

**Community Consolidated
School District 46**

Grayslake, Illinois

Annual Financial Report

Year Ended June 30, 2021

Community Consolidated School District 46
 ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2021

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(Concluded)

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Community Consolidated School District 46
Grayslake, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Community Consolidated District 46, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Community Consolidated District 46's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

(Continued)

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 Community Consolidated District 46, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note A-2 and Note M to the financial statements, assets and fund balance/net position as of July 1, 2020 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

As discussed in Note M to the financial statements, the District recorded a prior period adjustment to properly record the claims payable liability. The adjustment decreased the current liabilities, and increased the beginning net position and fund balance of the District by \$1,023,711 on the government-wide financial statements and the fund financial statements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 69 through 75, the other postemployment benefits data on pages 76 through 81, and the budgetary comparison schedules and notes to the required supplementary information on pages 82 through 107, 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.

(Continued)

Other Information

Our audit for the year ended June 30, 2021, was conducted for the purpose of forming opinions on the financial statements that collectively comprise Community Consolidated District 46's basic financial statements. The other schedules listed in the table of contents, as the supplementary financial information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2021 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2021 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021, on our consideration of Community Consolidated District 46'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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Consolidated District 46's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
November 24, 2021

Community Consolidated School District 46
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

The discussion and analysis of Community Consolidated School District 46's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2021. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$11,363,916 (net position).
- The District's total net position increased by \$5,302,761.
- At June 30, 2021 the District's governmental funds reported combined ending fund balances of \$26,717,417, an increase of \$1,868,450. 54% of this fund balance is available for spending at the District's discretion (unassigned fund balance \$14,383,287).
- The District's total long-term debt decreased by \$6,982,301 during the year ended June 30, 2021 primarily due to the refinancing of debt certificates and the scheduled repayment of long-term debt offset by the accretion of interest on capital appreciation bonds.

Overview of the Financial Statements

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

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report also contains required supplementary information and supplementary financial information, in addition to the basic financial statements.

Government-wide financial statements

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

The statement of net position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as net 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.

Community Consolidated School District 46
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

The statement of activities presents information showing how the government'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, operations and maintenance of facilities, transportation services, and community services.

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General (includes Educational Account, Tort Immunity and Judgment Account, and Working Cash Account), Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Debt Service, and Capital Projects Funds, all of which are considered to be major funds.

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

Community Consolidated School District 46
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Overview of the Financial Statements (Continued)

Notes to the financial statements

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

Other information

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

Government-Wide Financial Analysis

The District's net position for the end of the year was \$11,363,916.

The District's total revenues were \$79,942,916 (see Table 2).

Property tax and corporate personal property replacement tax revenue increased by \$646,239 or 1.8%. The remainder of the District's revenues came from state and federal aid, fees charged for services, and miscellaneous sources.

The total cost of all programs and services was \$74,640,155. The District's expenses are predominantly related to instructing, caring for (pupil services), and operations and maintenance (see Table 2).

The District's administrative and business activities accounted for 84.2% of total costs.

Community Consolidated School District 46
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Government-Wide Financial Analysis (Continued)

Table 1		
Condensed Statement of Net Position		
<i>(in thousands of dollars)</i>		
	<u>2020 *</u>	<u>2021</u>
Current and other assets	\$ 47,913	\$ 50,387
Capital assets	60,324	57,524
Total assets	108,237	107,911
Deferred charges	1,938	1,568
Deferred outflows related to pensions	4,498	4,516
Deferred outflows related to OPEB	1,014	2,494
Total deferred outflows of resources	7,450	8,578
	80,810	68,284
Long-term liabilities outstanding	5,860	5,228
Other liabilities	86,670	73,512
Total liabilities		
Deferred inflows related to pensions	1,267	7,138
Deferred inflows related to OPEB	4,245	5,789
Property taxes levied for a future period	18,534	18,685
Total deferred inflows of resources	24,046	31,612
Net position:	20,139	20,464
Investment in capital assets	10,009	11,801
Restricted	(25,178)	(20,901)
Unrestricted	\$ 4,970	\$ 11,364
Total net position		

* Not updated to reflect the current year restatements (see Note N).

**Community Consolidated School District 46
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Government-Wide Financial Analysis (Continued)

Table 2		
Changes in Net Position		
<i>(in thousands of dollars)</i>		
	<u>2020 *</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 859	\$ 434
Operating grants and contributions	54,705	27,263
Capital grants and contributions	13	-
General revenues:		
Taxes	36,812	37,460
State aid formula grants	13,549	13,555
Other	546	1,231
Total revenues	106,484	79,943
Expenses:		
Instruction	78,708	49,482
Pupil and instructional services	6,181	5,696
Administration and business	6,149	6,620
Transportation	2,700	2,981
Operations and maintenance	2,922	2,940
Other	7,337	6,921
Total expenses	103,997	74,640
Increase (decrease) in net position	2,487	5,303
Net position, beginning of year	2,483	6,061
Net position, end of year	\$ 4,970	\$ 11,364

* Not updated to reflect the current year restatements (see Note M).

Community Consolidated School District 46
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Financial Analysis of the District's Funds

The District's governmental funds total fund balance increased from \$24,848,967 (restated – See Note M) to \$26,717,417, mainly due to the decreased expenditures relating to the global pandemic, including decreased use of substitute teachers, reduced stipends / extra duty work for teachers.

General Fund Budgetary Highlights

While the District did not revise the fiscal 2021 budget, the COVID-19 pandemic did have an impact during the fiscal year.

- Actual aggregate expenditures were \$1,584,208 less than budgeted, primarily due to lower than expected salary/benefits for stipend and substitute pay, after excluding the On-Behalf Payments to TRS from the State.
- Actual aggregate revenues were \$775,757 less than budgeted, primarily due to lower than expected revenues from interest on investments, lunch sales, and tuition, after excluding the On-Behalf Payments to TRS from the State.

The District's final budget anticipated a reduction in fund balance of \$1,608,495 in the General Fund. The actual results for the year show an increase in fund balance of \$904,814.

Capital Assets and Debt Administration

Capital assets

By the end of fiscal year 2021, the District had compiled a total investment of \$111,539,316 (\$57,253,584 net of accumulated depreciation) in a broad range of capital assets including land, construction in progress, buildings, building improvements, land improvements, and equipment. Total depreciation expense for the year was \$3,084,522. More detailed information about capital assets can be found in Note D of the notes to the financial statements.

**Community Consolidated School District 46
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Table 3			
Capital Assets (net of depreciation)			
<i>(in thousands of dollars)</i>			
		<u>2020</u>	<u>2021</u>
Land	\$	2,265	\$ 2,265
Construction in process		-	136
Buildings and improvements		55,890	53,314
Land improvements		1,753	1,608
Equipment and vehicles		415	200
Total	\$	<u>60,323</u>	\$ <u>57,523</u>

Long-term liabilities

At June 30, 2021, the District had \$68,283,703 in general obligation bonds, debt certificates, and other long-term liabilities outstanding.

More detailed information on long-term debt can be found in Note E of the notes to the financial statements.

Table 4			
Outstanding Long-Term Liabilities			
<i>(in thousands of dollars)</i>			
		<u>2020</u>	<u>2021</u>
General obligation bonds	\$	34,235	\$ 34,190
Capital appreciation bonds		6,935	800
Debt certificates		2,450	1,955
Note payable		9	-
Unamortized premiums		2,171	1,682
IMRF net pension liability		2,646	720
TRS net pension liability		6,431	2,391
RHP total OPEB liability		221	234
THIS net OPEB liability		25,405	26,128
Other		307	184
Total	\$	<u>80,810</u>	\$ <u>68,284</u>

**Community Consolidated School District 46
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Factors Bearing on the District's Future

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

- The COVID-19 pandemic continues to create unprecedented challenges regarding the District's strategic planning and how to address factors bearing on the District's future.
- The District has been allocated federal funding as part of the Educational Stabilization Fund in order to help safely reopen and sustain the safe operation of schools and address the coronavirus pandemic on the nation's students over the next few years through the following Acts:

\$240,730 - Coronavirus Aid, Relief, and Economic Security (CARES) Act,
\$953,958 - Coronavirus Response and Relief Supplement Appropriations (CRRSA) Act, and
\$3,166,693 - American Rescue Plan (ARP) Act.

- As part of its strategic plan, the District has finalizing a comprehensive Long Range Facilities Plan (LRFP) with our architects to ensure facility enhancements are prioritized and to budget according to a schedule of annual improvements.
- The District is entering the final year of an originally agreed upon four-year contract with its teachers' union. The contract was extended for an additional year and now runs through the 2022-23 school year.
- The inability of lawmakers to address the State's financial dilemmas continues to create future financial uncertainty for school districts, of which Community Consolidated School District 46 is not immune. Likewise, the issue of local property tax "freezes" and pension reform continues to be a focus of State lawmakers, again creating more financial uncertainty for school districts. Undoubtedly, these financial dilemmas will continue to be exacerbated by the COVID-19 situation.

Requests for Information

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

Community Consolidated School District 46
565 Frederick Road
Grayslake, Illinois 60030
(847) 543-5323

BASIC FINANCIAL STATEMENTS

Community Consolidated School District 46
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2021

ASSETS	
Cash and investments	\$ 28,493,122
Receivables (net of allowance for uncollectibles)	
Property taxes	19,700,010
Replacement taxes	39,131
Intergovernmental	1,703,411
Prepaid items	451,834
Capital assets:	
Land	2,265,169
Construction in progress	136,440
Depreciable buildings, property, and equipment, net	<u>55,121,975</u>
Total assets	<u>107,911,092</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refundings	1,567,564
Deferred outflows related to pensions	4,516,272
Deferred outflows related to other postemployment benefits	<u>2,493,817</u>
Total deferred outflows	<u>8,577,653</u>
LIABILITIES	
Accounts payable	894,720
Salaries and wages payable	3,407,495
Payroll deductions payable	443,390
Claims payable	239,265
Interest payable	243,676
Long-term liabilities:	
Due within one year	7,034,002
Due after one year	<u>61,249,701</u>
Total liabilities	<u>73,512,249</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for a future period	18,685,221
Deferred inflows related to pensions	7,138,214
Deferred inflows related to other postemployment benefits	<u>5,789,145</u>
Total deferred inflows	<u>31,612,580</u>
NET POSITION	
Net investment in capital assets	20,464,107
Restricted for:	
Tort immunity	206,787
Operations and maintenance	3,930,257
Debt service	4,726,572
Retirement benefits	1,076,607
Student transportation	1,486,537
Capital projects	374,488
Unrestricted	<u>(20,901,439)</u>
Total net position	<u>\$ 11,363,916</u>

The accompanying notes are an integral part of this statement.

Community Consolidated School District 46

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 15,606,110	\$ 405,407	\$ 1,196,958	\$ (14,003,745)
Special programs	9,657,443	8,183	1,824,581	(7,824,679)
Other instructional programs	3,022,420	-	95,855	(2,926,565)
State retirement contributions	21,196,259	-	21,196,259	-
Support services:				
Pupils	4,053,189	-	-	(4,053,189)
Instructional staff	1,642,462	-	82,624	(1,559,838)
General administration	1,175,099	-	-	(1,175,099)
School administration	2,120,007	-	-	(2,120,007)
Business	1,582,442	6,731	1,225,560	(350,151)
Transportation	2,981,437	-	1,641,370	(1,340,067)
Operations and maintenance	2,939,601	14,121	-	(2,925,480)
Central	1,741,997	-	-	(1,741,997)
Community services	141,487	-	-	(141,487)
Nonprogrammed charges	2,254,168	-	-	(2,254,168)
Interest and fees	1,441,512	-	-	(1,441,512)
Unallocated depreciation	3,084,522	-	-	(3,084,522)
Total governmental activities	<u>\$ 74,640,155</u>	<u>\$ 434,442</u>	<u>\$ 27,263,207</u>	<u>(46,942,506)</u>
General revenues:				
Taxes:				
				22,435,296
				7,099,473
				7,714,816
				209,163
				13,555,378
				29,825
				1,201,316
				<u>52,245,267</u>
				5,302,761
				<u>6,061,155</u>
				<u>\$ 11,363,916</u>

The accompanying notes are an integral part of this statement.

Community Consolidated School District 46

Governmental Funds

BALANCE SHEET

June 30, 2021

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 16,863,190	\$ 4,160,669	\$ 1,067,703	\$ 1,128,290
Receivables (net of allowance for uncollectibles):				
Property taxes	12,203,006	1,852,689	743,685	864,577
Replacement taxes	39,131	-	-	-
Intergovernmental	1,295,266	-	408,145	-
Prepaid items	<u>416,489</u>	<u>35,345</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 30,817,082</u>	<u>\$ 6,048,703</u>	<u>\$ 2,219,533</u>	<u>\$ 1,992,867</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 351,731	361,193	24,533	20,823
Salaries and wages payable	3,332,099	-	-	75,396
Payroll deductions payable	440,303	-	3,087	-
Claims payable	<u>239,265</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,363,398</u>	<u>361,193</u>	<u>27,620</u>	<u>96,219</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>11,574,404</u>	<u>1,757,253</u>	<u>705,376</u>	<u>820,041</u>
Total deferred inflows	<u>11,574,404</u>	<u>1,757,253</u>	<u>705,376</u>	<u>820,041</u>
FUND BALANCES				
Nonspendable	416,489	35,345	-	-
Restricted	4,498	3,894,912	1,486,537	1,076,607
Assigned	75,006	-	-	-
Unassigned	<u>14,383,287</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>14,879,280</u>	<u>3,930,257</u>	<u>1,486,537</u>	<u>1,076,607</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 30,817,082</u>	<u>\$ 6,048,703</u>	<u>\$ 2,219,533</u>	<u>\$ 1,992,867</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 4,762,342	\$ 510,928	\$ 28,493,122
4,036,053	-	19,700,010
-	-	39,131
-	-	1,703,411
-	-	451,834
<u>\$ 8,798,395</u>	<u>\$ 510,928</u>	<u>\$ 50,387,508</u>
-	136,440	\$ 894,720
-	-	3,407,495
-	-	443,390
-	-	239,265
-	136,440	4,984,870
<u>3,828,147</u>	-	<u>18,685,221</u>
<u>3,828,147</u>	-	<u>18,685,221</u>
-	-	451,834
4,970,248	374,488	11,807,290
-	-	75,006
-	-	14,383,287
<u>4,970,248</u>	<u>374,488</u>	<u>26,717,417</u>
<u>\$ 8,798,395</u>	<u>\$ 510,928</u>	<u>\$ 50,387,508</u>

Community Consolidated School District 46
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances - total governmental funds		\$ 26,717,417
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.		
		57,523,584
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions		4,516,272
Deferred inflows of resources related to pensions		(7,138,214)
Deferred outflows and inflows of resources related to other postemployment benefit are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to OPEB		2,493,817
Deferred inflows of resources related to OPEB		(5,789,145)
Deferred charges included in the statement of net position are not available to pay for current period expenditures and, accordingly, are not included in the governmental funds balance sheet.		
		1,567,564
Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds:		
General obligation bonds	\$ (34,190,000)	
Capital appreciation bonds	(800,000)	
Debt certificates	(1,955,000)	
Capital leases	(162,851)	
Unamortized bond premiums	(1,682,041)	
Compensated absences	(21,487)	
IMRF net pension liability	(719,761)	
TRS net pension liability	(2,390,558)	
RHP total other postemployment benefit liability	(234,260)	
THIS net other postemployment benefit liability	<u>(26,127,745)</u>	(68,283,703)

(Continued)

Community Consolidated School District 46
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Interest on long-term liabilities (interest payable) 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.	<u>(243,676)</u>
Net position of governmental activities	<u>\$ 11,363,916</u>

The accompanying notes are an integral part of this statement.

Community Consolidated School District 46

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2021

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 23,041,558	\$ 3,475,309	\$ 1,392,805	\$ 1,625,097
Replacement taxes	134,163	-	-	75,000
State aid	25,476,784	-	1,641,370	-
Federal aid	3,635,674	-	-	-
Interest	12,633	4,367	2,549	1,009
Other	<u>779,288</u>	<u>835,680</u>	<u>3,021</u>	<u>17,769</u>
Total revenues	<u>53,080,100</u>	<u>4,315,356</u>	<u>3,039,745</u>	<u>1,718,875</u>
Expenditures				
Current:				
Instruction:				
Regular programs	15,269,185	-	-	232,386
Special programs	8,878,810	-	-	446,742
Other instructional programs	2,870,408	-	-	86,910
State retirement contributions	11,131,502	-	-	-
Support services:				
Pupils	3,841,508	-	-	192,864
Instructional staff	1,606,687	-	-	46,422
General administration	1,119,382	-	-	35,111
School administration	1,975,515	-	-	97,710
Business	1,537,205	-	-	46,069
Transportation	-	-	2,978,290	4,106
Operations and maintenance	-	2,752,360	-	178,045
Central	1,660,816	-	-	117,486
Community services	141,000	-	-	604
Nonprogrammed charges	2,254,168	116,207	-	20,823
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>42,444</u>	<u>132,380</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>52,328,630</u>	<u>3,000,947</u>	<u>2,978,290</u>	<u>1,505,278</u>
Excess (deficiency) of revenues over expenditures	751,470	1,314,409	61,455	213,597
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(220,069)	(962,529)	-	-
Debt issuance	-	-	-	-
Capital lease proceeds	<u>373,413</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>153,344</u>	<u>(962,529)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	904,814	351,880	61,455	213,597
Fund balance, beginning of year, as restated - Note M	<u>13,974,466</u>	<u>3,578,377</u>	<u>1,425,082</u>	<u>863,010</u>
Fund balance, end of year	<u>\$ 14,879,280</u>	<u>\$ 3,930,257</u>	<u>\$ 1,486,537</u>	<u>\$ 1,076,607</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 7,714,816	\$ -	\$ 37,249,585
-	-	209,163
-	-	27,118,154
-	-	3,635,674
5,726	3,541	29,825
-	-	1,635,758
<u>7,720,542</u>	<u>3,541</u>	<u>69,878,159</u>
-	-	15,501,571
-	-	9,325,552
-	-	2,957,318
-	-	11,131,502
-	-	4,034,372
-	-	1,653,109
-	-	1,154,493
-	-	2,073,225
-	-	1,583,274
-	-	2,982,396
-	-	2,930,405
-	-	1,778,302
-	-	141,604
-	-	2,391,198
9,304,485	-	9,304,485
1,491,311	-	1,491,311
-	119,181	294,005
<u>10,795,796</u>	<u>119,181</u>	<u>70,728,122</u>
(3,075,254)	(115,640)	(849,963)
782,598	400,000	1,182,598
-	-	(1,182,598)
2,345,000	-	2,345,000
-	-	373,413
<u>3,127,598</u>	<u>400,000</u>	<u>2,718,413</u>
52,344	284,360	1,868,450
4,917,904	90,128	24,848,967
<u>\$ 4,970,248</u>	<u>\$ 374,488</u>	<u>\$ 26,717,417</u>

Community Consolidated School District 46

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

For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds.		\$ 1,868,450
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$ 284,809	
Depreciation expense	<u>(3,084,522)</u>	(2,799,713)

Changes in deferred outflows and inflows of resources related to pensions are reported only in the statement of activities:

Deferred outflows and inflows of resources related to IMRF pension	(1,781,914)
Deferred outflows and inflows of resources related to TRS pension	(4,071,087)

Changes in deferred outflows and inflows of resources related to other postemployment benefits are reported only in the statement of activities:

Deferred outflows and inflows of resources related to RHP	8,438
Deferred outflows and inflows of resources related to THIS	(73,354)

Governmental funds report the effects of the loss on refunding when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect, of these differences.

(370,382)

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.

(3,625)

Governmental funds report the effect of premiums and discounts when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences.

489,229

(Continued)

Community Consolidated School District 46

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

For the Year Ended June 30, 2021

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Issuance of general obligation bonds	\$ (2,345,000)	
Capital lease proceeds	(373,413)	
Principal repayments		
General obligation bonds	45,000	
Capital appreciation bonds	6,199,999	
Debt certificates	2,839,825	
Capital leases	210,562	
Note payable	9,099	
Accreted interest	(65,423)	
Compensated absences, net	284,973	
IMRF pension liability, net	1,925,982	
TRS pension liability, net	4,040,175	
RHP other postemployment benefit liability, net	(12,488)	
THIS other postemployment benefit liability, net	<u>(722,572)</u>	<u>12,036,719</u>
Change in net position of governmental activities		\$ <u><u>5,302,761</u></u>

The accompanying notes are an integral part of this statement.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Community Consolidated District 46 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

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

1. Reporting Entity

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

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

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

2. New Accounting Pronouncement

The GASB has issued Statement No. 84, *Fiduciary Activities*, which was implemented by the District during the fiscal year ended June 30, 2021. This Statement established new criteria for identifying fiduciary activities and results in a change to accounting and financial reporting requirements.

Specific changes to the District's financial statements relate to the inclusion of fiduciary activities within the District's General Fund and government-wide financial statements. See Note M for the effects of this restatement.

3. Fund Accounting

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

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

4. Government-Wide and Fund Financial Statements

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

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

a. General Fund

The *General Fund* includes the Educational Account, Tort Immunity and Judgment Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation. The Tort Immunity and Judgment is used to account for revenues derived from a specific property tax levy and state reimbursement grants and expenditures of these monies is for risk management activities.

The Student Activity balance is accounted for in the Educational Account. The balance accounts for activities such as student yearbooks, student clubs and councils and scholarships.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds

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

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

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

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

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

c. Debt Service Fund

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

d. Capital Projects Funds

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2021, the District has deferred outflows of resources related to pensions, other postemployment benefits, and deferred charges on refunding. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2021, the District reported deferred inflows related to property taxes levied for a future period, pensions, and other postemployment benefits.

7. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

8. Deposits and Investments

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

10. Prepaid Items

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

11. Capital Assets

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

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Capital Assets (Continued)

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-40
Land improvements	20-50
Equipment	5 - 20

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

12. Accumulated Unpaid Vacation and Sick Pay

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at June 30, 2021 are determined on the basis of current salary rates and include salary related payments.

Vacation benefits are granted to employees in varying amounts up to specified maximums depending on tenure with the District. Unused vacation time can accumulate and carryover to subsequent years up to specified maximums.

Unused sick days can be carried over and teachers that have been employed for five or more years are entitled to be paid for the past five years of unused sick days. This will be paid out at 50% of a regular teacher's daily rate. Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts and losses on refunding of bonds, are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

14. Personal Property Replacement Taxes

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

15. Pensions and Other Postemployment Benefits

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

16. Restricted Net Position

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

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Fund Balance

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

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service and capital projects funds, are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balance at June 30, 2021.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The District has not delegated this authority to an appointed body or official. The District's student activity balance of \$75,006 has been assigned at June 30, 2021.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The nonspendable fund balance in the General Fund and Operations and Maintenance Fund consists of \$416,489 and \$35,345, respectively, for prepaid items. The restricted fund balances are for the purposes of the restricted funds as described in Note A-4.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. Use of Estimates

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

NOTE B - DEPOSITS AND INVESTMENTS

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

At June 30, 2021, the District's cash and investments consisted of the following and for disclosure purposes, is classified into the following components:

	<u>Total</u>
Deposits with financial	\$ 6,276,301
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	<u>22,216,821</u>
	<u>\$ 28,493,122</u>

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. The District maintains a portfolio that is sufficiently liquid to meet all operating requirements as the requirements come due.

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

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$ <u>22,216,821</u>	n/a	Daily	1 day

2. Credit Risk

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

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

3. Concentration of Credit Risk

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by providing that all deposits in excess of FDIC insurable limits may be secured by collateral to protect against an event of default or failure of the financial institution holding the funds. At June 30, 2021, the bank balances of the District's deposits with financial institutions totaled \$6,965,145, of which \$1,371,112 is neither insured nor collateralized.

NOTE C - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 16, 2020. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that tax year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The County Clerk adds the Equalized Assessed Valuation of all real property in the District to the valuation of property assessed directly by the state (to which the Equalization Factor is not applied) to arrive at the base amount (the Assessment Base) used to calculate the annual tax rates, as described above. The Equalized Assessed Valuation for the extension for the 2020 tax levy was \$727,350,158.

Property taxes are collected by the Lake County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The portion of the 2020 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectible amounts of 0.5%. The receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Net taxes receivable less the amount expected to be collected within 60 days are reflected as deferred inflow of resources - property taxes levied for a future period.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets, not being depreciated				
Land	\$ 2,265,169	\$ -	\$ -	\$ 2,265,169
Construction in progress	<u>-</u>	<u>136,440</u>	<u>-</u>	<u>136,440</u>
Total capital assets not being depreciated	<u>2,265,169</u>	<u>136,440</u>	<u>-</u>	<u>2,401,609</u>
Capital assets, being depreciated				
Buildings and improvements	98,634,360	54,846	-	98,689,206
Land improvements	4,805,903	39,446	-	4,845,349
Equipment	<u>5,549,075</u>	<u>54,077</u>	<u>-</u>	<u>5,603,152</u>
Total capital assets being depreciated	<u>108,989,338</u>	<u>148,369</u>	<u>-</u>	<u>109,137,707</u>
Less accumulated depreciation for:				
Buildings and improvements	42,743,985	2,631,546	-	45,375,531
Land improvements	3,052,867	184,463	-	3,237,330
Equipment	<u>5,134,358</u>	<u>268,513</u>	<u>-</u>	<u>5,402,871</u>
Total accumulated depreciation	<u>50,931,210</u>	<u>3,084,522</u>	<u>-</u>	<u>54,015,732</u>
Total capital assets being depreciated, net	<u>58,058,128</u>	<u>(2,936,153)</u>	<u>-</u>	<u>55,121,975</u>
Governmental activities capital assets, net	<u>\$ 60,323,297</u>	<u>\$ (2,799,713)</u>	<u>\$ -</u>	<u>\$ 57,523,584</u>

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2021, changes in long-term liabilities were as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases/</u> <u>Accretion</u>	<u>Decreases/</u> <u>Refunded</u>	<u>Balance</u> <u>June 30, 2021</u>
Bonds payable:				
General obligation bonds	\$ 34,235,000	\$ -	\$ 45,000	\$ 34,190,000
Capital appreciation bonds	6,934,576	65,423	6,199,999	800,000
Unamortized premium	2,171,270	-	489,229	1,682,041
Debt certificates - direct placement	2,449,825	2,345,000	2,839,825	1,955,000
Note payable	9,099	-	9,099	-
Capital lease	-	373,413	210,562	162,851
Compensated absences	306,460	160,405	445,378	21,487
IMRF net pension liability	2,645,743	2,685,994	4,611,976	719,761
TRS net pension liability	6,430,733	159,545	4,199,720	2,390,558
RHP total other postemployment benefit liability	221,772	24,498	12,010	234,260
THIS total other postemployment benefit liability	<u>25,405,173</u>	<u>2,620,881</u>	<u>1,898,309</u>	<u>26,127,745</u>
 Total long-term liabilities - governmental activities	 <u>\$ 80,809,651</u>	 <u>\$ 8,435,159</u>	 <u>\$ 20,961,107</u>	 <u>\$ 68,283,703</u>

	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$ 5,555,000
Capital appreciation bonds	800,000
Debt Certificates - direct	580,000
Capital lease	77,515
Compensated absences	<u>21,487</u>
	 <u>\$ 7,034,002</u>

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds

The summary of activity in bonds payable for the year ended June 30, 2021 is as follows:

	Bonds Payable July 1, 2020	Debt Issued / Accretion	Debt Retired / Refunded	Bonds Payable June 30, 2021
\$3,999,955 Capital Appreciation Bonds, Series 2001; due December 1, 2021; interest at 8.99%	\$ 4,699,999	\$ -	\$ 4,699,999	\$ -
\$3,497,696 Capital Appreciation Bonds, Series 2002; due December 1, 2022; interest at 8.75%	2,234,577	65,423	1,500,000	800,000
\$8,990,000 General Obligation Refunding Bonds, Series 2012; due November 1, 2024; interest at 1.00% to 4.00%	8,550,000	-	45,000	8,505,000
\$8,750,000 General Obligation Refunding Bonds, Series 2014; due November 1, 2025; interest at 2.00% to 3.00%	7,700,000	-	-	7,700,000
\$21,005,000 General Obligation Refunding Bonds, Series 2015; due November 1, 2023; interest at 1.45% to 5.00%	17,985,000	-	-	17,985,000
	\$ 41,169,576	\$ 65,423	\$ 6,244,999	\$ 34,990,000

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
Capital Appreciation School Bonds, 2001	8.75%	\$ 800,000	\$ 800,000
GO Refunding Bonds, 2012	1.00% - 4.00%	8,505,000	8,505,000
GO Refunding Bonds, 2014	2.00% - 3.00%	7,700,000	7,700,000
GO Refunding Bonds, 2015	1.45% - 5.00%	17,985,000	17,985,000
		<u>\$ 34,990,000</u>	<u>\$ 34,990,000</u>

At June 30, 2021, the District's future cash flow requirements for retirement of bond principal and interest was as follows:

Year Ending	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$	6,355,000	\$ 1,302,057	\$ 7,657,057
2023		6,660,000	997,829	7,657,829
2024		5,905,000	684,851	6,589,851
2025		8,370,000	384,400	8,754,400
2026		7,700,000	115,500	7,815,500
Total	\$	<u>34,990,000</u>	<u>\$ 3,484,637</u>	<u>\$ 38,474,637</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$4,970,248 in the Debt Service Fund to service the outstanding bonds payable.

In prior years, the District defeased certain general obligation bonds and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2021, \$44,935,000 of bonds principal outstanding are considered defeased.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2021, the statutory debt limit for the District was \$50,187,161, of which \$11,722,971 is fully available.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

3. Debt Certificates - Direct Placement

During the fiscal year ended June 30, 2021, the District defeased the Series 2018 debt certificates by placing the net proceeds of the Series 2020 debt certificates of \$2,312,597 in an irrevocable trust, which is directed by an escrow agent, to provide for all future debt service payments on the defeased debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2021 there are no amounts remaining in escrow as all certificates were repaid in full. This transaction resulted in a difference in cash flows between the old and new debt of \$231,633. The economic gain (present value of the difference in cash flows of the debt service on the old and new debt) was \$236,036. There are no deferred outflows or inflows associated with the aforementioned refunding.

The Series 2020 debt certificates bear interest at 1.11% and mature in November 2024. At June 30, 2021, the District's future cash flow requirements for the retirement of principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 580,000	\$ 18,481	\$ 598,481
2023	585,000	12,016	597,016
2024	590,000	5,495	595,495
2025	200,000	1,110	201,110
	<u>\$ 1,955,000</u>	<u>\$ 37,102</u>	<u>\$ 1,992,102</u>

4. Capital Leases

The District leases certain educational technology, with a gross asset cost of \$373,413 under a capital lease which expires in August 2022. The lease requires annual payments of \$99,055, including interest. The following is a schedule by years of the future minimum lease payments, together with the present value of the minimum lease payments as of June 30, 2021.

Year Ending June 30,	Principal	Interest	Total
2022	\$ 77,515	\$ 21,540	\$ 99,055
2023	85,336	13,719	99,055
Total	<u>\$ 162,851</u>	<u>\$ 35,259</u>	<u>\$ 198,110</u>

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

5. Compensated Absences

At June 30, 2021 compensated absences amounted to \$21,487. Future payments will be made from the same fund where the employee's salary is recorded.

NOTE F - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

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

TRS issues a publicly available financial report that can be obtained at www.trsil.org/financial/cafrs/fy2020; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are 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 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2021, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$19,941,283 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$10,839,904 in the General Fund based on the current financial resources measurement basis.

Community Consolidated School District 46
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$136,393, and are deferred because they were paid after the June 30, 2020 measurement date.

Federal and Special Trust Fund Contributions

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

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

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$164,099 were paid from federal and special trust funds that required employer contributions of \$17,083.

Early Retirement Cost Contributions

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

Early Retirement Cost Contributions (Continued)

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, 2021, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	\$ 2,390,558
State's proportionate share of the net pension liability associated with the District	<u>187,240,946</u>
Total	<u>\$ 189,631,504</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. 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, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the District's proportion was 0.0027727788 percent, which was a decrease of 0.0051558107 percent from its proportion measured as of June 30, 2019.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

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

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

For the year ended June 30, 2021, the District recognized the following pension expense/expenditures and revenue for the support provided by the state pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - revenue and expense/expenditure	\$ 19,941,283	\$ 10,839,904
District TRS pension expense (benefit)	(54,326)	136,393
Total TRS expense/expenditure	\$ 19,886,957	\$ 10,976,297

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,167	\$ 638
Net difference between projected and actual earnings on pension plan investments	71,378	-
Change of assumptions	9,795	25,083
Changes in proportion and differences between District contributions and proportionate share of contributions	2,310,931	4,151,034
Total deferred amounts to be recognized in pension expense in the future periods	2,415,271	4,176,755
District contributions subsequent to the measurement date	136,393	-
Total deferred amounts related to pensions	\$ 2,551,664	\$ 4,176,755

Community Consolidated School District 46
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

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

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

The District reported \$136,393 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<u>Year ending June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2022	\$ 365,440
2023	401,284
2024	223,970
2025	453,545
2026	<u>317,245</u>
Total	<u>\$ 1,761,484</u>

Actuarial Assumptions

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

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

In the June 30, 2020 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2019 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	16.5 %	6.1 %
U.S. equities small/mid cap	2.3	7.2
International equities developed	12.2	7.0
Emerging market equities	3.0	9.4
U.S. bonds core	7.0	2.2
U.S. bonds high yield	2.5	4.1
International debt developed	3.1	1.5
Emerging international debt	3.2	4.5
Real estate	16.0	5.7
Private Debt	5.2	6.3
Hedge Funds	10.0	4.3
Private equity	15.0	10.5
Infrastructure	4.0	6.2
Total	<u>100.0 %</u>	

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

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

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

Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2019 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ <u>2,901,702</u>	\$ <u>2,390,558</u>	\$ <u>1,969,739</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2020 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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

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

Community Consolidated School District 46
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	118
Inactive plan members entitled to but not yet receiving benefits	307
Active plan members	194
Total	619

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2020 was 10.61%. For the fiscal year ended June 30, 2021 the District contributed \$672,350 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Long-term Expected Rate of Return	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return (Continued)	Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
	Domestic equities	37%	5.00%
	International equities	18%	6.00%
	Fixed income	28%	1.30%
	Real estate	9%	6.20%
	Alternative investments	7%	2.85% - 6.95%
	Cash equivalents	1%	0.70%
	Total	<u>100%</u>	

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2020:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2019	\$ 26,854,080	\$ 24,208,337	\$ 2,645,743
Changes for the year:			
Service cost	674,360	-	674,360
Interest on the total pension liability	1,937,781	-	1,937,781
Difference between expected and actual experience of the total pension liability	73,853	-	73,853
Changes of assumptions	(179,009)	-	(179,009)
Contributions - employer	-	665,653	(665,653)
Contributions - employees	-	285,040	(285,040)
Net investment income	-	3,335,947	(3,335,947)
Benefit payments, including refunds of employee contributions	(926,497)	(926,497)	-
Other (net transfer)	-	146,327	(146,327)
Net changes	<u>1,580,488</u>	<u>3,506,470</u>	<u>(1,925,982)</u>
Balances at December 31, 2020	<u>\$ 28,434,568</u>	<u>\$ 27,714,807</u>	<u>\$ 719,761</u>

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

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability (asset)	\$ 4,135,110	\$ 719,761	\$ (2,017,054)

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2021 the District recognized pension expense of \$436,757. At June 30, 2021, the District reported, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 546,930	\$ -
Change of assumptions	84,454	119,640
Net difference between projected and actual earnings on pension plan investments	<u>981,094</u>	<u>2,841,819</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>1,612,478</u>	 <u>2,961,459</u>
 Pension contributions made subsequent to the measurement date	 <u>352,130</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 1,964,608</u>	 <u>\$ 2,961,459</u>

The District reported \$352,130 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022.

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

Community Consolidated School District 46
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

Year ending June 30,	Net Deferred Inflows of Resources
2022	\$ 40,094
2023	259,986
2024	733,968
2025	314,933
2026	-
Thereafter	-
Total	\$ 1,348,981

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 136,393	\$ 352,130	\$ 488,523
Experience	23,167	546,930	570,097
Assumptions	9,795	84,454	94,249
Proportionate share	2,310,931	-	2,310,931
Investments	71,378	981,094	1,052,472
	\$ 2,551,664	\$ 1,964,608	\$ 4,516,272
Net pension liability	\$ 2,390,558	\$ 719,761	\$ 3,110,319
Pension expense	\$ 19,886,957	\$ 436,757	\$ 20,323,714

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE F - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred inflows of resources:			
Experience	\$ 638	\$ -	\$ 638
Assumptions	25,083	119,640	144,723
Proportionate share	4,151,034	-	4,151,034
Investments	-	2,841,819	2,841,819
	<u>\$ 4,176,755</u>	<u>\$ 2,961,459</u>	<u>\$ 7,138,214</u>

4. Social Security/Medicare

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

NOTE G - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

The District participates in the Teacher Health Insurance Security Fund (THIS), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

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

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

Community Consolidated School District 46
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2021. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2021, the District recognized revenue and expenses of \$1,254,976 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$291,598 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2021. For the year ended June 30, 2021, the District paid \$216,347 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2020 measurement date.

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

Community Consolidated School District 46
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS)

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

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

District's proportionate share of the net OPEB liability	\$ 26,127,745
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>35,395,979</u>
Total	<u>\$ 61,523,724</u>

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

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020, the District's proportion was 0.097725 percent, which was an increase of 0.005935 percent from its proportion measured as of June 30, 2019.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS)

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

For the year ended June 30, 2021, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 1,254,976	\$ 291,598
District OPEB pension expense	1,024,011	216,347
Total OPEB expense/expenditure	\$ 2,278,987	\$ 507,945

At June 30, 2021, 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	\$ -	\$ 694,187
Change of assumptions	8,848	4,309,739
Net difference between projected and actual earnings on OPEB plan investments	-	744
Changes in proportion and differences between District contributions and proportionate share of contributions	2,253,577	760,565
Total deferred amounts to be recognized in OPEB expense in future periods	2,262,425	5,765,235
District contributions subsequent to the measurement date	216,347	-
Total deferred amounts related to OPEB	\$ 2,478,772	\$ 5,765,235

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

The District reported \$216,347 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2022. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2022	\$ 668,080
2023	668,010
2024	667,865
2025	507,830
2026	326,396
Thereafter	<u>664,629</u>
Total	<u>\$ 3,502,810</u>

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2020, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Actuarial Assumptions (Continued)

Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
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.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Trend Rate	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional rate adjustment due to the repeal of the Excise tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Community Consolidated School District 46
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Discount Rate

The State, the District and active members contribute 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2020. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.13 percent at June 30, 2019, and 2.45 percent at June 30, 2020, was used to measure the total OPEB liability. The decrease in the single discount rate, from 3.13 percent to 3.45 percent, caused the total OPEB liability for the entire plan to increase by approximately \$3,012 million as of June 30, 2020.

Investment Return

During plan year end June 30, 2020, the trust earned \$193,000 in interest, and the market value of assets at June 30, 2020, is \$189 million. Given the low asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 1.732% for plan year end June 30, 2020, and 2.038% for plan year end June 30, 2019.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 2.45 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current rate:

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

	<u>1% Decrease</u> <u>(1.45%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(2.45%)</u>	<u>1% Increase</u> <u>(3.45%)</u>
District's proportionate share of the net OPEB liability	\$ 31,401,849	\$ 26,127,745	\$ 21,949,326

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

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	<u>1% Decrease*</u>	<u>Current</u> <u>Healthcare</u> <u>Trend Rate</u>	<u>1% Increase **</u>
District's proportionate share of the net OPEB liability	\$ 21,014,665	\$ 26,127,745	\$ 33,039,665

*One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.

** One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP)

Plan Description

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

Benefits Provided

IMRF retirees and their eligible dependents can remain as participants on District's insurance plan provided that they pay the entire premium. Coverage continues until the attainment of Medicare eligibility age by the participant. The District does not pay any portion of the cost for coverage.

Employees Covered by Benefit Terms

As of June 30, 2020 (most recent information available) the following employees were covered by the benefit terms:

Active	207
Inactive entitled to but not yet receiving benefits	-
Inactive currently receiving benefits	<u>1</u>
Total	<u><u>208</u></u>

Contributions

Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to postemployment benefits. The retiree pays the entire premium.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 using the following actuarial methods and assumptions:

Actuarial valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	3.00%
Discount rate	2.18%
Salary rate increase	4.00%
Healthcare trend rate	6.00% initial - PPO & HDHP 5.00% initial - HMO 4.50% ultimate - all plans
Mortality rates	Actives - RP-2014 Employee Mortality Table for both males and females with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale Retirees - IMRF-specific mortality rates with 2-dimensional, fully generational improvements using the MP-2017 Mortality Improvement Scale projected from 2015. The rates were developed from the RP-2014 Blue Collar Mortality Table with adjustments to match current IMRF experience.
Election at Retirement	5% of IMRF employees are assumed to elect medical coverage continuation into retirement..
Marital Status	40% of employees electing coverage continuation are assumed to be married and to elect spousal coverage with males three years older than females.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.18% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2021.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net OPEB Liability (A) - (B)</u>
Balances at July 1, 2020	\$ 221,772	\$ -	\$ 221,772
Changes for the year:			
Service cost	12,437	-	12,437
Interest on the total OPEB liability	5,739	-	5,739
Changes of assumptions and other inputs	6,322	-	6,322
Benefit payments, including the implicit rate subsidy	<u>(12,010)</u>	<u>-</u>	<u>(12,010)</u>
Net changes	<u>12,488</u>	<u>-</u>	<u>12,488</u>
Balances at June 30, 2021	<u>\$ 234,260</u>	<u>\$ -</u>	<u>\$ 234,260</u>

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.18%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	<u>1% Lower (1.18%)</u>	<u>Current Discount Rate (2.18%)</u>	<u>1% Higher (3.18%)</u>
Total OPEB liability	\$ <u>249,237</u>	\$ <u>234,260</u>	\$ <u>220,425</u>

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50%-5.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower (3.50%-5.00%)	Current Healthcare Rate (4.50%-6.00%)	1% Higher (5.50%-7.00%)
Total OPEB liability	\$ <u>215,672</u>	\$ <u>234,260</u>	\$ <u>255,838</u>

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

For the year ended June 30, 2021 the District recognized OPEB expense of \$16,060. At June 30, 2021, the District reported 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>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 12,742
Change of assumptions	<u>15,045</u>	<u>11,168</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	<u>\$ 15,045</u>	<u>\$ 23,910</u>

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

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

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

Year Ended June 30,	Net Deferred (Inflows) Outflows of Resources
2022	\$ (2,117)
2023	(2,117)
2024	(2,117)
2025	(2,117)
2026	(684)
Thereafter	287
Total	\$ (8,865)

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2021:

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	\$ 216,347	\$ -	\$ 216,347
Assumptions	8,848	15,045	23,893
Proportionate share	2,253,577	-	2,253,577
	\$ 2,478,772	\$ 15,045	\$ 2,493,817
OPEB liability	\$ 26,127,745	\$ 234,260	\$ 26,362,005
OPEB expense	\$ 2,278,987	\$ 16,060	\$ 2,295,047

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items (Continued)

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred inflows of resources:			
Assumptions	\$ 4,309,739	\$ 11,168	\$ 4,320,907
Experience	694,187	12,742	706,929
Change in proportion	760,565	-	760,565
Investments	744	-	744
	<u>\$ 5,765,235</u>	<u>\$ 23,910</u>	<u>\$ 5,789,145</u>

NOTE H - INTERFUND TRANSFERS

The District transferred \$400,000 to the Capital Projects Fund from the Operations and Maintenance Fund to pay for capital outlay expenditures.

The District transferred \$562,529 to the Debt Service Fund from the Operations and Maintenance Fund for principal and interest payments on debt certificates.

The District transferred \$220,069 to the Debt Service Fund from the General (Educational Account) Fund for principal and interest payments on capital leases and note payable.

NOTE I - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District self-insures for some health benefits and purchases coverage against such risks, and also participates in the following public entity risk pool: Collective Liability Insurance Cooperative (CLIC) for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools. Settlements have not exceeded coverages for each of the past three fiscal years.

Complete financial statements for CLIC can be obtained from its Treasurer at 624 Kenilworth, Grayslake, Illinois

The District is self-insured for its PPO health plan, high-deductible health plan, and dental plan. A third-party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third-party administrator for payment of employee health claims and administration fees. The stop-loss coverage limits for the year ended June 30, 2021 were \$65,000 for individual claims.

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - RISK MANAGEMENT (Continued)

At June 30, 2021, total unpaid claims totaled \$239,265. These estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability.

For the two years ended June 30, 2021 and 2020, changes in the liability for unpaid claims are as follows:

	<u>2021</u>	<u>2020</u> (as restated)
Unpaid claims, beginning of fiscal year	\$ 150,155	\$ 302,920
Incurred claims (including IBNRs)	1,677,855	1,674,882
Claim payments	<u>(1,588,745)</u>	<u>(1,827,647)</u>
Unpaid claims, end of fiscal year	<u>\$ 239,265</u>	<u>\$ 150,155</u>

NOTE J - JOINT AGREEMENTS

The District is a member of the Special Education Cooperative District of Lake County, a joint agreement that provides certain special education services to residents of many school districts. The District believes that, because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, this is not included as a component unit of the District.

NOTE K - CONTINGENCIES

1. Litigation

The District, in the normal course of business, is subject to various ongoing property tax appeals and objections, and general litigation. Although the outcome of these matters is not presently determinable, the resolution of these matters, should the outcome be unfavorable, could have a significant impact on future tax revenues and expenditures.

2. Grants

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

Community Consolidated School District 46

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE K - CONTINGENCIES (Continued)

3. COVID-19

The long-term direct and indirect impacts of the COVID-19 pandemic on the District's enrollment, vendors, operations, and financing arrangements are currently unknown, as is the duration and severity of any impacts that the District may experience. The District continues to monitor investment values and returns, tax revenues, and state and federal funding, which could be impacted. While the District's evaluation is ongoing, management is currently unable to quantify the full effects that the pandemic will have on its operations, cash flows, and financial position; however, they may be significant.

NOTE L - CONSTRUCTION COMMITMENTS

The District has contracts for construction projects which have been approved by the Board of Education at June 30, 2021. Future commitments under these contracts approximate \$288,559 at June 30, 2021.

NOTE M - PRIOR PERIOD ADJUSTMENT

1. Change in Accounting Principle

The implementation of GASB 84 (Note A-2) required the District to report its Fiduciary Activities as part of the General Fund (Educational Account) and the government-wide financial statements. As a result of this implementation as of July 1, 2020, net position/fund balance increased by \$67,287 and cash and investments increased by \$67,287.

2. Correction of an Error

The District recorded a prior period adjustment to properly record current liabilities (accrued payroll and payroll liabilities) at July 1, 2020. The revision resulted in an adjustment to decrease the beginning balance of current liabilities by \$1,023,711 in both the General Fund and the government-wide financial statements. Also the beginning fund balance in the General (Educational Account) Fund and beginning net position in the governmental activities were increased by \$1,023,711.

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 24, 2021, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet/statement of net position date that require additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Community Consolidated School District 46

MUTLIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Illinois Municipal Retirement Fund

Seven Most Recent Fiscal Years

	2021	2020	2019
Total pension liability			
Service cost	\$ 674,360	\$ 659,137	\$ 422,844
Interest on the total pension liability	1,937,781	1,769,568	1,519,780
Difference between expected and actual experience of the total pension liability	73,853	726,105	2,065,401
Transfer liability	-	-	-
Assumption changes	(179,009)	-	715,816
Benefit payments and refunds	(926,497)	(758,004)	(637,749)
Net change in total pension liability	1,580,488	2,396,806	4,086,092
Total pension liability, beginning	26,854,080	24,457,274	20,371,182
Total pension liability, ending	\$ 28,434,568	\$ 26,854,080	\$ 24,457,274
Plan fiduciary net position			
Contributions, employer	\$ 665,653	\$ 526,095	\$ 899,064
Contributions, employee	285,040	286,233	381,523
Net investment income	3,335,947	3,578,505	(890,106)
Benefit payments, including refunds of employee contributions	(926,497)	(758,004)	(637,749)
Other (net transfer)	146,327	212,775	192,806
Net change in plan fiduciary net position	3,506,470	3,845,604	(54,462)
Plan fiduciary net position, beginning	24,208,337	20,362,733	20,417,195
Plan fiduciary net position, ending	\$ 27,714,807	\$ 24,208,337	\$ 20,362,733
Net pension liability (asset)	\$ 719,761	\$ 2,645,743	\$ 4,094,541
Plan fiduciary net position as a percentage of the total pension liability	97.47 %	90.15 %	83.26 %
Covered Valuation Payroll	\$ 6,273,831	\$ 6,338,158	\$ 6,068,726
Net pension liability (asset) as a percentage of covered valuation payroll	11.47 %	41.74 %	67.47 %

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

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

N/A: Information not available.

	<u>2018</u>	<u>2017</u>	<u>2016*</u>	<u>2015</u>
\$	657,562	\$ 667,394	\$ 641,051	\$ 669,630
	1,599,657	1,485,739	1,352,380	1,197,725
	(2,238,369)	(67,846)	301,119	(27,866)
	-	-	-	-
	(367,023)	(55,708)	26,503	709,032
	(561,238)	(556,227)	(498,194)	(397,982)
	(909,411)	1,473,352	1,822,859	2,150,539
	21,280,593	19,807,241	17,984,382	15,833,843
\$	<u>20,371,182</u>	<u>\$ 21,280,593</u>	<u>\$ 19,807,241</u>	<u>\$ 17,984,382</u>
\$	446,101	\$ 653,135	\$ 627,393	\$ 575,850
	176,092	260,099	260,528	250,260
	2,948,394	1,107,030	80,175	898,059
	(561,238)	(556,227)	(498,194)	(397,982)
	(204,083)	175,249	(337,483)	5,818
	2,805,266	1,639,286	132,419	1,332,005
	17,611,929	15,972,643	15,840,224	14,508,219
\$	<u>20,417,195</u>	<u>\$ 17,611,929</u>	<u>\$ 15,972,643</u>	<u>\$ 15,840,224</u>
\$	<u>(46,013)</u>	<u>\$ 3,668,664</u>	<u>\$ 3,834,598</u>	<u>\$ 2,144,158</u>
	100.23 %	82.76 %	80.64 %	88.08 %
\$	3,911,445	\$ 5,777,307	\$ 5,642,021	\$ 5,369,507
	(1.18) %	63.50 %	67.96 %	39.93 %

Community Consolidated School District 46
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Seven Most Recent Fiscal Years

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2021	\$ 665,653	* \$ 665,653	\$ -	\$ 6,273,831	10.61 %
2020	524,166	526,095	(1,929)	7,188,185	7.32
2019	682,732	682,732	-	5,766,275	11.84
2018	446,101	446,101	-	5,124,994	8.70
2017	652,836	653,135	(299)	5,777,307	11.31
2016	627,393	627,393	-	5,642,021	11.12
2015	574,000	575,850	(1,850)	5,369,507	10.72

* Estimated based on contribution rate of 10.61% and covered valuation payroll of \$6,273,831.

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

N/A: Information not available.

Community Consolidated School District 46
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Seven Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0027728 %	0.0079286 %	0.0032048 %
District's proportionate share of the net pension liability	\$ 2,390,558	\$ 6,430,733	\$ 2,497,951
State's proportionate share of the net pension liability associated with the District	<u>187,240,946</u>	<u>457,668,285</u>	<u>171,120,087</u>
Total	<u>\$ 189,631,504</u>	<u>\$ 464,099,018</u>	<u>\$ 173,618,038</u>
District's covered-employee payroll	\$ 23,445,674	\$ 22,367,813	\$ 22,387,813
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.20 %	28.75 %	11.16 %
Plan fiduciary net position as a percentage of the total pension liability	39.60 %	40.00 %	40.00 %

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

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0056888 %	0.0054249 %	0.0046807 %	0.0032977 %
\$ 4,346,173	\$ 4,282,168	\$ 3,066,318	\$ 2,006,942
<u>156,601,127</u>	<u>169,344,942</u>	<u>137,401,339</u>	<u>119,790,118</u>
<u>\$ 160,947,300</u>	<u>\$ 173,627,110</u>	<u>\$ 140,467,657</u>	<u>\$ 121,797,060</u>
\$ 21,838,814	\$ 21,147,237	\$ 20,646,245	\$ 19,933,566
19.90 %	20.25 %	14.85 %	10.07 %
39.30 %	36.40 %	41.50 %	43.00 %

Community Consolidated School District 46
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
 Teachers' Retirement System of the State of Illinois
Seven Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 135,985	\$ 129,730	\$ 129,849
Contributions in relation to the contractually required contribution	<u>135,170</u>	<u>359,068</u>	<u>133,155</u>
Contribution deficiency (excess)	<u>\$ 815</u>	<u>\$ (229,338)</u>	<u>\$ (3,306)</u>
District's covered-employee payroll	\$ 23,515,977	\$ 23,445,674	\$ 22,367,813
Contributions as a percentage of covered-employee payroll	0.57 %	1.53 %	0.60 %

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

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 234,715	\$ 208,105	\$ 171,782	\$ 171,782
<u>234,378</u>	<u>210,089</u>	<u>164,011</u>	<u>171,782</u>
\$ <u>337</u>	\$ <u>(1,984)</u>	\$ <u>7,771</u>	\$ <u>-</u>
\$ 22,387,813	\$ 21,838,814	\$ 21,147,237	\$ 20,646,245
1.05 %	0.96 %	0.78 %	0.83 %

Community Consolidated School District 46

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

Retiree Health Plan

Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability			
Service cost	\$ 12,437	\$ 14,502	\$ 13,759
Interest on the total OPEB liability	5,739	6,255	6,711
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	6,322	(17,081)	4,629
Benefit payments, including the implicit rate subsidy	(12,010)	(16,735)	(6,337)
Other changes	-	2,252	(379)
Net change in total OPEB liability	<u>12,488</u>	<u>(10,807)</u>	<u>18,383</u>
Total OPEB liability, beginning	<u>221,772</u>	<u>232,579</u>	<u>214,196</u>
Total OPEB liability, ending	<u>\$ 234,260</u>	<u>\$ 221,772</u>	<u>\$ 232,579</u>
Net OPEB liability	<u>\$ 234,260</u>	<u>\$ 221,772</u>	<u>\$ 232,579</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered valuation payroll	\$ 5,844,909	\$ 6,027,912	\$ 6,241,435
Net OPEB liability as a percentage of covered valuation payroll	4.01 %	3.68 %	3.73 %

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

2018

\$ 14,068
6,606
-
-
(1,584)

(4,205)
(10,525)

4,360

209,836
\$

214,196

\$

214,196

0.00 %

\$ 5,566,781

3.85 %

Community Consolidated School District 46
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net OPEB liability	0.097725 %	0.091790 %	0.095066 %
District's proportionate share of the net OPEB liability	\$ 26,127,745	\$ 25,405,173	\$ 25,045,882
State's proportionate share of the net OPEB liability associated with the District	<u>35,395,979</u>	<u>34,401,813</u>	<u>33,631,332</u>
Total	<u>\$ 61,523,724</u>	<u>\$ 59,806,986</u>	<u>\$ 58,677,214</u>
District's covered-employee payroll	\$ 23,445,674	\$ 22,367,293	\$ 22,387,813
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	111.44%	113.58%	111.87%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.25%	-0.07%	-0.07%

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

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

2018

0.093504 %

\$ 24,263,913

31,864,481

\$ 56,128,394

\$ 22,119,171

109.70%

-0.17%

Community Consolidated School District 46
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
Four Most Recent Fiscal Years

	2021	2020	2019
Contractually required contribution	\$ 215,700	\$ 205,779	\$ 198,318
Contributions in relation to the contractually required contribution	227,437	207,556	197,013
Contribution excess	\$ 11,737	\$ 1,777	\$ (1,305)
District's covered-employee payroll	\$ 23,515,977	\$ 23,445,674	\$ 22,367,293
Contributions as a percentage of covered-employee payroll	0.97%	0.89%	0.88%

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

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

2018
\$ 180,686

183,446
\$ 2,760
\$ 22,387,813

0.82%

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 22,811,600	\$ 23,041,558	\$ 229,958
Personal property			
replacement taxes	49,600	134,163	84,563
Summer school tuition from pupils or parents	30,000	-	(30,000)
Special education tuition from			
pupils or parents	14,000	8,100	(5,900)
Interest on investments	113,000	12,633	(100,367)
Sales to pupils - lunch	230,000	6,731	(223,269)
Sales to adults	1,000	-	(1,000)
Fees	77,000	8,268	(68,732)
Student Activity Fund Revenues	25,000	18,973	(6,027)
Rentals - regular textbook	352,000	364,394	12,394
Sales - other	-	542	542
Contributions and donations			
from private sources	10,000	11,540	1,540
Refund of prior years' expenditures	5,000	72,899	67,899
Other local fees	82,700	13,313	(69,387)
Other	157,100	274,528	117,428
	<u>23,958,000</u>	<u>23,967,642</u>	<u>9,642</u>
Total local sources			
State sources			
Evidence Based Funding Formula	13,534,030	13,555,378	21,348
Special Education - Private Facility Tuition	415,000	469,535	54,535
Special Education - Orphanage - Individual	20,000	100,477	80,477
Special Education - Orphanage -			
Summer Individual	-	398	398
Special Education - Summer School	10,000	-	(10,000)

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
State sources (Continued)			
State Free Lunch & Breakfast	\$ 5,000	\$ 16	\$ (4,984)
Early Childhood - Block Grant	213,090	213,090	-
Other restricted revenue from state sources	3,000	6,388	3,388
On-Behalf Payments to TRS from the State	<u>19,700,000</u>	<u>11,131,502</u>	<u>(8,568,498)</u>
Total state sources	<u>33,900,120</u>	<u>25,476,784</u>	<u>(8,423,336)</u>
Federal sources			
National School Lunch Program	350,000	829	(349,171)
School Breakfast Program	75,000	458	(74,542)
Summer Food Service Program	40,000	1,224,257	1,184,257
Title I - Low Income	345,515	248,251	(97,264)
Title IV - Student Support & Academic Enrichment Grant	16,968	-	(16,968)
Federal Special Education - Preschool Flow-Through	26,385	48,884	22,499
Federal Special Education - IDEA Flow Through	786,175	652,450	(133,725)
Federal Special Education - IDEA Room & Board	170,000	213,636	43,636
Title III - Instruction for English Learners & Immigrant Students	6,600	1,050	(5,550)
Title III - English Language Acquisition	61,317	89,467	28,150
Title II - Teacher Quality	66,761	81,574	14,813
Medicaid Matching Funds - Administrative Outreach	70,000	100,704	30,704

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Federal sources (Continued)			
Medicaid Matching Funds - Fee-For-Service Program	\$ 375,000	\$ 238,497	\$ (136,503)
Other restricted revenue from Federal Sources	<u>625,000</u>	<u>735,617</u>	<u>110,617</u>
Total federal sources	<u>3,014,721</u>	<u>3,635,674</u>	<u>620,953</u>
Total revenues	<u>60,872,841</u>	<u>53,080,100</u>	<u>(7,792,741)</u>
Expenditures			
Instruction			
Regular programs			
Salaries	12,627,016	12,287,211	339,805
Employee benefits	1,867,402	1,431,494	435,908
On-Behalf Payments to TRS from the State	19,700,000	11,131,502	8,568,498
Purchased services	156,950	135,880	21,070
Supplies and materials	537,508	1,403,346	(865,838)
Capital outlay	-	3,725	(3,725)
Other objects	1,125	-	1,125
Non-capitalized equipment	<u>21,700</u>	<u>-</u>	<u>21,700</u>
Total	<u>34,911,701</u>	<u>26,393,158</u>	<u>8,518,543</u>
Pre-K programs			
Salaries	334,963	223,581	111,382
Employee benefits	<u>-</u>	<u>20,369</u>	<u>(20,369)</u>
Total	<u>334,963</u>	<u>243,950</u>	<u>91,013</u>

(Continued)

Community Consolidated School District 46

General Fund

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

For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Special education programs			
Salaries	\$ 3,949,195	\$ 3,722,619	\$ 226,576
Employee benefits	810,568	754,836	55,732
Purchased services	72,500	188,026	(115,526)
Supplies and materials	105,821	46,962	58,859
Capital outlay	-	899	(899)
Total	<u>4,938,084</u>	<u>4,713,342</u>	<u>224,742</u>
Special education programs pre-K			
Salaries	662,444	700,362	(37,918)
Employee benefits	109,578	115,167	(5,589)
Purchased services	5,000	-	5,000
Supplies and materials	<u>17,401</u>	<u>48,929</u>	<u>(31,528)</u>
Total	<u>794,423</u>	<u>864,458</u>	<u>(70,035)</u>
Remedial and Supplemental programs K-12			
Salaries	1,872,823	1,792,736	80,087
Employee benefits	<u>270,429</u>	<u>255,890</u>	<u>14,539</u>
Total	<u>2,143,252</u>	<u>2,048,626</u>	<u>94,626</u>
Interscholastic programs			
Salaries	393,841	148,367	245,474
Employee benefits	8,803	3,305	5,498
Purchased services	14,300	3,443	10,857
Supplies and materials	8,800	(65)	8,865
Other objects	<u>7,700</u>	<u>2,280</u>	<u>5,420</u>
Total	<u>433,444</u>	<u>157,330</u>	<u>276,114</u>

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Summer school programs			
Salaries	\$ 53,006	\$ 118,440	\$ (65,434)
Employee benefits	895	3,343	(2,448)
Purchased services	200	-	200
Supplies and materials	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total	<u>55,101</u>	<u>121,783</u>	<u>(66,682)</u>
Bilingual programs			
Salaries	1,719,573	1,908,782	(189,209)
Employee benefits	197,758	255,825	(58,067)
Purchased services	24,500	63,509	(39,009)
Supplies and materials	<u>42,900</u>	<u>119,229</u>	<u>(76,329)</u>
Total	<u>1,984,731</u>	<u>2,347,345</u>	<u>(362,614)</u>
Special Education K-12 Programs			
Private Tuition	<u>1,400,000</u>	<u>1,253,283</u>	<u>146,717</u>
Student Activity Fund Expenditures	<u>25,000</u>	<u>11,254</u>	<u>13,746</u>
Total instruction	<u>47,020,699</u>	<u>38,154,529</u>	<u>8,866,170</u>
Support services			
Pupils			
Attendance and social work services			
Salaries	1,022,948	1,044,083	(21,135)
Employee benefits	<u>319,642</u>	<u>150,232</u>	<u>169,410</u>
Total	<u>1,342,590</u>	<u>1,194,315</u>	<u>148,275</u>

(Continued)

Community Consolidated School District 46

General Fund

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

For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Health services			
Salaries	\$ 377,321	\$ 374,410	\$ 2,911
Employee benefits	85,734	84,048	1,686
Purchased services	401,200	214,001	187,199
Supplies and materials	36,500	15,072	21,428
Non-capitalized equipment	<u>-</u>	<u>4,615</u>	<u>(4,615)</u>
Total	<u>900,755</u>	<u>692,146</u>	<u>208,609</u>
Psychological services			
Salaries	435,503	437,782	(2,279)
Employee benefits	71,545	71,380	165
Purchased services	<u>7,600</u>	<u>7,723</u>	<u>(123)</u>
Total	<u>514,648</u>	<u>516,885</u>	<u>(2,237)</u>
Speech pathology and audiology services			
Salaries	804,391	794,767	9,624
Employee benefits	90,049	80,988	9,061
Purchased services	3,000	42,559	(39,559)
Supplies and materials	<u>-</u>	<u>152</u>	<u>(152)</u>
Total	<u>897,440</u>	<u>918,466</u>	<u>(21,026)</u>
Other support services - pupils			
Salaries	465,150	470,920	(5,770)
Employee benefits	32,634	33,532	(898)
Purchased services	<u>700</u>	<u>15,244</u>	<u>(14,544)</u>
Total	<u>498,484</u>	<u>519,696</u>	<u>(21,212)</u>
Total pupils	<u>4,153,917</u>	<u>3,841,508</u>	<u>312,409</u>

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Instructional staff			
Improvement of instruction services			
Salaries	\$ 668,697	\$ 559,140	\$ 109,557
Employee benefits	129,370	122,139	7,231
Purchased services	95,422	73,173	22,249
Supplies and materials	<u>82,953</u>	<u>59,763</u>	<u>23,190</u>
Total	<u>976,442</u>	<u>814,215</u>	<u>162,227</u>
Educational media services			
Salaries	661,010	637,978	23,032
Employee benefits	97,212	101,215	(4,003)
Purchased services	1,450	-	1,450
Supplies and materials	39,298	6,916	32,382
Capital outlay	-	23,328	(23,328)
Non-capitalized equipment	<u>3,500</u>	<u>1,055</u>	<u>2,445</u>
Total	<u>802,470</u>	<u>770,492</u>	<u>31,978</u>
Assessment and testing			
Salaries	657	2,427	(1,770)
Employee benefits	-	51	(51)
Purchased services	<u>110,000</u>	<u>42,830</u>	<u>67,170</u>
Total	<u>110,657</u>	<u>45,308</u>	<u>65,349</u>
Total instructional staff	<u>1,889,569</u>	<u>1,630,015</u>	<u>259,554</u>

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
General administration			
Board of education services			
Salaries	\$ 11,892	\$ 4,207	\$ 7,685
Employee benefits	102,819	12,824	89,995
Purchased services	236,100	166,174	69,926
Supplies and materials	1,500	1,204	296
Other objects	9,000	7,882	1,118
Total	<u>361,311</u>	<u>192,291</u>	<u>169,020</u>
Executive administration services			
Salaries	258,821	256,214	2,607
Employee benefits	68,712	68,469	243
Purchased services	8,000	4,401	3,599
Supplies and materials	3,000	977	2,023
Other objects	3,000	2,071	929
Non-capitalized equipment	10,000	-	10,000
Total	<u>351,533</u>	<u>332,132</u>	<u>19,401</u>
Special area administrative services			
Salaries	446,160	292,322	153,838
Employee benefits	88,031	64,222	23,809
Purchased services	37,500	46,061	(8,561)
Supplies and materials	1,966	540	1,426
Other objects	1,200	788	412
Non-capitalized equipment	3,118	2,398	720
Total	<u>577,975</u>	<u>406,331</u>	<u>171,644</u>

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Tort immunity services			
Purchased services	\$ 10,000	\$ 188,628	\$ (178,628)
			-
Total	<u>10,000</u>	<u>188,628</u>	<u>(178,628)</u>
Total general administration	<u>1,300,819</u>	<u>1,119,382</u>	<u>181,437</u>
School administration			
Office of the principal services			
Salaries	1,589,854	1,591,377	(1,523)
Employee benefits	318,472	301,755	16,717
Purchased services	7,250	-	7,250
Supplies and materials	14,500	10,147	4,353
Capital outlay	2,500	331	2,169
Other objects	6,800	3,821	2,979
Non-capitalized equipment	<u>4,500</u>	<u>2,997</u>	<u>1,503</u>
Total	<u>1,943,876</u>	<u>1,910,428</u>	<u>33,448</u>
Other support services - school administration			
Salaries	-	10,729	(10,729)
Employee benefits	-	1,368	(1,368)
Purchased services	<u>-</u>	<u>53,321</u>	<u>(53,321)</u>
Total	<u>-</u>	<u>65,418</u>	<u>(65,418)</u>
Total school administration	<u>1,943,876</u>	<u>1,975,846</u>	<u>(31,970)</u>

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Business			
Direction of business support services			
Salaries	\$ 165,000	\$ 186,370	\$ (21,370)
Employee benefits	11,450	5,530	5,920
Other objects	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>176,950</u>	<u>191,900</u>	<u>(14,950)</u>
Fiscal services			
Salaries	210,000	160,942	49,058
Employee benefits	27,235	19,217	8,018
Purchased services	96,100	123,246	(27,146)
Supplies and materials	3,500	2,453	1,047
Capital outlay	4,000	-	4,000
Other objects	<u>500</u>	<u>13,480</u>	<u>(12,980)</u>
Total	<u>341,335</u>	<u>319,338</u>	<u>21,997</u>
Operation and maintenance of plant services			
Purchased services	<u>187,000</u>	<u>-</u>	<u>187,000</u>
Total	<u>187,000</u>	<u>-</u>	<u>187,000</u>

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Food services			
Salaries	\$ 31,682	\$ 33,733	\$ (2,051)
Employee benefits	10,701	7,768	2,933
Purchased services	705,000	803,426	(98,426)
Supplies and materials	8,000	2,652	5,348
Capital outlay	45,000	7,707	37,293
Non-capitalized equipment	<u>-</u>	<u>2,714</u>	<u>(2,714)</u>
Total	<u>800,383</u>	<u>858,000</u>	<u>(57,617)</u>
Internal services			
Purchased services	208,000	153,514	54,486
Supplies and materials	<u>35,000</u>	<u>22,160</u>	<u>12,840</u>
Total	<u>243,000</u>	<u>175,674</u>	<u>67,326</u>
Total business	<u>1,748,668</u>	<u>1,544,912</u>	<u>203,756</u>
Central			
Staff services			
Salaries	196,019	245,098	(49,079)
Employee benefits	176,732	108,213	68,519
Purchased services	46,100	44,713	1,387
Supplies and materials	500	740	(240)
Other objects	<u>3,500</u>	<u>2,068</u>	<u>1,432</u>
Total	<u>422,851</u>	<u>400,832</u>	<u>22,019</u>

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Data processing services			
Salaries	\$ 603,679	\$ 592,242	\$ 11,437
Employee benefits	91,655	101,698	(10,043)
Purchased services	584,575	399,115	185,460
Supplies and materials	90,000	86,732	3,268
Capital outlay	-	6,454	(6,454)
Non-capitalized equipment	<u>35,000</u>	<u>80,197</u>	<u>(45,197)</u>
 Total	 <u>1,404,909</u>	 <u>1,266,438</u>	 <u>138,471</u>
 Total central	 <u>1,827,760</u>	 <u>1,667,270</u>	 <u>160,490</u>
 Total support services	 <u>12,864,609</u>	 <u>11,778,933</u>	 <u>1,085,676</u>
 Community services			
Salaries	2,572	60,152	(57,580)
Employee benefits	106	8,447	(8,341)
Purchased services	27,600	59,479	(31,879)
Supplies and materials	<u>5,250</u>	<u>12,922</u>	<u>(7,672)</u>
 Total	 <u>35,528</u>	 <u>141,000</u>	 <u>(105,472)</u>
 Payments to other districts and government units			
Payments for regular programs - tuition			
Other objects	<u>3,000</u>	<u>16,060</u>	<u>(13,060)</u>
Payments for special education programs - tuition			
Other objects	<u>2,305,000</u>	<u>2,238,108</u>	<u>66,892</u>
 Total payments to other districts and other government units	 <u>2,308,000</u>	 <u>2,254,168</u>	 <u>53,832</u>

(Continued)

Community Consolidated School District 46
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Provision for contingencies	<u>252,500</u>	<u>-</u>	<u>252,500</u>
Total expenditures	<u>62,481,336</u>	<u>52,328,630</u>	<u>10,152,706</u>
Excess (deficiency) of revenues over expenditures	<u>(1,608,495)</u>	<u>751,470</u>	<u>2,359,965</u>
Other financing sources (uses)			
Capital lease proceeds	-	373,413	373,413
Transfer to debt service fund for principal on capital leases	-	(210,562)	(210,562)
Transfer to debt service fund for principal on note payable	-	(9,099)	(9,099)
Transfer to debt service fund for interest on note payable	<u>-</u>	<u>(408)</u>	<u>(408)</u>
Total other financing sources (uses)	<u>-</u>	<u>153,344</u>	<u>153,344</u>
Net change to fund balance	<u>\$ (1,608,495)</u>	904,814	<u>\$ 2,513,309</u>
Fund balance, beginning of year, as restated - Note M		<u>13,974,466</u>	
Fund balance, end of year		<u>\$ 14,879,280</u>	

(Concluded)

Community Consolidated School District 46
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 3,417,474	\$ 3,475,309	\$ 57,835
Interest on investments	35,000	4,367	(30,633)
Rentals	25,000	14,121	(10,879)
Other	<u>605,387</u>	<u>821,559</u>	<u>216,172</u>
Total local sources	<u>4,082,861</u>	<u>4,315,356</u>	<u>232,495</u>
Total revenues	<u>4,082,861</u>	<u>4,315,356</u>	<u>232,495</u>
Expenditures			
Support services			
Operation and maintenance of plant services			
Salaries	1,013,903	926,189	87,714
Employee benefits	225,179	220,304	4,875
Purchased services	1,004,500	920,104	84,396
Supplies and materials	771,000	658,381	112,619
Capital outlay	522,500	132,380	390,120
Other objects	500	20	480
Non-capitalized equipment	<u>13,000</u>	<u>27,362</u>	<u>(14,362)</u>
Total business	<u>3,550,582</u>	<u>2,884,740</u>	<u>665,842</u>
Total support services	<u>3,550,582</u>	<u>2,884,740</u>	<u>665,842</u>

(Continued)

Community Consolidated School District 46
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Payments for special education programs			
Purchased services	\$ -	\$ 116,207	\$ (116,207)
Total other payments	-	116,207	(116,207)
Provision for contingencies	100,000	-	100,000
Total expenditures	3,650,582	3,000,947	649,635
Excess of revenues over expenditures	432,279	1,314,409	882,130
Other financing uses			
Transfer to debt service fund for principal on debt certificate	(518,334)	(530,367)	(12,033)
Transfer to debt service fund for interest on debt certificate	(82,097)	(32,162)	49,935
Transfer to capital projects fund	(400,000)	(400,000)	-
Total other financing uses	(1,000,431)	(962,529)	37,902
Net change in fund balance	\$ (568,152)	351,880	\$ 920,032
Fund balance, beginning of year		3,578,377	
Fund balance, end of year		\$ 3,930,257	

(Concluded)

Community Consolidated School District 46
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 1,366,993	\$ 1,392,805	\$ 25,812
Regular transportation fees from co-curricular activities - in state	16,000	-	(16,000)
Interest on investments	8,000	2,549	(5,451)
Other	<u>1,000</u>	<u>3,021</u>	<u>2,021</u>
Total local sources	<u>1,391,993</u>	<u>1,398,375</u>	<u>6,382</u>
State sources			
Transportation - Regular and Vocational	575,000	676,762	101,762
Transportation - Special Education	<u>928,000</u>	<u>964,608</u>	<u>36,608</u>
Total state sources	<u>1,503,000</u>	<u>1,641,370</u>	<u>138,370</u>
Total revenues	<u>2,894,993</u>	<u>3,039,745</u>	<u>144,752</u>

(Continued)

Community Consolidated School District 46
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Support services			
Business			
Pupil transportation services			
Salaries	\$ 21,121	\$ 22,083	\$ (962)
Employee benefits	6,048	2,988	3,060
Purchased services	2,741,734	2,911,539	(169,805)
Supplies and materials	<u>161,000</u>	<u>41,680</u>	<u>119,320</u>
Total	<u>2,929,903</u>	<u>2,978,290</u>	<u>(48,387)</u>
Total support services	<u>2,929,903</u>	<u>2,978,290</u>	<u>(48,387)</u>
Provision for contingencies	<u>100,000</u>	-	<u>100,000</u>
Total expenditures	<u>3,029,903</u>	<u>2,978,290</u>	<u>51,613</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (134,910)</u>	<u>61,455</u>	<u>\$ 196,365</u>
Fund balance, beginning of year		<u>1,425,082</u>	
Fund balance, end of year		<u>\$ 1,486,537</u>	

(Concluded)

Community Consolidated School District 46
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
General levy	\$ 732,318	\$ 784,645	\$ 52,327
Social security/Medicare only levy	829,961	840,452	10,491
Other tax levies	38,518	-	(38,518)
Corporate personal property replacement taxes	75,000	75,000	-
Interest on investments	6,000	1,009	(4,991)
Other	-	17,769	17,769
Total local sources	<u>1,681,797</u>	<u>1,718,875</u>	<u>37,078</u>
Total revenues	<u>1,681,797</u>	<u>1,718,875</u>	<u>37,078</u>
Expenditures			
Instruction			
Regular programs	233,413	232,386	1,027
Pre-K programs	-	3,113	(3,113)
Special education programs	300,570	286,448	14,122
Special education programs pre-K	64,267	65,279	(1,012)
Remedial and supplemental programs K-12	101,152	95,015	6,137
Interscholastic programs	13,603	3,527	10,076
Summer school programs	3,567	8,099	(4,532)
Bilingual programs	<u>41,093</u>	<u>72,171</u>	<u>(31,078)</u>
Total instruction	<u>757,665</u>	<u>766,038</u>	<u>(8,373)</u>

(Continued)

Community Consolidated School District 46
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Support services			
Pupils			
Attendance and social work services	\$ 14,553	\$ 14,939	\$ (386)
Health services	69,147	71,142	(1,995)
Psychological services	5,824	6,036	(212)
Speech pathology and audiology services	11,570	11,513	57
Other support services -pupils	<u>86,336</u>	<u>89,234</u>	<u>(2,898)</u>
Total pupils	<u>187,430</u>	<u>192,864</u>	<u>(5,434)</u>
Instructional staff			
Improvement of instruction services	17,694	17,704	(10)
Educational media services	34,097	28,640	5,457
Assessment and testing	<u>-</u>	<u>78</u>	<u>(78)</u>
Total instructional staff	<u>51,791</u>	<u>46,422</u>	<u>5,369</u>
General administration			
Board of education services	3,445	779	2,666
Executive administration services	13,573	13,526	47
Special area administrative services	<u>33,034</u>	<u>20,806</u>	<u>12,228</u>
Total general administration	<u>50,052</u>	<u>35,111</u>	<u>14,941</u>
School administration			
Office of the principal services	<u>96,315</u>	<u>97,554</u>	<u>(1,239)</u>

(Continued)

Community Consolidated School District 46
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
School administration (Continued)			
Other support			
services - school administration	\$ -	\$ 156	\$ (156)
Total school administration	<u>96,315</u>	<u>97,710</u>	<u>(1,395)</u>
Business			
Direction of business support services	5,234	12,448	(7,214)
Fiscal services	33,292	26,936	6,356
Operation and maintenance of plant services	188,880	178,045	10,835
Pupil transportation services	-	4,106	(4,106)
Food services	<u>10,718</u>	<u>6,685</u>	<u>4,033</u>
Total business	<u>238,124</u>	<u>228,220</u>	<u>9,904</u>
Central			
Staff services	14,298	23,440	(9,142)
Data processing services	<u>109,791</u>	<u>94,046</u>	<u>15,745</u>
Total central	<u>124,089</u>	<u>117,486</u>	<u>6,603</u>
Total support services	<u>747,801</u>	<u>717,813</u>	<u>29,988</u>
Community services	<u>-</u>	<u>604</u>	<u>(604)</u>

(Continued)

Community Consolidated School District 46
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Payments to other districts and governments			
Payments for special education programs	\$ 79,610	\$ 20,823	\$ 58,787
Total payments to other districts and government	<u>79,610</u>	<u>20,823</u>	<u>58,787</u>
Provision for contingencies	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>1,635,076</u>	<u>1,505,278</u>	<u>129,798</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 46,721</u>	<u>213,597</u>	<u>\$ 166,876</u>
Fund balance, beginning of year		<u>863,010</u>	
Fund balance, end of year		<u>\$ 1,076,607</u>	

(Concluded)

Community Consolidated School District No. 46
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the county clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 21, 2020.
- g) All budgets lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following fund had expenditures in excess of budget at June 30, 2021:

<u>Fund</u>	<u>Amount</u>
Debt Service	\$ 2,491,507

The excess in the Debt Service Fund was due to the current refunding of bonds that occurred during the fiscal year.

Community Consolidated School District No. 46
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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

For the 2020 - 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

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

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 23-year closed Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Community Consolidated School District No. 46
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 IMRF CONTRIBUTION RATE* (Continued)

Mortality

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

Other Information:

Notes

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

Change in Assumptions:

For the 2020, 2019 and 2018 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00%.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 THIS CONTRIBUTION RATE

Valuation Date:

Notes

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

Valuation Date

June 30, 2019

Measurement Date

June 30, 2020

Fiscal Year End

June 30, 2021

Community Consolidated School District No. 46
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	2.45%
Price 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.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

The Discount Rate was changed from 3.13% used in the Fiscal Year 2020 valuation to 2.45%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

Community Consolidated School District No. 46
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 THIS CONTRIBUTION RATE (Continued)

Change in Assumptions: (Continued)

The Discount Rate was changed from 3.13% used in the Fiscal Year 2020 valuation to 2.45%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 3.56% used in the Fiscal Year 2018 valuation to 3.62%, for Fiscal Year 2019, and from 3.62% used in the Fiscal Year 2019 valuation to 3.13% in Fiscal Year 2020, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Fiscal Year End	June 30, 2021

Methods and Assumptions Used to Determine the 2021 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	7.87 years
Municipal Bond Index	2.18%
Asset Valuation Method	Not applicable
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%
Mortality, Retirement, Withdrawal and Disability Rates	IMRF Employees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report.
Election at Retirement	5% of IMRF employees will elect medical coverage continuation into retirement.
Healthcare Cost Trend Rates	5.00% - 6.00%, Initial 4.50%, Ultimate

Change in Assumptions:

The Discount Rate was changed from 2.66% used in the Fiscal Year 2020 valuation to 2.18%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2021.

SUPPLEMENTARY FINANCIAL INFORMATION

Community Consolidated School District 46

General Fund

COMBINING BALANCE SHEET

June 30, 2021

	Educational Account	Tort Immunity and Judgment	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 14,048,311	\$ -	\$ 2,814,879	\$ 16,863,190
Receivables (net of allowance for uncollectibles):				
Property taxes	12,098,626	99,161	5,219	12,203,006
Replacement taxes	39,131	-	-	39,131
Intergovernmental	1,295,266	-	-	1,295,266
Prepaid items	<u>214,200</u>	<u>202,289</u>	<u>-</u>	<u>416,489</u>
Total assets	<u>\$ 27,695,534</u>	<u>\$ 301,450</u>	<u>\$ 2,820,098</u>	<u>\$ 30,817,082</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 351,121	\$ 610	\$ -	\$ 351,731
Salaries and wages payable	3,332,099	-	-	3,332,099
Payroll deductions payable	440,303	-	-	440,303
Claims payable	<u>239,265</u>	<u>-</u>	<u>-</u>	<u>239,265</u>
Total liabilities	<u>4,362,788</u>	<u>610</u>	<u>-</u>	<u>4,363,398</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>11,475,401</u>	<u>94,053</u>	<u>4,950</u>	<u>11,574,404</u>
Total deferred inflows	<u>11,475,401</u>	<u>94,053</u>	<u>4,950</u>	<u>11,574,404</u>
FUND BALANCES				
Nonspendable	214,200	202,289	-	416,489
Restricted	-	4,498	-	4,498
Assigned	75,006	-	-	75,006
Unassigned	<u>11,568,139</u>	<u>-</u>	<u>2,815,148</u>	<u>14,383,287</u>
Total fund balance	<u>11,857,345</u>	<u>206,787</u>	<u>2,815,148</u>	<u>14,879,280</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 27,695,534</u>	<u>\$ 301,450</u>	<u>\$ 2,820,098</u>	<u>\$ 30,817,082</u>

Community Consolidated School District 46

General Fund

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

For the Year Ended June 30, 2021

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 22,851,625	\$ 184,927	\$ 5,006	\$ 23,041,558
Replacement taxes	134,163	-	-	134,163
State aid	25,476,784	-	-	25,476,784
Federal aid	3,635,674	-	-	3,635,674
Interest	12,472	-	161	12,633
Other	779,288	-	-	779,288
Total revenues	<u>52,890,006</u>	<u>184,927</u>	<u>5,167</u>	<u>53,080,100</u>
Expenditures				
Current:				
Instruction:				
Regular programs	15,269,185	-	-	15,269,185
Special programs	8,878,810	-	-	8,878,810
Other instructional programs	2,870,408	-	-	2,870,408
State retirement contributions	11,131,502	-	-	11,131,502
Support services:				
Pupils	3,841,508	-	-	3,841,508
Instructional staff	1,606,687	-	-	1,606,687
General administration	1,004,916	114,466	-	1,119,382
School administration	1,975,515	-	-	1,975,515
Business	1,537,205	-	-	1,537,205
Central	1,660,816	-	-	1,660,816
Community services	141,000	-	-	141,000
Nonprogrammed charges	2,254,168	-	-	2,254,168
Capital outlay	42,444	-	-	42,444
Total expenditures	<u>52,214,164</u>	<u>114,466</u>	<u>-</u>	<u>52,328,630</u>
Excess (deficiency) of revenues over expenditures	<u>675,842</u>	<u>70,461</u>	<u>5,167</u>	<u>751,470</u>
Other financing sources (uses)				
Transfers (out)	(220,069)	-	-	(220,069)
Capital lease proceeds	373,413	-	-	373,413
Total other financing sources (uses)	<u>153,344</u>	<u>-</u>	<u>-</u>	<u>153,344</u>
Net change in fund balance	829,186	70,461	5,167	904,814
Fund balance, beginning of year, as restated - Note M	<u>11,028,159</u>	<u>136,326</u>	<u>2,809,981</u>	<u>13,974,466</u>
Fund balance, end of year	<u>\$ 11,857,345</u>	<u>\$ 206,787</u>	<u>\$ 2,815,148</u>	<u>\$ 14,879,280</u>

Community Consolidated School District 46
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 7,631,942	\$ 7,714,816	\$ 82,874	\$ 7,738,512
Interest on investments	<u>40,000</u>	<u>5,726</u>	<u>(34,274)</u>	79,603
Total local sources	<u>7,671,942</u>	<u>7,720,542</u>	<u>48,600</u>	<u>7,818,115</u>
Total revenues	<u>7,671,942</u>	<u>7,720,542</u>	<u>48,600</u>	<u>7,818,115</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds and other - interest	<u>6,555,068</u>	<u>1,460,461</u>	<u>5,094,607</u>	<u>6,260,534</u>
Total debt service - interest	<u>6,555,068</u>	<u>1,460,461</u>	<u>5,094,607</u>	<u>6,260,534</u>
Principal payments on long-term debt	<u>1,730,721</u>	<u>9,304,485</u>	<u>7,573,764</u>	<u>3,081,616</u>
Other debt service				
Purchased services	-	28,000	(28,000)	-
Other objects	<u>18,500</u>	<u>2,850</u>	<u>15,650</u>	<u>2,500</u>
Total	<u>18,500</u>	<u>30,850</u>	<u>(12,350)</u>	<u>2,500</u>
Total debt service	<u>8,304,289</u>	<u>10,795,796</u>	<u>(2,491,507)</u>	<u>9,344,650</u>
Total expenditures	<u>8,304,289</u>	<u>10,795,796</u>	<u>(2,491,507)</u>	<u>9,344,650</u>
Deficiency of revenues over expenditures	<u>\$ (632,347)</u>	<u>\$ (3,075,254)</u>	<u>\$ (2,442,907)</u>	<u>(1,526,535)</u>

(Continued)

(Continued)

Community Consolidated School District 46
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	2021		Variance From Final Budget	2020 Actual
	Original and Final Budget	Actual		
Other financing sources				
Debt issuance	-	2,345,000	2,345,000	-
Transfer in for principal on capital leases	-	210,562	210,562	1,550,175
Transfer in for principal on debt certificates	518,334	539,466	21,132	-
Transfer in for interest on debt certificates	<u>82,097</u>	<u>32,570</u>	<u>(49,527)</u>	-
Total other financing sources	<u>600,431</u>	<u>3,127,598</u>	<u>2,527,167</u>	<u>1,594,015</u>
Net change in fund balance	<u>\$ (31,916)</u>	52,344	<u>\$ 84,260</u>	67,480
Fund balance, beginning of year		<u>4,917,904</u>		<u>4,850,424</u>
Fund balance, end of year		<u>\$ 4,970,248</u>		<u>\$ 4,917,904</u>

(Concluded)

Community Consolidated School District 46
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		
	Original and Final Budget	Actual	Variance From Final Budget
Revenues			
Local sources			
Interest on investments	\$ 1,000	\$ 3,541	\$ 2,541
Impact fees from municipal or county governments	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total local sources	<u>6,000</u>	<u>3,541</u>	<u>(2,459)</u>
Total revenues	<u>6,000</u>	<u>3,541</u>	<u>(2,459)</u>
Expenditures			
Support services			
Facilities acquisition and construction services			
Capital outlay	<u>400,000</u>	<u>119,181</u>	<u>280,819</u>
Total support services	<u>400,000</u>	<u>119,181</u>	<u>280,819</u>
Total expenditures	<u>400,000</u>	<u>119,181</u>	<u>280,819</u>
Deficiency of revenues over expenditures	<u>(394,000)</u>	<u>(115,640)</u>	<u>278,360</u>
Other financing sources			
Permanent transfer to capital projects fund	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total other financing sources	<u>400,000</u>	<u>400,000</u>	<u>-</u>

(Continued)

Community Consolidated School District 46
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	2021		Variance From Final Budget
	Original and Final Budget	Actual	
Net change in fund balance	\$ 6,000	284,360	\$ 278,360
Fund balance, beginning of year		<u>90,128</u>	
Fund balance, end of year		<u>\$ 374,488</u>	

(Concluded)