Lunch	-	-	-	-	723,428
District/School Activity Income					
Admissions - Athletic	-	-	-	-	105,398
Admissions - Other	-	-	-	-	20,602
Fees	-	-	-	-	331,341
Other District/School Activity Revenue	-	-	-	-	11,785
Textbooks					
Rentals - Regular Textbook	-	-	-	-	237,488
Sales - Regular Textbook	-	-	-	-	20,481
Rentals	-	-	-	-	50,770
Contributions and Donations from Private Sources	-	-	-	-	136,282
Services Provided Other Districts	-	-	-	-	74,756
Refund of Prior Years' Expenditures	-	-	-	-	2,620
Drivers' Education Fees	-	-	-	-	54,379
Proceeds from Vendors' Contracts	-	-	-	-	5,160
Other Local Revenues	-	-	-	-	98,930
Total Local Sources	\$ 76,791	\$ 87,058	\$ 249,809	\$ -	\$ 44,703,573
State Sources					
Unrestricted Grants-In-Aid					
Evidence Based Funding	\$ -	\$ -	\$ -	\$ -	\$ 8,900,678
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	-	-	-	-	205,077
Orphanage - Individual	-	-	-	-	938,016
Orphanage - Summer	-	-	-	-	229,268
Career & Technical Education (CTE)					
Secondary Program Improvement	-	-	-	-	23,546
Driver Education	-	-	-	-	43,071
Transportation					
Regular/Vocational	-	-	-	-	231,705
Special Education	-	-	-	-	943,185
Other Restricted Revenue from State Sources	-	-	-	-	78,224
Total State Sources	\$ -	\$ -	\$ -	\$ -	\$ 11,592,770
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Title I					
Low Income	\$ -	\$ -	\$ -	\$ -	\$ 100,667
Low Income - Neglected, Private	-	-	-	-	92,394
Federal - Special Education					
IDEA - Flow Through/Low Incidence	-	-	-	-	280,091
IDEA - Room and Board	-	-	-	-	7,550
CTE					
Perkins - Title III E Tech Prep	-	-	-	-	1,111
Title II - Teacher Quality	-	-	-	-	62,122
Medicaid Matching Funds - Administrative Outreach	-	-	-	-	21,047
Medicaid Matching Funds - Fee-For-Service Program	-	-	-	-	74,786
Total Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ 639,768
Total Direct Revenue	\$ 76,791	\$ 87,058	\$ 249,809	\$ -	\$ 56,936,111

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Salaries	\$ 11,044,000	\$ 10,886,328
Employee Benefits	2,064,000	2,143,682
Purchased Services	572,924	418,767
Supplies and Materials	390,800	364,870
Capital Outlay	107,490	121,784
Other Objects	40,000	42,890
Non-Capitalized Equipment	541,550	494,729
	<u>\$ 14,760,764</u>	<u>\$ 14,473,050</u>
Special Education Programs		
Salaries	\$ 3,035,988	\$ 3,042,347
Employee Benefits	631,900	607,451
Purchased Services	1,653,500	1,717,910
Supplies and Materials	84,700	89,970
Other Objects	1,306,000	1,259,920
Non-Capitalized Equipment	1,000	10,240
	<u>\$ 6,713,088</u>	<u>\$ 6,727,838</u>
CTE Programs		
Purchased Services	\$ -	\$ 3,595
Supplies and Materials	27,567	22,316
Capital Outlay	22,842	19,058
	<u>\$ 50,409</u>	<u>\$ 44,969</u>
Interscholastic Programs		
Salaries	\$ 2,652,209	\$ 2,589,954
Employee Benefits	121,100	118,998
Purchased Services	584,350	395,886
Supplies and Materials	300,650	199,511
Capital Outlay	101,500	40,205
Non-Capitalized Equipment	239,100	130,878
	<u>\$ 3,998,909</u>	<u>\$ 3,475,432</u>
Summer School Programs		
Salaries	\$ 150,000	\$ 76,173
Employee Benefits	3,000	1,123
Supplies and Materials	2,000	71
	<u>\$ 155,000</u>	<u>\$ 77,367</u>
Driver's Education Programs		
Salaries	\$ 240,000	\$ 252,277
Employee Benefits	46,000	38,799
Purchased Services	23,000	17,749
Supplies and Materials	5,000	2,723
	<u>\$ 314,000</u>	<u>\$ 311,548</u>
Truant Alternative and Optional Programs		
Purchased Services	\$ -	\$ 15,000
Other Objects	5,000	-
	<u>\$ 5,000</u>	<u>\$ 15,000</u>
Total Instruction	<u>\$ 25,997,170</u>	<u>\$ 25,125,204</u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 948,000	\$ 944,531
Employee Benefits	210,500	206,929
Purchased Services	-	48,344
Supplies and Materials	7,000	5,425
Non-Capitalized Equipment	500	-
	<u>\$ 1,166,000</u>	<u>\$ 1,205,229</u>
Guidance Services		
Salaries	\$ 971,000	\$ 990,173
Employee Benefits	138,100	135,770
Purchased Services	208,000	120,553
Supplies and Materials	11,400	5,592
Non-Capitalized Equipment	5,000	-
	<u>\$ 1,333,500</u>	<u>\$ 1,252,088</u>
Health Services		
Salaries	\$ 179,000	\$ 141,827
Employee Benefits	42,000	33,201
Purchased Services	17,000	3,779
Supplies and Materials	6,000	3,567
	<u>\$ 244,000</u>	<u>\$ 182,374</u>
Psychological Services		
Salaries	\$ 360,000	\$ 358,291
Employee Benefits	67,000	55,788
Purchased Services	110,000	14,695
Supplies and Materials	2,000	1,254
	<u>\$ 539,000</u>	<u>\$ 430,028</u>
Speech Pathology and Audiology Services		
Salaries	\$ 50,000	\$ 65,840
Purchased Services	100,000	124,043
Supplies and Materials	1,000	713
	<u>\$ 151,000</u>	<u>\$ 190,596</u>
Other Support Services - Pupils		
Supplies and Materials	\$ 74,000	\$ 64,964
	<u>\$ 74,000</u>	<u>\$ 64,964</u>
	<u>\$ 3,507,500</u>	<u>\$ 3,325,279</u>
Total Support Services - Pupils		
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 245,128	\$ 220,795
Employee Benefits	76,300	75,901
Purchased Services	366,582	301,412
Supplies and Materials	31,800	18,010
Other Objects	20,650	16,688
	<u>\$ 740,460</u>	<u>\$ 632,806</u>
Educational Media Services		
Salaries	\$ 285,000	\$ 277,527
Employee Benefits	65,500	62,362
Purchased Services	36,700	36,636
Supplies and Materials	23,900	21,996
Non-Capitalized Equipment	5,900	5,093
	<u>\$ 417,000</u>	<u>\$ 403,614</u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Instructional Staff (Continued)		
Assessment and Testing		
Salaries	\$ 111,500	\$ 62,440
Employee Benefits	800	353
Purchased Services	203,000	195,914
Supplies and Materials	14,000	13,614
	<u>\$ 329,300</u>	<u>\$ 272,321</u>
Total Support Services - Instructional Staff	<u>\$ 1,486,760</u>	<u>\$ 1,308,741</u>
General Administration		
Board of Education Services		
Purchased Services	\$ 63,500	\$ 44,492
Supplies and Materials	5,000	4,659
	<u>\$ 68,500</u>	<u>\$ 49,151</u>
Executive Administration Services		
Salaries	\$ 346,450	\$ 372,451
Employee Benefits	50,507	50,719
Purchased Services	18,000	1,867
	<u>\$ 414,957</u>	<u>\$ 425,037</u>
Tort Immunity Services		
Purchased Services	\$ 6,000	\$ -
	<u>\$ 6,000</u>	<u>\$ -</u>
Total Support Services - General Administration	<u>\$ 489,457</u>	<u>\$ 474,188</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 1,103,000	\$ 1,087,540
Employee Benefits	241,674	239,975
Purchased Services	412,200	357,271
Supplies and Materials	103,700	76,613
Non-Capitalized Equipment	10,000	4,337
	<u>\$ 1,870,574</u>	<u>\$ 1,765,736</u>
Total Support Services - School Administration	<u>\$ 1,870,574</u>	<u>\$ 1,765,736</u>
Business		
Direction of Business Support Services		
Salaries	\$ 196,000	\$ 196,004
Employee Benefits	28,868	17,109
	<u>\$ 224,868</u>	<u>\$ 213,113</u>
Fiscal Services		
Salaries	\$ 200,000	\$ 200,015
Employee Benefits	51,000	49,937
Purchased Services	307,000	172,265
Supplies and Materials	15,500	7,404
Capital Outlay	23,000	-
Non-Capitalized Equipment	10,000	1,236
	<u>\$ 606,500</u>	<u>\$ 430,857</u>
Operation and Maintenance of Plant Services		
Purchased Services	\$ 560,000	\$ 536,281
	<u>\$ 560,000</u>	<u>\$ 536,281</u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business (Continued)		
Food Services		
Purchased Services	\$ 820,000	\$ 605,548
Supplies and Materials	8,000	4,196
Capital Outlay	4,500	-
	<u>\$ 832,500</u>	<u>\$ 609,744</u>
 Total Support Services - Business	 <u>\$ 2,223,868</u>	 <u>\$ 1,789,995</u>
 Central		
Information Services		
Purchased Services	\$ 17,000	\$ 15,376
	<u>\$ 17,000</u>	<u>\$ 15,376</u>
Staff Services		
Purchased Services	\$ 12,000	\$ 10,643
	<u>\$ 12,000</u>	<u>\$ 10,643</u>
Data Processing Services		
Salaries	\$ 662,126	\$ 656,197
Employee Benefits	109,250	106,163
Purchased Services	489,000	466,644
Supplies and Materials	120,000	87,987
Capital Outlay	100,000	82,994
Non-Capitalized Equipment	250,000	215,419
	<u>\$ 1,730,376</u>	<u>\$ 1,615,404</u>
 Total Support Services - Central	 <u>\$ 1,759,376</u>	 <u>\$ 1,641,423</u>
 Total Support Services	 <u>\$ 11,337,535</u>	 <u>\$ 10,305,362</u>
 Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 750,000	\$ 851,832
Other Objects	320,000	442,627
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,070,000</u>	<u>\$ 1,294,459</u>
 Total Payments to Other Districts and Governmental Units	 <u>\$ 1,070,000</u>	 <u>\$ 1,294,459</u>
 Total Direct Expenditures	 <u><u>\$ 38,404,705</u></u>	 <u><u>\$ 36,725,025</u></u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Operation and Maintenance of Plant Services		
Salaries	\$ 169,948	\$ 157,053
Employee Benefits	10,000	11,362
Purchased Services	3,364,110	3,215,773
Supplies and Materials	1,149,000	1,100,692
Capital Outlay	2,860,000	2,208,446
Other Objects	145,000	-
Non-Capitalized Equipment	30,000	36,011
	<u>\$ 7,728,058</u>	<u>\$ 6,729,337</u>
Total Support Services - Business	<u>\$ 7,728,058</u>	<u>\$ 6,729,337</u>
Total Support Services	<u>\$ 7,728,058</u>	<u>\$ 6,729,337</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Other Objects	\$ -	\$ 114,466
	<u>\$ -</u>	<u>\$ 114,466</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ -</u>	<u>\$ 114,466</u>
Total Payments to Other Districts and Governmental Units	<u>\$ -</u>	<u>\$ 114,466</u>
Total Direct Expenditures	<u>\$ 7,728,058</u>	<u>\$ 6,843,803</u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
DEBT SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ 6,482,199	\$ 6,459,926
Total Debt Services - Interest	<u>\$ 6,482,199</u>	<u>\$ 6,459,926</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 1,667,076	\$ 1,501,984
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 1,667,076</u>	<u>\$ 1,501,984</u>
Total Debt Services	<u>\$ 8,149,275</u>	<u>\$ 7,961,910</u>
Total Direct Expenditures	<u><u>\$ 8,149,275</u></u>	<u><u>\$ 7,961,910</u></u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Pupil Transportation Services		
Salaries	\$ 16,000	\$ 15,842
Employee Benefits	2,500	2,286
Purchased Services	2,988,700	2,937,021
Supplies and Materials	180,000	96,648
	<u>\$ 3,187,200</u>	<u>\$ 3,051,797</u>
 Total Support Services - Business	 <u>\$ 3,187,200</u>	 <u>\$ 3,051,797</u>
 Total Support Services	 <u>\$ 3,187,200</u>	 <u>\$ 3,051,797</u>
 Total Direct Expenditures	 <u><u>\$ 3,187,200</u></u>	 <u><u>\$ 3,051,797</u></u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 873,000	\$ 170,233
Special Education Programs		
Employee Benefits	-	223,686
Interscholastic Programs		
Employee Benefits	-	91,760
Summer School Programs		
Employee Benefits	-	389
Driver's Education Programs		
Employee Benefits	-	3,473
Total Instruction	<u>\$ 873,000</u>	<u>\$ 489,541</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ -	\$ 46,247
Guidance Services		
Employee Benefits	-	41,959
Health Services		
Employee Benefits	-	19,746
Psychological Services		
Employee Benefits	-	5,519
Speech Pathology and Audiology Services		
Employee Benefits	-	6,621
Total Supports Services - Pupils	<u>\$ -</u>	<u>\$ 120,092</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ -	\$ 2,706
Educational Media Services		
Employee Benefits	-	20,295
Assessment and Testing		
Employee Benefits	-	2,103
Total Support Services - Instructional Staff	<u>\$ -</u>	<u>\$ 25,104</u>
General Administration		
Executive Administration Services		
Employee Benefits	\$ -	\$ 22,275
Total Support Services - General Administration	<u>\$ -</u>	<u>\$ 22,275</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ -	\$ 52,468
Total Support Services - School Administration	<u>\$ -</u>	<u>\$ 52,468</u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
 STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Employee Benefits	\$ -	\$ 2,847
Fiscal Services		
Employee Benefits	-	28,700
Operation and Maintenance of Plant Services		
Employee Benefits	-	17,552
Pupil Transportation Services		
Employee Benefits	-	577
Total Support Services - Business	\$ -	\$ 49,676
Central		
Data Processing Services		
Employee Benefits	-	\$ 86,726
Total Support Services - Central	\$ -	\$ 86,726
Total Support Services	\$ -	\$ 356,341
Total Direct Expenditures	\$ 873,000	\$ 845,882

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
 STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Capital Outlay	\$ 6,800,000	\$ 4,847,518
Total Support Services - Business	<u>\$ 6,800,000</u>	<u>\$ 4,847,518</u>
 Total Direct Expenditures	 <u>\$ 6,800,000</u>	 <u>\$ 4,847,518</u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
 STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 TORT FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	\$ 75,500	\$ 69,367
	<u>\$ 75,500</u>	<u>\$ 69,367</u>
Property Insurance		
Purchased Services	\$ 192,500	\$ 196,620
	<u>\$ 192,500</u>	<u>\$ 196,620</u>
Total General Administration	<u>\$ 268,000</u>	<u>\$ 265,987</u>
Total Support Services	<u>\$ 268,000</u>	<u>\$ 265,987</u>
Total Direct Expenditures	<u><u>\$ 268,000</u></u>	<u><u>\$ 265,987</u></u>

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

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community High School District No. 117's (District) accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. *Principles Used to Determine Scope of Entity*

The reporting entity includes the governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit its citizens, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the District does not control the assets, operations, or management of the joint agreements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

B. *Basis of Presentation – Fund Accounting*

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received, and expenditures disbursed. The District maintains individual funds required by the State of Illinois.

These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Educational Fund – The Educational Fund is the general operating fund of the District. It is used to account for all transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional programs, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, from state and federal funds, tuition, and textbook rentals. Special Education are included in this fund.

Operations and Maintenance Fund – The Operations and Maintenance Fund is used to account for all costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes. Operations of this fund are generally financed by a special tax levied for these purposes from state funds and contributions and donations from private sources.

NOTES TO FINANCIAL STATEMENTS (Continued)

Debt Services Fund – The Debt Services Fund is used to account for all principal, interest, and administrative costs for tax-financed bond payments and other long-term debt. Operations of this fund are generally financed by a special tax levied for these purposes.

Transportation Fund – The Transportation Fund is used to account for the costs associated with transporting pupils for any purpose. Revenue received for transportation purposes from any source must be deposited into this fund, including property taxes levied and state grants received for these purposes.

Illinois Municipal Retirement/Social Security Fund – The Illinois Municipal Retirement/Social Security Fund is used to account for costs of providing retirement benefits under Illinois Municipal Retirement Fund and Social Security if there are separate taxes levied for these purposes. If separate taxes are not levied for these purposes, then the payments shall be charged to the fund where the salaries are charged.

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

Working Cash Fund – The Working Cash Fund is used to account for a separate tax levied for working cash purposes and for any bonds sold for this purpose. Cash available in this fund may be loaned or transferred to any fund of the District.

Tort Fund – The Tort Fund is used to account for the proceeds of specific revenue sources that are legally restricted for tort expenditures or paying of insurance premiums on school buildings.

Fire Prevention and Safety Fund – The Fire Prevention and Safety Fund is used to account for the proceeds of specific revenue sources that are legally restricted for fire prevention and safety projects.

Agency Fund – The Agency Fund is used to account for Student Activity Funds and Convenience Accounts, which are assets held by the District as an agent for the students and teachers. This fund is custodial in nature and does not involve the measurement of the results of operations. The amounts due to the Activity Fund organizations are equal to the assets.

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to record physical assets of the District that have a long-term (i.e. more than one year) period of usefulness.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to record total bonded debt and other long-term debt of the District.

Measurement Focus

The financial statements of all funds, except the Agency Fund and two account groups, focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in operations are accounted for in the General Fixed Assets Account Group rather than in the funds. Long-term liabilities expected to be financed from the funds are accounted for in the General Long-Term Debt Account Group, not in the funds.

The two account groups are not “funds”. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

NOTES TO FINANCIAL STATEMENTS (Continued)

C. *Basis of Accounting*

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

If the District utilized accounting principles generally accepted in the United States of America, the basic financial statements would be replaced with government-wide financial statements and fund financial statements. The fund financial statements would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

D. *Budgets and Budgetary Accounting*

The budget for all funds, except for the Agency Fund, is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The budget was passed on September 19, 2019.

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

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

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

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their balances in common accounts, with accounting records being maintained to show the portion of the

NOTES TO FINANCIAL STATEMENTS (Continued)

common bank account balances attributable to each participating fund. Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by School Board action.

No District fund had a cash overdraft at June 30, 2020.

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Gains or losses on the sale of investments are recognized upon realization.

F. *Inventories*

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

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. While concession inventory is tracked, it is still expensed when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

G. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. All other interfund transactions are treated as transfers.

H. *General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. The District has chosen to capitalize capital asset purchases of \$2,500 or more and are reported at historical cost or estimated historical cost. At the time of purchase, assets are recorded as disbursements in the fund for which the asset was purchased and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge).

I. *Governmental Fund Balances*

Governmental fund balances are reported as "reserved" because they are legally segregated for a specific future use. The remaining balances are "unreserved" fund balances. From time to time, the Board agrees to set aside or "designate" resources for future uses – such as for specific capital projects. These unreserved, designated balances are based on management's tentative plans and can be changed.

J. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2019 tax levy was passed by the Board on November 20, 2019. The 2018 tax levy was passed by the Board on November 14, 2018. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

NOTES TO FINANCIAL STATEMENTS (Continued)

K. *Total Memorandum Only*

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund and account group. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

NOTE 2 - DEPOSITS AND INVESTMENTS

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

A. *Deposits*

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy that all deposits and investments in excess of any insurance shall be collateralized by pledged securities and the market value of the pledged securities shall equal or exceed the portion of deposit requiring collateralization. As of June 30, 2020, none of the District's bank balance was exposed to custodial credit risk.

B. *Investments*

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District has no investment policy that would further limit its investment choices. As of June 30, 2020, the District's investments were in Certificates of Deposit.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. 100% of the District's investments are in Certificates of Deposit.

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments are not considered securities for fair value measurement purposes.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Land	\$ 7,280,608	\$ -	\$ -	\$ 7,280,608
Building and Building Improvements	76,114,892	2,086,324	-	78,201,216
Site Improvements and Infrastructure	18,407,301	-	-	18,407,301
Capitalized Equipment	22,724,444	386,562	-	23,111,006
Construction in Progress	56,330	4,847,518	-	4,903,848
	<u>\$ 124,583,575</u>	<u>\$ 7,320,404</u>	<u>\$ -</u>	<u>\$ 131,903,979</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - CHANGES IN GENERAL LONG-TERM DEBT

Changes in general long-term debt are summarized as follows:

	Balance July 1, 2019	Additions	Retirement	Adjustments	Balance June 30, 2020
Long-Term Debt					
Bonds Payable					
General Obligation School Bonds, Series 2000	\$ 2,943,105	\$ -	\$ 1,500,699	\$ -	\$ 1,442,406
Total Bonds Payable	<u>\$ 2,943,105</u>	<u>\$ -</u>	<u>\$ 1,500,699</u>	<u>\$ -</u>	<u>\$ 1,442,406</u>
Lease/Purchase Agreements	\$ 521,373	\$ 18,736	\$ 1,285	\$ -	\$ 538,824
Total Long-Term Debt	<u>\$ 3,464,478</u>	<u>\$ 18,736</u>	<u>\$ 1,501,984</u>	<u>\$ -</u>	<u>\$ 1,981,230</u>

Long-term debt payable consisted of the following at June 30, 2020:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
General Obligation School Bonds, Series 2000	12/1/2020	9.00%	\$ 40,104,335	\$ 1,442,406
Lease/Purchase Agreements	7/1/2019	3.17%-17.05%	621,710	538,824

At June 30, 2020 the annual debt service requirements to service all long-term debt is as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 1,612,053	\$ 6,936,806	\$ 8,548,859
2022	177,232	16,627	193,859
2023	185,163	8,695	193,858
2024	4,181	403	4,584
2025	2,601	72	2,673
	<u>\$ 1,981,230</u>	<u>\$ 6,962,603</u>	<u>\$ 8,943,833</u>

NOTE 6 - SPECIAL TAX LEVIES AND RESERVED EQUITY

A. *Social Security Tax Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. A portion, \$165,651, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is reserved for future Illinois Municipal Retirement/Social Security disbursements in accordance with the Illinois State Board of Education.

B. *SEDOL IMRF Tax Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. A portion, \$92, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is reserved for future Illinois Municipal Retirement/Social Security disbursements in accordance with the Illinois State Board of Education.

C. *Leasing Tax Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Educational Fund. The current year receipts exceeded the current year disbursements. Accordingly, there is a reserve balance of \$90,930 for this special tax levy.

NOTE 7 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2020.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

There were no expenditures over budget in any of the funds.

NOTE 9 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2019 (\$20,247,840) and 2018 (\$20,687,891) tax levies.

A summary of the past three years assessed valuations, tax rates, and extensions follows:

Tax Year Assessed Valuation	2019		2018		2017	
	\$1,229,559,788		\$1,171,811,631		\$1,129,727,953	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Purpose						
Education	2.2608	\$ 27,798,330	2.3294	\$ 27,295,922	2.3695	\$ 26,769,231
Special Education	0.0366	450,007	0.0364	426,575	0.0367	414,734
Operations and Maintenance	0.5500	6,762,579	0.5429	6,361,566	0.5261	5,943,600
Working Cash	0.0057	70,011	0.0059	69,102	0.0052	59,119
Transportation	0.1363	1,676,234	0.1371	1,606,261	0.1482	1,674,686
Municipal Retirement	0.0163	200,418	0.0239	279,852	0.0052	59,119
Social Security	0.0252	310,009	0.0303	355,340	0.0471	531,966
Fire Prevention, Safety, Environmental and Energy Conservation	0.0000	-	0.0000	-	0.0050	56,001
Rent	0.0075	92,709	0.0088	103,647	0.0092	103,449
Tort Liability	0.0219	269,261	0.0222	259,849	0.0213	241,061
School Bonds	0.6863	8,438,555	0.3936	4,611,700	0.6120	6,913,461
SEDOL Municipal Retirement	0.0065	80,007	0.0043	50,001	0.0062	70,009
	<u>3.7531</u>	<u>\$ 46,148,120</u>	<u>3.5348</u>	<u>\$ 41,419,815</u>	<u>3.7917</u>	<u>\$ 42,836,436</u>

NOTE 10 - OPERATING LEASES

The District leases office equipment, including a document manager, copiers, and postage machines, under operating leases. Lease expense for the fiscal year ending June 30, 2020 was \$111,888.

Annual requirements to cover outstanding lease agreements at June 30, 2020 are:

Year Ending June 30	Total
2021	\$ 111,888
2022	111,888
2023	111,888
2024	111,888
	<u>\$ 447,552</u>

NOTE 11 - FARM LEASE RENTAL

The District is the lessor of a farm rental in an agreement from November 1, 2017 until October 31, 2024.

Lease income for the fiscal year ending June 30, 2020 was \$33,000. Annual lease payments expected to be received under this agreement are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

<u>Year Ending June 30</u>	<u>Total</u>
2021	\$ 40,500
2022	40,500
2023	43,500
2024	45,000
2025	15,000
	<u>\$ 184,500</u>

NOTE 12 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

General Information About the Pension Plan

Plan Description

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

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

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 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 2.2% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. 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

NOTES TO FINANCIAL STATEMENTS (Continued)

exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

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

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2020, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$14,592,554 in pension contributions from the State of Illinois.

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 \$107,986.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2020, the District pension contribution was 9.85% of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$23,249 were paid from federal and special trust funds that required District contributions of \$2,478.

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. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3% if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the District paid \$353 to TRS for employer contributions due on salary increases in excess of 6%, \$0 for salary increases in excess of 3% and \$0 for sick leave days granted in excess of the normal annual allotment.

NOTES TO FINANCIAL STATEMENTS (Continued)

B. *Illinois Municipal Retirement Fund*

Plan Description

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

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate.

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual

NOTES TO FINANCIAL STATEMENTS (Continued)

contribution rate for calendar year 2019 was 6.12%. For the fiscal year ended June 30, 2020, the District contributed \$234,284 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTE 13 - TEACHER HEALTH INSURANCE SECURITY FUND (THIS)

General Information About the OPEB Plan

Plan Description

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

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

Benefits Provided

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

- The State of Illinois offers comprehensive health plan options, all of which include prescription drug and behavioral health coverage. The State of Illinois offers TCHP, HMO, and OAP plans.
- Teachers' Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.
- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
- Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
- Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.

NOTES TO FINANCIAL STATEMENTS (Continued)

- Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

Contributions

For the fiscal year ended June 30, 2020, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to .92% of each teacher’s salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers’ Health Insurance Security Fund (THIS), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. Total employer contributions for the fiscal year ended June 30, 2020 were \$149,526.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2020, State of Illinois contributions recognized by the District were based on the State’s proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$226,340 in benefit contributions from the State of Illinois.

NOTE 14 - INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2020 were as follows:

Transfer From	Transfer To	Amount
Educational Fund	Debt Services Fund	\$ 1,910
Operations and Maintenance Fund	Capital Projects Fund	6,000,000

The purposes of the interfund transfers to the Debt Services Fund were to provide the necessary funds for payment on long-term debt. The transfer to the Capital Projects Fund was to fund the district’s Field House project.

NOTE 15 - JOINT VENTURES

A. *Special Education District of Lake County (SEDOL)*

The District and thirty other districts within Lake 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 the Statement of Net Position of SEDOL at June 30, 2019 (most recent information available) is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Assets	\$ 69,269,270
Deferred Outflows of Resources	11,514,434
	<u>\$ 80,783,704</u>
Liabilities	\$ 46,438,416
Deferred Inflows of Resources	10,090,751
Net Position	24,254,537
	<u>\$ 80,783,704</u>
Revenues	\$ 81,678,695
Expenses	77,735,077
Net Increase/(Decrease) in Net Position	<u>\$ 3,943,618</u>

Complete financial statements for SEDOL can be obtained from the Administrative Offices at 18160 Gages Lake Road, Gages Lake, Illinois 60030-1819.

B. *Lake County Area Vocational System (LCAVS)*

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

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

Assets	\$ 31,388,351
Liabilities	\$ 20,359
Fund Equity	31,367,992
	<u>\$ 31,388,351</u>
Revenues Received	\$ 10,645,000
Expenditures Disbursed	11,470,835
Net Increase/(Decrease) in Fund Balance	<u>\$ (825,835)</u>

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

C. *Administrative Center Cooperative*

The District has entered into a joint venture with Lake Villa Township and Antioch Township, forming the Administrative Center Cooperative (Cooperative). The Cooperative constructed a community center, which also has office space for both the District and Antioch Township. According to the agreement, the District is 100% responsible for the maintenance of the community center, which includes daily maintenance of the building and premises, but does not include any major repairs or replacement of equipment. The District is also responsible for quarterly payments which would cover (a) expenses for operation of the building and administration of the Cooperative which is based upon each member's proportion of space it uses in the building, and (b) structural repairs of which the District is responsible for 25.80%. Quarterly payments began in August 2002.

Complete financial statements for Administrative Center Cooperative can be obtained from the administrative offices of Community High School District No. 117 at 1625 Deep Lake Road, Lake Villa, Illinois 60046.

D. *Lake Region Schools Benefit Cooperative*

The District has entered into a joint venture with five other school districts in order to reduce fixed reinsurance costs with common third party administrators, Blue Cross Blue Shield and Allied Benefits.

NOTES TO FINANCIAL STATEMENTS (Continued)

A summary of financial condition of the Lake Region Schools Benefit Cooperative can be obtained from the administrative offices of Community High School District No. 117, 1625 Deep Lake Rd., Suite A, Lake Villa, Illinois 60046.

E. *Lake Villa Township*

The District has entered into a joint venture with Lake Villa Township for the purposes of designing, constructing, operating, and maintaining a high ropes, low ropes, and climbing wall facility to be jointly used by the District and Lake Villa Township. Lake Villa Township’s contribution to the facility project is providing the use of the real estate. The District is responsible for constructing the facility. Once constructed, Lake Villa Township will have sole responsibility for the maintenance and operation of the facility.

NOTE 16 - RISK MANAGEMENT

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

The District is insured under a retrospectively rated policy for workers’ compensation coverage. Whereas, the initial premium may be adjusted based on actual experience, adjustments in premiums are recorded when paid or received. During the year ended June 30, 2020, there were no significant adjustments in premiums based on actual experience.

The District is self-insured for its health and dental insurance and belongs to an insurance cooperative in order to reduce costs. The District covers up to a maximum of \$75,000 per year per individual. However, claims between \$75,000 and \$250,000 may be covered in part by other districts in the Cooperative based on the agreement. The Cooperative purchases stop loss insurance coverage for claims in excess of \$250,000 per individual and for claims in excess of the aggregate maximum plan liability. The maximum liability for the District alone at June 30, 2020 is undeterminable based on the nature of the Cooperative.

See a further description of the insurance cooperative in Note 15. A reconciliation of changes in the aggregate liabilities for claims for the fiscal years ended June 30, 2020, June 30, 2019 and June 30, 2018 is as follows:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Claims Liabilities - Beginning of Year	\$ -	\$ -	\$ -
Incurred Claims	2,945,738	3,341,301	3,006,206
Payments on Claims	<u>(2,945,738)</u>	<u>(3,341,301)</u>	<u>(3,006,206)</u>
Claims Liabilities - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 17 - CONTINGENCIES

The District is not aware of any litigation which might have a material adverse effect on the District’s financial position.

NOTE 18 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District’s legal debt limitation is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

2019 EAV	\$ 1,229,559,788
Rate	<u>6.900%</u>
Debt Margin	\$ 84,839,625
Current Debt	<u>1,981,230</u>
Remaining Debt Margin	<u>\$ 82,858,395</u>

NOTE 19 - SUBSEQUENT EVENT

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various businesses and non-profits and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the district is uncertain and cannot be reasonably estimated this time.

SUPPLEMENTAL FINANCIAL INFORMATION

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ACTIVITY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
A S S E T S				
Cash and Cash Equivalents	<u>\$ 541,211</u>	<u>\$ 642,496</u>	<u>\$ 680,831</u>	<u>\$ 502,876</u>
L I A B I L I T I E S				
Amount Due to Activity				
District Wide	\$ 72,432	\$ 158,251	\$ 187,298	\$ 43,385
A.C.H.S.	211,458	240,230	226,337	225,351
L.C.H.S.	<u>257,321</u>	<u>244,015</u>	<u>267,196</u>	<u>234,140</u>
	<u>\$ 541,211</u>	<u>\$ 642,496</u>	<u>\$ 680,831</u>	<u>\$ 502,876</u>

See Accompanying Independent Auditor's Report

COMMUNITY HIGH SCHOOL DISTRICT NO. 117
 COMPUTATION OF OPERATING EXPENSE PER PUPIL
 AND PER CAPITA TUITION CHARGE
 FOR THE YEAR ENDED JUNE 30, 2020

OPERATING EXPENSE PER PUPIL		
EXPENDITURES:		
ED	Total Expenditures	\$ 36,725,025
O&M	Total Expenditures	6,843,803
DS	Total Expenditures	7,961,910
TR	Total Expenditures	3,051,797
MR/SS	Total Expenditures	845,882
TORT	Total Expenditures	265,987
	Total Expenditures	\$ 55,694,404
 LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:		
ED	Summer School Programs	\$ 77,367
ED	Total Payments to Other Govt Units	1,294,459
ED	Capital Outlay	264,041
ED	Non-Capitalized Equipment	861,932
O&M	Total Payments to Other Govt Units	114,466
O&M	Capital Outlay	2,208,446
O&M	Non-Capitalized Equipment	36,011
DS	Debt Service - Payments of Principal on Long-Term Debt	1,501,984
MR/SS	Summer School Programs	389
	Total Deductions	\$ 6,359,095
	Total Operating Expenses (Regular K-12)	49,335,309
	9 Mo ADA from Average Daily Attendance - Student Information System (SIS) in IWAS - preliminary ADA 2019-2020	2,448.00
	Estimated OEPP *	\$ 20,153.31

PER CAPITA TUITION CHARGE		
LESS OFFSETTING RECEIPTS/REVENUES:		
ED	Total Food Service	\$ 723,428
ED-O&M	Total District/School Activity Income	469,126
ED	Rentals - Regular Textbooks	237,488
ED	Sales - Regular Textbooks	20,481
ED-O&M	Rentals	50,770
ED-O&M-TR	Services Provided Other Districts	74,756
ED-O&M-TR	Total Special Education	1,372,361
ED-O&M-MR/SS	Total Career and Technical Education	23,546
ED-O&M	Driver Education	43,071
ED-O&M-TR-MR/SS	Total Transportation	1,174,890
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources	78,224
ED-O&M-TR-MR/SS	Total Title I	193,061
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through	280,091
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Room & Board	7,550
ED-O&M-MR/SS	Total CTE - Perkins	1,111
ED-O&M-TR-MR/SS	Title II - Teacher Quality	62,122
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach	21,047
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program	74,786
ED-TR-MR/SS	Special Education Contributions from EBF Funds	797,023
ED-MR/SS	English Learning (Bilingual) Contributions from EBF Funds	220
	Total Allowance for PCTC Computation	\$ 5,705,152
	Net Operating Expense for Tuition Computation	43,630,157
	Total Depreciation Allowance (from page 27, Col I)	2,961,830
	Total Allowance for PCTC Computation	46,591,987
	9 Mo ADA	2,448.00
	Total Estimated PCTC *	\$ 19,032.67

* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE.