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**GRAYSLAKE COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 46
STATE OF ILLINOIS**

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020

eder, casella & co

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
TABLE OF CONTENTS
JUNE 30, 2020

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	4
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of the Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
Statement of Fiduciary Assets and Liabilities	20
Notes to Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	48
Illinois Municipal Retirement Fund – Schedule of Employer Contribution	49
Teachers' Retirement System of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net Pension Liability	50
Teachers' Retirement System of the State of Illinois – Schedule of Employer Contribution	51

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 TABLE OF CONTENTS
 JUNE 30, 2020

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Teachers' Health Insurance Security Fund of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net OPEB Liability	52
Teachers' Health Insurance Security Fund of the State of Illinois – Schedule of Employer Contribution	53
Other Post-Employment Benefit - Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios	54
Other Post-Employment Benefit - Schedule of Employer Contribution	55
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	56
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Operations and Maintenance Fund	61
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Transportation Fund	62
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Illinois Municipal Retirement/Social Security Fund	63
Notes to Required Supplementary Information	65
SUPPLEMENTAL FINANCIAL INFORMATION	
Combining Balance Sheet – General Fund	66
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund – Educational Fund	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund – Working Cash Fund	73
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund – Tort Fund	74

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
TABLE OF CONTENTS
JUNE 30, 2020

	PAGE
SUPPLEMENTAL FINANCIAL INFORMATION (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Services Fund	75
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund	76
Schedule of Changes in Fiduciary Assets and Liabilities – Activity Funds	77
Computation of Operating Expense Per Pupil and Per Capita Tuition Charge	78
ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION	
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	79
Schedule of Expenditures of Federal Awards	81
Notes to the Schedule of Expenditures of Federal Awards	84
Schedule of Findings and Questioned Costs	85
Summary Schedule of Prior Audit Findings	89
Corrective Action Plan for Current Year Audit Findings	90



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INDEPENDENT AUDITOR’S REPORT

To the Board of Education
 Grayslake Community Consolidated School District No. 46
 Grayslake, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Grayslake Community Consolidated School District No. 46

as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Grayslake Community Consolidated School District No. 46 as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2020 on our consideration of Grayslake Community Consolidated School District No. 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting

or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grayslake Community Consolidated School District No. 46's internal control over financial reporting and compliance.

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

McHenry, Illinois
December 8, 2020



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

To the Board of Education
Grayslake Community Consolidated School District No. 46
Grayslake, Illinois

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Grayslake Community Consolidated School District No. 46

as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Grayslake Community Consolidated School District No. 46's basic financial statements, and have issued our report thereon dated December 8, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grayslake Community Consolidated School District No. 46's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grayslake Community Consolidated School District No. 46's internal control. Accordingly, we do not express an opinion on the effectiveness of Grayslake Community Consolidated School District No. 46's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002, that we consider to be material weaknesses.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grayslake Community Consolidated School District No. 46's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2020-003.

Grayslake Community Consolidated School District No. 46's Responses to Findings

Grayslake Community Consolidated School District No. 46's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Grayslake Community Consolidated School District No. 46's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

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

McHenry, Illinois
December 8, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Grayslake Community Consolidated School District No. 46

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

The Management's Discussion and Analysis of Grayslake Community Consolidated School District No. 46's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2020. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$4,970,157 (net position).
- The District's total net position increased by \$2,487,299.
- At June 30, 2020 the District's governmental funds reported combined ending fund balances of \$23,757,969, a decrease of \$587,634. 53% of this fund balance is available for spending at the District's discretion (unassigned fund balance \$12,699,066).
- At June 30, 2020 the unassigned fund balance for the General Fund was \$12,699,066, or 14% of total General Fund expenditures.
- The District's total long-term debt decreased by \$7,215,328 during the year ended June 30, 2020 primarily due to 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 are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

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

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

The government-wide financial statements can be found on pages 13 and 14 of this report.

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

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

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

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

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

The basic fund financial statements can be found on pages 15 through 19 and the required supplementary information can be found on pages 48 through 65 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held for others, such as student activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the District's operations.

The basic fiduciary fund financial statement can be found on page 20 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 47 of this report.

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

Supplemental financial information can be found on pages 66 through 78 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,970,157 at the close of the most recent fiscal year.

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

Grayslake Community Consolidated School District No 46's Net Position at Year-End

	Governmental Activities	
	FY 2020	FY 2019
Assets		
Current and Other Assets	\$ 47,912,000	\$ 47,903,585
Capital Assets	60,323,297	62,968,851
Total Assets	\$ 108,235,297	\$ 110,872,436
Deferred Outflows of Resources		
Defeasance Asset, net of amortization	\$ 1,937,946	\$ 2,308,328
Pension Expense/Revenue	5,512,589	4,220,280
Total Deferred Outflows of Resources	\$ 7,450,535	\$ 6,528,608
Liabilities		
Other Liabilities	\$ 5,860,329	\$ 5,622,779
Long-Term Liabilities Outstanding	80,809,651	85,759,426
Total Liabilities	\$ 86,669,980	\$ 91,382,205
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	\$ 18,533,753	\$ 18,176,043
Pension Expense/Revenue	5,511,942	5,359,938
Total Deferred Inflows of Resources	\$ 24,045,695	\$ 23,535,981
Net Position		
Net Investment in Capital Assets	\$ 20,139,045	\$ 19,205,421
Restricted	10,009,239	8,893,402
Unrestricted	(25,178,127)	(25,615,965)
Total Net Position	\$ 4,970,157	\$ 2,482,858

The net investment in capital assets represents assets such as land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The balance of Net Investment in Capital Assets was \$20,139,045 at June 30, 2020.

Governmental Activities. Governmental activities increased the District's net position by \$2,487,299. Key elements of this increase are as follows:

Grayslake Community Consolidated School District No. 46's Change in Net Position

	Governmental Activities	
	FY 2020	FY 2019
Revenues:		
Program Revenues		
Charges for Services	\$ 858,577	\$ 1,398,666
Operating Grants and Contributions	54,704,982	20,718,391
Capital Grants and Contributions	13,350	34,961
General Revenues:		
Property Taxes	36,667,112	35,887,545
Other Taxes	145,397	146,459
Grants and Contributions not Restricted to Specific Activities	13,548,900	12,610,225
Unrestricted Investment Earnings	401,866	528,240
Miscellaneous	144,435	70,024
Total Revenues	<u>\$ 106,484,619</u>	<u>\$ 71,394,511</u>
Expenses:		
Instruction	\$ 78,707,909	\$ 42,951,453
Support Services	18,634,921	19,307,231
Community Services	48,568	52,917
Intergovernmental Payments	1,547,001	1,646,225
Interest and Fees on Long-Term Debt	2,009,686	2,342,825
Depreciation - Unallocated	3,049,235	3,097,979
Total Expenses	<u>\$ 103,997,320</u>	<u>\$ 69,398,630</u>
Change in Net Position	\$ 2,487,299	\$ 1,995,881
Net Position - Beginning	<u>2,482,858</u>	<u>486,977</u>
Net Position - Ending	<u>\$ 4,970,157</u>	<u>\$ 2,482,858</u>

- The District's total revenues increased by \$35,090,108 compared to the prior year. The most significant changes were: an increase in state retirement contributions of \$33,635,128 compared to the prior year; an increase in property taxes of \$779,567 compared to the prior year due mainly to an increase in tax levies; and an increase in Grants and Contributions not Restricted to Specific Activities of \$938,675 compared to the prior year due mainly to an increase in evidence based funding revenue. These were offset by a decrease in Charges for Services of \$540,089.
- The District's total expenses increased by \$34,598,690. The most significant change was an increase in instruction expenses of \$35,756,456 compared to the prior year due mainly to an increase in state retirement contributions.

Financial Analysis of the District's Funds

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

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

As of June 30, 2020, the District's six governmental funds reported combined ending fund balances of \$23,757,969, a decrease of \$587,634 from the prior year.

General Fund – The greatest variety and the largest volume of transactions shall be recorded in the General Fund because the General Fund covers transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional,

health, and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this fund include instruction tax levies, tuition, and textbook rentals.

- At June 30, 2020 the General Fund had an unassigned fund balance of \$12,699,066. This unassigned fund balance represents 14% of total General Fund expenditures.

The Operations and Maintenance Fund's fund balance decreased by \$664,594 in comparison with the prior year. This change is due to interfund transfers made to other funds, offset by an increase in other local sources, mainly due to energy rebates, as well as state grants and an overall decrease in expenditures.

The Debt Services Fund's fund balance increased by \$67,480 in comparison with the prior year. This increase is due to property taxes exceeding scheduled debt payments.

The Transportation Fund's fund balance increased by \$511,396 in comparison with the prior year. This change is due to an increase in state grants.

The Illinois Municipal Retirement/Social Security Fund's fund balance increased by \$138,980 in comparison with the prior year. This increase is due to property taxes that exceeded the current year expenditures.

The Capital Projects Fund's fund balance increased by \$1,344 in comparison with the prior year due to not having any significant capital projects being completed during the year.

General Fund Budgetary Highlights

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

- The difference between budgeted revenues and actual revenues in the General Fund was \$32,210,458 (favorable) which is 36% of total revenues. The most significant factor was that the District did not budget for the increase of state retirement contributions from the State of Illinois.
- The difference between budgeted expenditures and actual expenditures in the General Fund was \$31,282,148 (unfavorable) which is 35% of total expenditures. The most significant factor was the increase of state retirement contributions from the State of Illinois.

Capital Asset and Debt Administration

Capital Assets. At June 30, 2020 the District had invested \$60,323,297 (net of depreciation) in a broad range of capital assets, including land, building and building improvements, site improvements and infrastructure, and capitalized equipment. Total depreciation expense for the year was \$3,068,993.

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

- Parking lot construction in the amount of \$381,762.
- Library floor replacement at Woodview School in the amount of \$16,970.

Grayslake Community Consolidated School District No. 46's Capital Assets
(net of depreciation)

	Governmental Activities	
	2020	2019
Land	\$ 2,265,169	\$ 2,265,169
Building and Building Improvements	55,890,375	58,488,908
Site Improvements and Infrastructure	1,753,036	1,548,767
Capitalized Equipment	414,717	666,007
Total	<u>\$ 60,323,297</u>	<u>\$ 62,968,851</u>

For more detail on the District's capital assets, see Note 4 in the Notes to the Financial Statements.

Long-Term Debt. At June 30, 2020 the District had \$43,628,500 in long-term debt.

Grayslake Community Consolidated School District No. 46's Outstanding Debt

	Governmental Activities	
	2020	2019
Bonds and Notes Payable	\$ 43,628,500	\$ 50,843,828
Total	<u>\$ 43,628,500</u>	<u>\$ 50,843,828</u>

For more detail on the District's long-term debt, see Note 5 in the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

For five years in a row, the property values within the boundary of the District realized an overall increase in Equalized Assessed Value (2015 - \$559,368,747; 2016 - \$613,358,204; 2017 - \$659,639,906; 2018 - \$693,954,245; 2019 - \$714,251,648). The reversal from a downward to an upward trend is expected to continue as housing prices continue to show strong growth resulting in decreasing tax rates for the community.

In accordance with inflationary projections, costs associated with purchases including equipment, service, and supplies, as well as compensation costs, will continue to increase. The District's main recourse for collecting additional revenues to offset these increases is the property tax levy. This Property Tax Extension Limitation Law (PTELL) provides for an aggregate levy increase equal to the lesser of 5% of the Consumer Price Index. The December 2019 CPI as released by the US Bureau of Labor Statistics was 2.3%. The District will request a 2020 aggregate levy increase equal to 2.3% plus the value of new property. The increase is necessary to fund the cost of instruction for the 2021-2022 school year.

Under Illinois' Evidence Based Funding (EBF) disbursements, the District is a Tier 1 entity and therefore eligible for additional funding above the base funding minimum when it is appropriated by the State legislature. In fiscal year 2020, the District received a total of \$13.5 million through EBF base funding minimum and additional tier funding. Due to the pandemic and other budgetary constraints at the State level, an appropriation for additional tier funding was not made for fiscal year 2021; therefore, due to the hold harmless provision in the EBF formula the District will also receive \$13.5 million in EBF during fiscal year 2021.

In 2018, the District installed solar panels at several school locations. The solar project was financed from fund balance and the issuance of debt certificates. In fiscal year 2021 the District will receive disbursements from ComEd and Ameren for the solar Renewable Energy Credits (REC's) totaling \$0.6 million. In addition, due to favorable borrowing rates, the District has refinanced the debt certificates in fiscal year 2021 saving \$0.3 million in interest expense.

The Collective Bargaining Agreement that was reached in December of 2017 affected salaries for 2017-18 and 2018-19. Agreement on salaries was reached in November 2019 for salary increases for teachers and support staff through the balance of the current contract. The salary increases for the union

membership for 2019-2020 is 4.0% and for 2020-2021 is 3.6%. The current collective bargaining agreement expires June 30, 2021.

Budgetary challenges at the State level and the cost of the pandemic will likely result in a reduction in funding for the public sector, including funding for education. The potential for a pension cost shift and a property tax freeze continue to loom over the public education sector. The District will continue to monitor activity in the State legislature and will adjust investments in instructional programming where necessary based on potential limitations of resources.

Requests for Information

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

Grayslake Community Consolidated School District No. 46
565 Frederick Road
Grayslake, IL 60030

BASIC FINANCIAL STATEMENTS

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 23,113,933
Investments, at Fair Value	2,980,500
Employee Receivables, net of allowance of \$0	11,132
Property Taxes Receivable, net of allowance of \$0	20,371,764
Due from Other Governments, net of allowance of \$0	958,189
Prepaid Items	84,832
Other Current Assets	391,650
Capital Assets (Note 4):	
Land	2,265,169
Depreciable Buildings, Property, and Equipment, net of depreciation	58,058,128
Total Assets	\$ 108,235,297
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amount of Refunding, net of amortization	\$ 1,937,946
Pension Expense/Revenue - IMRF	785,063
Pension Expense/Revenue - TRS	3,713,021
Pension Expense/Revenue - THIS	1,003,356
Pension Expense/Revenue - OPEB	11,149
Total Deferred Outflows of Resources	\$ 7,450,535
LIABILITIES	
Accounts Payable and Accrued Expenditures	\$ 1,969,888
Accrued Payroll and Payroll Liabilities	3,890,441
Long-Term Liabilities	
Due Within One Year	7,055,286
Due in More Than One Year	73,754,365
Total Liabilities	\$ 86,669,980
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	\$ 18,533,753
Pension Expense/Revenue - TRS	1,267,025
Pension Expense/Revenue - OPEB THIS	4,216,465
Pension Expense/Revenue - OPEB IMRF	28,452
Total Deferred Inflows of Resources	\$ 24,045,695
NET POSITION	
Net Investment in Capital Assets	\$ 20,139,045
Restricted for:	
Operations and Maintenance	3,012,593
Debt Service	4,917,904
Transportation	1,247,793
Retirement	694,623
Tort	136,326
Unrestricted/(Deficit)	(25,178,127)
Total Net Position	\$ 4,970,157

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction					
Regular Programs	\$ 15,524,353	\$ 184,025	\$ 557,115	\$ -	\$ (14,783,213)
Special Education Programs	7,994,526	27,451	672,270	-	(7,294,805)
Other Instructional Programs	5,216,609	322,170	51,395	-	(4,843,044)
State Retirement Contributions	49,972,421	-	49,972,421	-	-
Support Services					
Pupils	4,311,791	-	339,283	-	(3,972,508)
Instructional Staff	1,869,307	-	-	-	(1,869,307)
General Administration	1,574,349	-	-	-	(1,574,349)
School Administration	2,085,509	-	-	-	(2,085,509)
Business	769,945	-	-	-	(769,945)
Facilities Acquisition and Construction	-	-	-	13,350	13,350
Operations and Maintenance	2,922,013	32,967	638,690	-	(2,250,356)
Transportation	2,706,037	12,678	1,559,006	-	(1,134,353)
Food Services	676,461	279,286	499,236	-	102,061
Central	1,719,509	-	-	-	(1,719,509)
Community Services	48,568	-	-	-	(48,568)
Payments to Other Districts and Governmental Units	1,547,001	-	415,566	-	(1,131,435)
Interest and Fees on Long-Term Debt	2,009,686	-	-	-	(2,009,686)
Depreciation - Unallocated	3,049,235	-	-	-	(3,049,235)
Total Governmental Activities	\$ 103,997,320	\$ 858,577	\$ 54,704,982	\$ 13,350	\$ (48,420,411)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					\$ 28,928,600
Property Taxes, Levied for Debt Service					7,738,512
Other Payments in Lieu of Taxes					145,397
Grants and Contributions not Restricted to Specific Activities					13,548,900
Unrestricted Investment Earnings					401,866
Miscellaneous Income					144,435
Total General Revenues					\$ 50,907,710
Change in Net Position					\$ 2,487,299
Net Position - July 1, 2019					2,482,858
Net Position - June 30, 2020					\$ 4,970,157

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2020

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 13,485,183	\$ 3,050,080	\$ 4,015,230	\$ 1,789,758	\$ 693,848	\$ 79,834	\$ 23,113,933
Investments, at Fair Value	1,738,889	393,303	517,757	230,786	89,471	10,294	2,980,500
Employee Receivables, net of allowance of \$0	11,132	-	-	-	-	-	11,132
Property Taxes Receivable, net of allowance of \$0	12,583,095	1,885,110	4,266,253	754,046	883,260	-	20,371,764
Interfund Receivable, net of allowance of \$0	1,000,000	-	-	-	-	-	1,000,000
Due from Other Governments, net of allowance of \$0	569,977	-	-	388,212	-	-	958,189
Prepaid Expenses	48,076	36,756	-	-	-	-	84,832
Other Current Assets	391,650	-	-	-	-	-	391,650
Total Assets	\$ 29,828,002	\$ 5,365,249	\$ 8,799,240	\$ 3,162,802	\$ 1,666,579	\$ 90,128	\$ 48,912,000
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 1,606,288	\$ 71,843	\$ -	\$ 51,706	\$ -	\$ -	\$ 1,729,837
Accrued Payroll and Payroll Liabilities	3,890,441	-	-	-	-	-	3,890,441
Interfund Payable	-	-	-	1,000,000	-	-	1,000,000
Total Liabilities	\$ 5,496,729	\$ 71,843	\$ -	\$ 1,051,706	\$ -	\$ -	\$ 6,620,278
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	\$ 11,447,805	\$ 1,715,029	\$ 3,881,336	\$ 686,014	\$ 803,569	\$ -	\$ 18,533,753
Total Deferred Inflows of Resources	\$ 11,447,805	\$ 1,715,029	\$ 3,881,336	\$ 686,014	\$ 803,569	\$ -	\$ 18,533,753
FUND BALANCE							
Nonspendable							
Prepaid Expenses	\$ 48,076	\$ 36,756	\$ -	\$ -	\$ -	\$ -	\$ 84,832
Restricted							
Operations and Maintenance	-	3,012,593	-	-	-	-	3,012,593
Debt Service	-	-	4,917,904	-	-	-	4,917,904
Illinois Municipal Retirement Fund	-	-	-	-	641,533	-	641,533
Special Education Illinois Municipal Retirement	-	-	-	-	53,090	-	53,090
Tort Liability	136,326	-	-	-	-	-	136,326
Transportation	-	-	-	1,247,793	-	-	1,247,793
Assigned							
Transportation	-	-	-	177,289	-	-	177,289
Operations and Maintenance	-	529,028	-	-	-	-	529,028
Illinois Municipal Retirement Fund	-	-	-	-	168,387	-	168,387
Capital Projects	-	-	-	-	-	90,128	90,128
Unassigned	12,699,066	-	-	-	-	-	12,699,066
Total Fund Balance	\$ 12,883,468	\$ 3,578,377	\$ 4,917,904	\$ 1,425,082	\$ 863,010	\$ 90,128	\$ 23,757,969
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 29,828,002	\$ 5,365,249	\$ 8,799,240	\$ 3,162,802	\$ 1,666,579	\$ 90,128	\$ 48,912,000

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2020

Total Fund Balances - Governmental Funds \$ 23,757,969

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

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

Pension Expense/Revenue - IMRF	\$ 785,063	
Pension Expense/Revenue - TRS	2,445,996	
Pension Expense/Revenue - OPEB THIS	(3,213,109)	
Pension Expense/Revenue - OPEB IMRF	<u>(17,303)</u>	
		647

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

Capital Assets	\$ 111,254,507	
Accumulated Depreciation on Capital Assets	<u>(50,931,210)</u>	
		60,323,297

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

Deferred Amount of Refunding, net of related amortization	\$ 1,937,946	
Bond Premiums, net of related amortization	<u>(2,171,270)</u>	
		(233,324)

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

Bonds and Notes Payable	\$ (43,628,500)	
Accrued Interest on Long-Term Debt	(240,051)	
Compensated Absences	(306,460)	
Net Pension Liability - TRS	(6,430,733)	
Net Pension Liability - IMRF	(2,645,743)	
Net Pension Liability - OPEB THIS	(25,405,173)	
Net Pension Liability - OPEB IMRF	<u>(221,772)</u>	
		<u>(78,878,432)</u>

Net Position of Governmental Activities \$ 4,970,157

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
REVENUES							
Property Taxes	\$ 22,606,801	\$ 3,460,295	\$ 7,738,512	\$ 1,289,370	\$ 1,572,134	\$ -	\$ 36,667,112
Payments in Lieu of Taxes	43,302	-	-	-	102,095	-	145,397
Tuition	27,451	-	-	-	-	-	27,451
Transportation Fees	-	-	-	12,678	-	-	12,678
Earnings on Investments	224,631	69,797	79,603	14,604	11,887	1,344	401,866
Food Service	279,286	-	-	-	-	-	279,286
District/School Activity Income	155,708	-	-	-	-	-	155,708
Textbooks	184,025	-	-	-	-	-	184,025
Other Local Sources	291,068	650,088	-	4,748	-	-	945,904
State Aid	14,202,302	50,000	-	1,559,006	-	-	15,811,308
Federal Aid	1,881,463	-	-	-	-	-	1,881,463
State Retirement Contributions	49,972,421	-	-	-	-	-	49,972,421
	<u>\$ 89,868,458</u>	<u>\$ 4,230,180</u>	<u>\$ 7,818,115</u>	<u>\$ 2,880,406</u>	<u>\$ 1,686,116</u>	<u>\$ 1,344</u>	<u>\$ 106,484,619</u>
EXPENDITURES							
Current							
Instruction							
Regular Programs	\$ 14,759,578	\$ -	\$ -	\$ -	\$ 221,942	\$ -	\$ 14,981,520
Special Education Programs	7,297,326	-	-	-	354,304	-	7,651,630
Other Instructional Programs	4,872,814	-	-	-	167,137	-	5,039,951
State Retirement Contributions	49,972,421	-	-	-	-	-	49,972,421
Support Services							
Pupils	3,874,920	-	-	51,706	180,915	-	4,107,541
Instructional Staff	1,739,461	-	-	-	51,315	-	1,790,776
General Administration	1,470,443	-	-	-	48,331	-	1,518,774
School Administration	1,881,138	-	-	-	92,966	-	1,974,104
Business	710,484	-	-	-	37,187	-	747,671
Operations and Maintenance	-	2,749,441	-	-	182,316	-	2,931,757
Transportation	17,733	-	-	2,688,304	-	-	2,706,037
Food Services	647,787	-	-	-	10,345	-	658,132
Central	1,526,715	-	-	-	119,777	-	1,646,492
Community Services	48,480	-	-	-	77	-	48,557
Intergovernmental Payments							
Payments to Other Districts and Governmental Units	1,466,477	-	-	-	80,524	-	1,547,001
Debt Service							
Principal	-	-	3,081,616	-	-	-	3,081,616
Interest and Fees	-	-	6,263,034	-	-	-	6,263,034
Capital Outlay	3,921	401,318	-	-	-	-	405,239
	<u>\$ 90,289,698</u>	<u>\$ 3,150,759</u>	<u>\$ 9,344,650</u>	<u>\$ 2,740,010</u>	<u>\$ 1,547,136</u>	<u>\$ -</u>	<u>\$ 107,072,253</u>

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
(Continued)							
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (421,240)	\$ 1,079,421	\$ (1,526,535)	\$ 140,396	\$ 138,980	\$ 1,344	\$ (587,634)
OTHER FINANCING SOURCES (USES)							
Interfund Transfers	\$ -	\$ (1,674,015)	\$ 1,674,015	\$ -	\$ -	\$ -	\$ -
Interest Transfers	(221,000)	(70,000)	(80,000)	371,000	-	-	-
	<u>\$ (221,000)</u>	<u>\$ (1,744,015)</u>	<u>\$ 1,594,015</u>	<u>\$ 371,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	\$ (642,240)	\$ (664,594)	\$ 67,480	\$ 511,396	\$ 138,980	\$ 1,344	\$ (587,634)
FUND BALANCE - JULY 1, 2019	13,525,708	4,242,971	4,850,424	913,686	724,030	88,784	24,345,603
FUND BALANCE - JUNE 30, 2020	<u>\$ 12,883,468</u>	<u>\$ 3,578,377</u>	<u>\$ 4,917,904</u>	<u>\$ 1,425,082</u>	<u>\$ 863,010</u>	<u>\$ 90,128</u>	<u>\$ 23,757,969</u>

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (587,634)

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

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

Depreciation Expense	\$ (3,068,993)	
Capital Outlays	423,439	
		(2,645,554)

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

Amortization of Defeasance Asset	\$ (370,382)	
Amortization of Bond Premiums	489,229	
Accrued Interest on Long-Term Debt	789	
Accreted Interest	(566,888)	
Compensated Absences	77,688	
Pension Expense	(3,195,349)	
		(3,564,913)

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

1,503,184

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

Repayment of Long-Term Debt		7,782,216
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Change in Net Position of Governmental Activities		\$ 2,487,299
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The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 67,287
Total Assets	\$ 67,287
LIABILITIES	
Due to Activity Fund Organizations	\$ 67,287
Total Liabilities	\$ 67,287

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grayslake Community Consolidated School District No. 46's (District) accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

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

A. Reporting Entity

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

B. Basic Financial Statements – Government-Wide Statements

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

The District does not allocate indirect costs.

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

The following fund types are used by the District:

1. Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Educational, Working Cash, and Tort levies are included in this fund.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, Illinois Municipal Retirement/Social Security Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service and capital projects.

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

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

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the District's programs. The reporting focus is on net position and is reported using generally accepted accounting principles.

NOTES TO FINANCIAL STATEMENTS (Continued)

The District's fiduciary fund is presented in the fiduciary fund financial statement by type (agency). Since by definition these assets are being held for the benefit of a third party (student organizations) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

The following is a description of the fiduciary fund of the District:

Agency Fund – The Agency Fund (Student Activity Fund and Convenience Accounts) accounts for assets held by the District as an agent for the student organizations. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to student organizations are equal to the assets.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met, and the revenues are available.

Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all of the District's funds. Instead, the funds maintain their cash balances in common accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

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

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

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which approximates market.

NOTES TO FINANCIAL STATEMENTS (Continued)

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred. The District has adopted a formal written investment and cash management policy.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Expenses*

Prepaid expenses are for payments made by the District in the current year for goods and services received in the subsequent fiscal year.

H. *Inventories*

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

I. *Interfund Activity*

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

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and Building Improvements	20 - 40 years
Site Improvements and Infrastructure	20 - 50 years
Capitalized Equipment	5 - 20 years

K. *Deferred Outflows and Inflows of Resources*

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

L. *Compensated Absences*

Vacation benefits and unused sick days 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. However, as vacation benefits are not paid out upon termination, no provision for compensated absences liability is included in the financial statements. The unused sick days can be carried over and teachers that have been employed for five or more years are

NOTES TO FINANCIAL STATEMENTS (Continued)

entitled to be paid for the past five years of unused sick days. This will be paid out at 50% of a regular substitute teacher's daily rate.

M. *Long-Term Obligations*

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

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

N. *Government-Wide Net Position*

Government-wide net position is divided into three components:

- Net investment in capital assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted net position – all other net positions are reported in this category.

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in special revenue, debt services, and capital projects funds.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

P. *Property Tax Calendar and Revenues*

The District’s property tax is levied each calendar year on all taxable real property located in the District’s district on or before the last Tuesday in December. The 2019 levy was passed by the Board on December 11, 2019. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District’s name.

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

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District has a policy that all deposits and investments in excess of any insurance shall be collateralized by pledged securities in accordance with the Public Fund Investment Act, 30 ILCS 235. As of June 30, 2020, \$0 of the District’s bank balance of \$26,881,674 was exposed to custodial credit risk.

Investments

As of June 30, 2020, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years) Less Than 1
State Investment Pool	\$ 19,875,197	\$ 19,875,197

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Interest Rate Risk. The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2020, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2020:

Investments by fair value level	6/30/2020	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of Deposit	\$ 3,230,201	\$ -	\$ 3,230,201
Total Investments by fair value level	\$ 3,230,201	\$ -	\$ 3,230,201

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 2,265,169	\$ -	\$ -	\$ 2,265,169
Total Capital Assets not being depreciated	\$ 2,265,169	\$ -	\$ -	\$ 2,265,169
Other Capital Assets				
Building and Building Improvements	\$ 98,604,089	\$ 30,271	\$ -	\$ 98,634,360
Site Improvements and Infrastructure	4,419,143	386,760	-	4,805,903
Capitalized Equipment	5,542,667	6,408	-	5,549,075
Total Other Capital Assets at historical cost	\$ 108,565,899	\$ 423,439	\$ -	\$ 108,989,338
Less Accumulated Depreciation for				
Building and Building Improvements	\$ 40,115,181	\$ 2,628,804	\$ -	\$ 42,743,985
Site Improvements and Infrastructure	2,870,376	182,491	-	3,052,867
Capitalized Equipment	4,876,660	257,698	-	5,134,358
Total Accumulated Depreciation	\$ 47,862,217	\$ 3,068,993	\$ -	\$ 50,931,210
Other Capital Assets, Net	\$ 60,703,682	\$ (2,645,554)	\$ -	\$ 58,058,128
Governmental Activities Capital Assets, Net	\$ 62,968,851	\$ (2,645,554)	\$ -	\$ 60,323,297

NOTES TO FINANCIAL STATEMENTS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities	
Food Services	\$ 14,202
Operations and Maintenance	5,556
Unallocated	3,049,235
Total Governmental Activities Depreciation Expense	\$ 3,068,993

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Interest Accretion	Additions	Retirement	Balance June 30, 2020	Amounts Due Within One Year
Governmental Activities:						
Bonds and Notes Payable						
Capital Appreciation						
Bonds, 2001	\$ 1,754,142	\$ -	\$ -	\$ 896,580	\$ 857,562	\$ 4,699,999
Accreted Interest 2001 Bonds	7,058,763	387,094	-	3,603,420	3,842,437	-
Capital Appreciation						
Bonds, 2002	777,651	-	-	316,153	461,498	1,500,000
Accreted Interest 2002 Bonds	2,682,132	179,794	-	1,088,847	1,773,079	(65,422)
General Obligation						
Refunding Bonds, 2012	8,595,000	-	-	45,000	8,550,000	45,000
General Obligation						
Refunding Bonds, 2014	7,700,000	-	-	-	7,700,000	-
General Obligation						
Refunding Bonds, 2015	18,250,000	-	-	265,000	17,985,000	-
Government Obligation						
Contract, 2018	26,140	-	-	17,041	9,099	-
Debt Certificate, Series 2018	4,000,000	-	-	1,550,175	2,449,825	386,479
Total Bonds and Notes Payable	\$ 50,843,828	\$ 566,888	\$ -	\$ 7,782,216	\$ 43,628,500	\$ 6,566,056
Other Long-Term Obligations						
Compensated Absences	\$ 384,148	\$ -	\$ -	\$ 77,688	\$ 306,460	\$ -
Net Pension Liability - IMRF	4,094,541	-	-	1,448,798	2,645,743	-
Net Pension Liability - TRS	2,497,950	-	3,932,783	-	6,430,733	-
Net OPEB Liability - THIS	25,045,882	-	359,291	-	25,405,173	-
Net OPEB Liability - IMRF	232,578	-	-	10,806	221,772	-
Total Other Long-Term Liabilities	\$ 32,255,099	\$ -	\$ 4,292,074	\$ 1,537,292	\$ 35,009,881	\$ -
Governmental Activities						
Long-Term Liabilities	\$ 83,098,927	\$ 566,888	\$ 4,292,074	\$ 9,319,508	\$ 78,638,381	\$ 6,566,056

Bonds and notes payable consisted of the following at June 30, 2020:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Capital Appreciation Bonds, 2001	5/1/2021	8.99%	\$ 3,999,955	\$ 4,699,999
Capital Appreciation Bonds, 2002	1/1/2022	8.75%	3,497,696	2,234,577
General Obligation Refunding Bonds, 2012	11/1/2024	1.00%-4.00%	8,990,000	8,550,000
General Obligation Refunding Bonds, 2014	11/1/2025	2.00%-3.00%	8,750,000	7,700,000
General Obligation Refunding Bonds, 2015	11/1/2023	1.45%-5.00%	21,005,000	17,985,000
Government Obligation Contract, 2018	7/1/2021	8.97%	43,622	9,099
Debt Certificate, Series 2018	8/29/2023	3.50%	4,000,000	2,449,825

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. At June 30, 2020, a total of \$45,660,000 of bonds is considered defeased.

NOTES TO FINANCIAL STATEMENTS (Continued)

At June 30, 2020 the annual debt service requirements to service long-term debt are:

Year Ending June 30	Principal	Interest	Total
2021	\$ 6,566,056	\$ 1,569,654	\$ 8,135,710
2022	6,900,868	1,366,127	8,266,995
2023	7,215,861	1,042,399	8,258,260
2024	6,135,153	714,160	6,849,313
2025	8,538,027	407,641	8,945,668
2026	7,874,003	132,765	8,006,768
2027	180,192	11,076	191,268
2028	186,601	4,667	191,268
2029	31,739	140	31,879
	<u>\$ 43,628,500</u>	<u>\$ 5,248,629</u>	<u>\$ 48,877,129</u>

Note: Maturities for accreted interest have been included in the principal column above.

Reconciliation to the Statement of Net Position

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

	Due Within One Year	Due in More Than One Year	Total
Bonds and Notes Payable	\$ 6,566,056	\$ 37,062,444	\$ 43,628,500
Bond Premiums, net of amortization	489,230	1,682,040	2,171,270
Other Long-Term Obligations	-	35,009,881	35,009,881
	<u>\$ 7,055,286</u>	<u>\$ 73,754,365</u>	<u>\$ 80,809,651</u>

NOTE 6 - INTERFUND BALANCES

Interfund balances at June 30, 2020 consisted of the following:

Due from	Due to	Amount
Transportation Fund	General Fund	\$ 1,000,000

The purpose of the interfund loan was to provide the cash necessary to cover operating expenses in the Transportation Fund.

NOTE 7 - DEFICIT FUND BALANCE

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

NOTE 8 - PROPERTY TAXES

Property taxes recorded in these financial statements as property taxes receivable and unavailable revenue are from the 2019 tax levy. The unavailable revenue is 50% of the 2019 tax levy. These taxes are unavailable as only a portion of the taxes (approximately 50%) are collected before the end of the fiscal year and the District does not consider the remaining amounts to be available and does not budget for their use until the following fiscal year. The District has determined that 50% of the 2019 tax levy (\$18,533,752) and 50% of the 2018 tax levy, plus back taxes, less uncollectible amounts (\$18,133,360) are allocable for use in fiscal year 2020. Therefore, 50% of each of these levies are recorded in these financial statements as property taxes revenue. A summary of tax rates, assessed valuations, and extensions for tax years 2019, 2018, and 2017 is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

TAX YEAR ASSESSED VALUATION	2019		2018		2017	
	Rate	Extension	Rate	Extension	Rate	Extension
	\$714,251,648		\$693,954,245		\$659,639,906	
Educational	3.1802	\$ 22,714,295	3.2042	\$ 22,235,557	3.3038	\$ 21,793,322
Operations and Maintenance	0.4802	3,430,058	0.5044	3,500,000	0.5065	3,341,076
Debt Service	1.0868	7,762,673	1.1147	7,735,216	1.1727	7,735,492
Transportation	0.1921	1,372,027	0.1744	1,209,999	0.1719	1,134,040
Municipal Retirement	0.1029	735,015	0.1009	699,999	0.0927	611,440
Social Security	0.1166	833,017	0.1153	799,997	0.1166	768,936
SEDOL IMRF	0.0055	39,105	0.0060	41,311	0.0070	45,944
Working Cash	0.0000	7	0.0000	7	0.0034	22,711
Tort	0.0254	181,306	0.0187	129,999	0.0245	161,321
	5.1897	\$ 37,067,503	5.2384	\$ 36,352,085	5.3990	\$ 35,614,282

NOTE 9 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2020, the expenditures of the following funds exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General	\$ 59,007,550	\$ 90,289,698	\$ 31,282,148
Debt Services	7,662,866	9,344,650	1,681,784
Transportation	2,532,666	2,740,010	207,344

NOTE 10 - OPERATING LEASES, AS LESSEE

The District has various lease agreements for copiers.

Annual requirements to cover the outstanding lease agreements are:

Year Ending June 30	Total Payments
2021	\$ 335,564

Total rental expense for lease agreements for the year ended June 30, 2020 was \$208,795.

NOTE 11 - RETIREMENT FUND COMMITMENTS

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

General Information About the Pension Plan

Plan Description

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

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

NOTES TO FINANCIAL STATEMENTS (Continued)

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout program that expire on June 30, 2021. Once program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

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

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2020, State of Illinois contributions recognized by the District were based on the State's proportionate share of the pension expense associated with the District, and the District recognized revenue and expenditures of \$49,691,364 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Districts contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020 were \$356,799 and are deferred because they were paid after the June 30, 2019 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

For the year ended June 30, 2020, the District pension contribution was 10.66% of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$123,818 were paid from federal and special trust funds that required District contributions of \$13,199.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the District paid \$2,616 to TRS for employer contributions due on salary increases in excess of 6% and \$2,132 for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the Net Pension Liability	\$ 6,430,733
State's proportionate share of the Net Pension Liability associated with the District	457,668,285
Total	<u>\$ 464,099,018</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2019, the District's proportion was 0.007929%, which was an increase of 0.004724% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$49,691,364 and revenue of \$49,691,364 for support provided by the State. At June 30, 2020, 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	Net Outflows of Resources
Differences between expected and actual experience	\$ 105,447	\$ -	\$ 105,447
Net difference between projected and actual earnings on pension plan investments	10,187	-	10,187
Changes of assumptions	144,092	123,437	267,529
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,096,496	1,143,588	4,240,084
Employer contributions subsequent to the measurement date	356,799	-	356,799
	<u>\$ 3,713,021</u>	<u>\$ 1,267,025</u>	<u>\$ 4,980,046</u>

\$356,799 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension

NOTES TO FINANCIAL STATEMENTS (Continued)

liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ending June 30		
2021	\$	580,991
2022		352,432
2023		343,546
2024		527,971
2025		284,256
	\$	2,089,196

Actuarial Assumptions

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.3%
U.S. equities small/mid cap	2.0%	7.7%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.5%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.0%
International debt developed	2.2%	1.1%
Emerging international debt	2.6%	4.4%
Real estate	16.0%	5.2%
Real return	4.0%	1.8%
Absolute return	14.0%	4.1%
Private Equity	15.0%	9.7%
Total	100.0%	

Discount Rate

At June 30, 2019, the discount rate used to measure total pension liability was 7.00%, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2019 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	\$ 7,854,578	\$ 6,430,733	\$ 5,260,051

TRS Fiduciary Net Position

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

B. *Illinois Municipal Retirement Fund*

Plan Description

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

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for

NOTES TO FINANCIAL STATEMENTS (Continued)

life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	104
Inactive plan members entitled to but not yet receiving benefits	293
Active Plan members	204
Total	<u>601</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2020 and 2019 was 10.61% and 8.27%, respectively. For the fiscal year ended June 30, 2020, the District contributed \$690,832 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 components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2019, and a measurement date as of December 31, 2019, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	26,854,080
IMRF Fiduciary Net Position		24,208,337
District's Net Pension Liability		2,645,743
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		90.15%

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Interest Rate	7.25%
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study for the period 2014-2016.

For non-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 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, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

Asset Class	Target Allocation	Projected Return
Equities	37.0%	5.75%
International Equities	18.0%	6.50%
Fixed Income	28.0%	3.25%
Real Estate	9.0%	5.20%
Alternatives	7.0%	
Private Equity		7.60%
Hedge Funds		N/A
Commodities		3.60%
Cash Equivalents	1.0%	1.85%
	<u>100.0%</u>	

Single Discount Rate

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:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

NOTES TO FINANCIAL STATEMENTS (Continued)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2018	\$ 24,457,274	\$ 20,362,733	\$ 4,094,541
Changes for the year:			
Service Cost	\$ 659,137	\$ -	\$ 659,137
Interest on the Total Pension Liability	1,769,568	-	1,769,568
Differences Between Expected and Actual Experience of the Total Pension Liability	726,105	-	726,105
Contributions - Employer	-	526,095	(526,095)
Contributions - Employee	-	286,233	(286,233)
Net Investment Income	-	3,578,505	(3,578,505)
Benefit Payments, including Refunds of Employee Contributions	(758,004)	(758,004)	-
Other (Net Transfer)	-	212,775	(212,775)
Net Changes	\$ 2,396,806	\$ 3,845,604	\$ (1,448,798)
Balances at December 31, 2019	\$ 26,854,080	\$ 24,208,337	\$ 2,645,743

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

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

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	\$ 6,122,458	\$ 2,645,743	\$ (232,935)

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

For the year ended June 30, 2020, the District recognized pension expense/(income) of \$746,411. At June 30, 2020, 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	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 950,559	\$ -	\$ 950,559
Changes of assumptions	230,900	-	230,900
Net difference between projected and actual earnings on pension plan investments	-	833,354	(833,354)
Total deferred amounts to be recognized in pension expense in future periods	\$ 1,181,459	\$ 833,354	\$ 348,105
Pension contributions made subsequent to the measurement date	436,958	-	436,958
Total deferred amounts related to pensions	\$ 1,618,417	\$ 833,354	\$ 785,063

NOTES TO FINANCIAL STATEMENTS (Continued)

\$436,958 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ 367,076
2021	309,713
2022	89,821
2023	(418,505)
2024	-
Thereafter	-
	\$ 348,105

C. *Social Security*

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

NOTE 12 - POST EMPLOYMENT BENEFIT COMMITMENTS

A. *Teacher Health Insurance Security Fund (THIS)*

General Information About the OPEB Plan

Plan Description

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

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

Benefits Provided

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

- Teachers' Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide

NOTES TO FINANCIAL STATEMENTS (Continued)

network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.

- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
 - Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
 - Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.
 - Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

Contributions

For the fiscal year ended June 30, 2020, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the THIS make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to 0.92% of each teacher's salary. For the fiscal year ended June 30, 2019, the employee contribution was 1.24% of salary and the employer contribution was 0.92% of each teacher's salary. The Department of Central Management Services determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THISF), an amount equal to the amount certified by the Board of Trustees of THIS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to THIS by the employer.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2020, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$281,057 in benefit contributions from the State of Illinois.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

District's proportionate share of the net pension liability	\$ 25,405,173
State's proportionate share of the net pension liability associated with the District	34,401,813
Total	<u>\$ 59,806,986</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2019, relative to the contributions of all participating THIS employers and the State during that period. At June 30, 2019, the District's proportion was 0.091790%, which was an decrease of 0.003276% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized benefit expense of \$1,183,789 and on-behalf revenue/expense of \$281,057 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ (421,579)	\$ (421,579)
Net difference between projected and actual earnings on pension plan investments	-	(832)	(832)
Changes of assumptions	9,631	(2,912,260)	(2,902,629)
Changes in proportion and differences between employee contributions and proportionate share of contributions	778,025	(881,794)	(103,769)
Employer contributions subsequent to the measurement date	215,700	-	215,700
	<u>\$ 1,003,356</u>	<u>\$ (4,216,465)</u>	<u>\$ (3,213,109)</u>

\$281,057 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year Ending June 30	
2021	\$ 580,991
2022	352,432
2023	343,546
2024	527,971
2025	284,256
	<u>\$ 2,089,196</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Costs	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decrease to an ultimate trend of 4.5%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

The actuarial assumptions that were used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	2.04%
	100.0%	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.62% as of June 30, 2018, and 3.13% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, THIS's fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2019, the discount rate used to measure the total OPEB liability was 3.13%.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.13%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.13%) or 1 percentage-point higher (4.13%) than the current rate.

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
Employer's proportionate share of the net OPEB liability	\$ 30,546,209	\$ 25,405,173	\$ 21,344,813

NOTES TO FINANCIAL STATEMENTS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Valuation Rate	1% Increase (b)
Employer's proportionate share of the net OPEB liability	\$ 20,525,288	\$ 25,405,173	\$ 31,996,017

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

B. *Retiree Insurance Plan*

Plan Overview

In addition to the retirement plan described in Note 11, the District provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical Coverage

Retirees and their eligible dependents can remain as participants on the 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 of coverage.

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of the District are eligible for retiree health benefits as listed below:

IMRF Personnel

Regular Plan Tier 1 (Enrolled in IMRF Prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)
- At least 55 years old and at least 35 years of credited service (full pension)

Regular Plan Tier 2 (Enrolled in IMRF On or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)
- At least 62 years old and at least 35 years of credited service (full pension)

Membership in the plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2020, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2019.

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, unless otherwise specified:

Actuarial Method	Entry Age Normal
Discount rate	2.66%
Salary Rate Increase	4.00%
Expected long-term investment rate of return	N/A
Health Care Trend	

Period	PPO Plan	HMO Plan	HDHP
FY20-FY21	-8.06%	-7.30%	-8.06%
FY21-FY22	6.00%	5.00%	6.00%
FY22-FY23	5.89%	4.96%	5.89%
FY23-FY24	5.79%	4.93%	5.79%
FY24-FY25	5.68%	4.89%	5.68%
FY25-FY26	5.57%	4.86%	5.57%
FY26-FY27	5.46%	4.82%	5.46%
FY27-FY28	5.36%	4.79%	5.36%
FY28-FY29	5.25%	4.75%	5.25%
FY29-FY30	5.14%	4.71%	5.14%
FY30-FY31	5.00%	4.68%	5.04%
FY31-FY32	4.93%	4.64%	4.93%
FY32-FY33	4.82%	4.61%	4.82%
FY33-FY34	4.71%	4.57%	4.71%
FY34-FY35	4.61%	4.54%	4.61%
FY35-FY36	4.50%	4.50%	4.50%
Subsequent	4.50%	4.50%	4.50%

Retiree Contribution Trend	Same as Health Care Trend
Mortality	IMRF Employees and Retirees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report
Retirement, Withdrawal and Disability Rates	IMRF Employees: Rates from the December 31, 2019 IMRF Actuarial Valuation Report.
Starting Per Capita Costs	

Age	PPO Plan		HMO Plan		HDHP	
	Retiree	Spouse	Retiree	Spouse	Retiree	Spouse
55	\$ 17,580	\$ 19,561	\$ 12,184	\$ 13,526	\$ 14,195	\$ 15,795
57	19,198	21,362	13,306	14,770	15,501	17,249
60	21,908	24,377	15,184	16,856	17,690	19,684
62	23,924	26,620	16,581	18,407	19,318	21,495
64	26,126	29,070	18,107	20,101	21,095	23,473

	Retiree	Spouse
PPO Plan	\$ 11,320	\$ 12,596
HMO Plan	7,846	8,710
HDHP	9,141	10,171

Age	Rate Per Age
Under 65	4.50%

Morbidity	
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.

NOTES TO FINANCIAL STATEMENTS (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on assumptions about future events.

There is no long-term expected rate of return on OPEB plan investments because the District does not have a trust dedicated exclusively to the payment of OPEB benefits.

Discount Rate

The District does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 2.66% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2020.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019	\$ 232,578	\$ -	\$ 232,578
Changes for the year:			
Service Cost	\$ 14,502	\$ -	\$ 14,502
Interest on Total OPEB Liability	6,255	-	6,255
Assumption Changes	(17,081)	-	(17,081)
Contributions - Employer	967	-	967
Benefit Payments	(16,735)	-	(16,735)
Other Changes	1,286	-	1,286
Net Changes	\$ (10,806)	\$ -	\$ (10,806)
Balances at June 30, 2020	\$ 221,772	\$ -	\$ 221,772

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Increase	Valuation Rate	1% Decrease
\$ 210,858	\$ 221,772	\$ 233,204

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Increase	Valuation Rate	1% Decrease
\$ 239,911	\$ 221,772	\$ 205,748

NOTES TO FINANCIAL STATEMENTS (Continued)

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$17,875. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 14,912	\$ (14,912)
Changes of Assumptions	11,149	13,540	(2,391)
Total	<u>\$ 11,149</u>	<u>\$ 28,452</u>	<u>\$ (17,303)</u>

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (7.87 years) in the postretirement plan.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year ending June 30	Outflows	Inflows
2021	\$ 1,661	\$ 4,543
2022	1,661	4,543
2023	1,661	4,543
2024	1,661	4,543
2025	1,661	4,543
2026	1,661	3,110
2027	1,183	2,629
	<u>\$ 11,149</u>	<u>\$ 28,454</u>

NOTE 13 - INTERFUND TRANSFERS

The following transfers were made for the year ended June 30, 2020:

Transfer from	Transfer to	Amount
General Fund	Transportation Fund	\$ 221,000
Operations and Maintenance Fund	Transportation Fund	70,000
Debt Services Fund	Transportation Fund	80,000
Operations and Maintenance Fund	Debt Services Fund	1,647,015

The purpose of the interfund transfers from the General Fund, Operations and Maintenance Fund and Debt Services Fund to the Transportation Fund was to transfer interest earned into the fund that is most in need of the interest. The purpose of the interfund transfer from the Operations and Maintenance Fund to the Debt Services Fund was to cover principal and interest payments on long term debt.

NOTE 14 - JOINT VENTURE – SPECIAL EDUCATION DISTRICT OF LAKE COUNTY (SEDOL)

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

A summary of the Statement of Net Position of SEDOL at June 30, 2019 (most recent information available) is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

NOTE 15 - RISK MANAGEMENT

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

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

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

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members. As of June 30, 2020, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

During the year ended June 30, 2020, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2020, there were no significant adjustments in premiums based on actual experience.

NOTE 16 - SELF INSURANCE

The District self-insures a portion of its employees' health care benefits (their PPO plan, as well as a High Deductible Plan). A third party administrator has been contracted to manage the plan. Stop loss insurance has been obtained from Blue Cross Blue Shield for losses in excess of \$65,000 per individual. At June 30, 2020 the liability for unpaid claims was \$40,199. A reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Claims Liabilities - Beginning of the Year	\$ 302,920
Incurred Claims	1,564,926
Payments on Claims	<u>(1,827,647)</u>
Claim Liabilities - end of Year	<u>\$ 40,199</u>

NOTE 17 - CONTINGENCIES

The District is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 18 - LEGAL DEBT LIMITATION

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

2019 EAV		\$ 714,251,648
Rate		<u>6.90%</u>
Debt Margin		\$ 49,283,364
Current Debt	\$ 43,628,500	
Less: Long-term debt not subject to limit	<u>(31,300,516)</u>	
		<u>12,327,984</u>
Remaining Debt Margin		<u>\$ 36,955,380</u>

NOTE 19 - SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2020

	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
TOTAL PENSION LIABILITY						
Service Cost	\$ 659,137	\$ 422,844	\$ 657,562	\$ 667,394	\$ 641,051	\$ 669,630
Interest on the Total Pension Liability	1,769,568	1,519,780	1,599,657	1,485,739	1,352,380	1,197,725
Differences Between Expected and Actual Experience	726,105	2,065,401	(2,238,369)	(67,846)	301,119	(27,866)
Changes of Assumptions	-	715,816	(367,023)	(55,708)	26,503	709,032
Benefit Payments, Including Refunds of Member Contributions	(758,004)	(637,749)	(561,238)	(556,227)	(498,194)	(397,982)
Net Change in Total Pension Liability	\$ 2,396,806	\$ 4,086,092	\$ (909,411)	\$ 1,473,352	\$ 1,822,859	\$ 2,150,539
Total Pension Liability - Beginning	24,457,274	20,371,182	21,280,593	19,807,241	17,984,382	15,833,843
Total Pension Liability - Ending	\$ 26,854,080	\$ 24,457,274	\$ 20,371,182	\$ 21,280,593	\$ 19,807,241	\$ 17,984,382
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 526,095	\$ 899,064	\$ 446,101	\$ 653,135	\$ 627,393	\$ 575,850
Contributions - Member	286,233	381,523	176,092	260,099	260,528	250,260
Net Investment Income	3,578,505	(890,106)	2,948,394	1,107,030	80,175	898,059
Benefit Payments, Including Refunds of Member Contributions	(758,004)	(637,749)	(561,238)	(556,227)	(498,194)	(397,982)
Other (Net Transfers)	212,775	192,806	(204,083)	175,249	(337,483)	5,818
Net Change in Plan Fiduciary Net Position	\$ 3,845,604	\$ (54,462)	\$ 2,805,266	\$ 1,639,286	\$ 132,419	\$ 1,332,005
Plan Net Position - Beginning	20,362,733	20,417,195	17,611,929	15,972,643	15,840,224	14,508,219
Plan Net Position - Ending	\$ 24,208,337	\$ 20,362,733	\$ 20,417,195	\$ 17,611,929	\$ 15,972,643	\$ 15,840,224
District's Net Pension Liability	\$ 2,645,743	\$ 4,094,541	\$ (46,013)	\$ 3,668,664	\$ 3,834,598	\$ 2,144,158
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.15%	83.26%	100.23%	82.76%	80.64%	88.08%
Covered-Valuation Payroll	\$ 6,338,158	\$ 6,068,726	\$ 3,911,445	\$ 5,777,307	\$ 5,642,021	\$ 5,369,507
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	41.74%	67.47%	-1.18%	63.50%	67.96%	39.93%

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

□

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

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Actuarially-Determined Contribution	\$ 524,166	\$ 682,732	\$ 446,101	\$ 652,836	\$ 627,393	\$ 574,000
Contributions in Relation to Actuarially-Determined Contribution	<u>526,095</u>	<u>682,732</u>	<u>446,101</u>	<u>653,135</u>	<u>627,393</u>	<u>575,850</u>
Contribution Deficiency/(Excess)	<u>\$ (1,929)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (299)</u>	<u>\$ -</u>	<u>\$ (1,850)</u>
Covered-Valuation Payroll	\$ 7,188,185	\$ 5,766,275	\$ 5,124,994	\$ 5,777,307	\$ 5,642,021	\$ 5,369,507
Contributions as a Percentage of Covered-Valuation Payroll	7.32%	11.84%	8.70%	11.31%	11.12%	10.72%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2019 Contribution Rate *

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

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 24-year closed period

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

Wage Growth: 3.25%

Price Inflation: 2.50%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.

Mortality: For non-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 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, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation; note two year lag between valuation and rate setting.

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

□

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0079286%	0.0032048%	0.0056888%	0.0054249%	0.0046807%	0.0032977%
Employer's proportionate share of the Net Pension Liability	\$ 6,430,733	\$ 2,497,951	\$ 4,346,173	\$ 4,282,168	\$ 3,066,318	\$ 2,006,942
State's proportionate share of the Net Pension Liability associated with the employer	<u>457,668,285</u>	<u>171,120,087</u>	<u>156,601,127</u>	<u>169,344,942</u>	<u>137,401,339</u>	<u>119,790,118</u>
Total	<u>\$ 464,099,018</u>	<u>\$ 173,618,038</u>	<u>\$ 160,947,300</u>	<u>\$ 173,627,110</u>	<u>\$ 140,467,657</u>	<u>\$ 121,797,060</u>
Employer's Covered Payroll	\$ 22,367,293	\$ 22,387,813	\$ 21,838,814	\$ 21,147,237	\$ 20,646,245	\$ 19,933,566
Employer's proportionate share of the Net Pension Liability as a percentage of its Covered Payroll	28.75%	11.16%	19.90%	20.25%	14.85%	10.07%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	40.00%	40.00%	39.30%	36.40%	41.50%	43.00%

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

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

Changes of Assumptions:

For the 2019, 2018, 2017 and 2016 measurement years, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.5% and a real return of 4.5%. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

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

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-required contribution	\$ 135,985	\$ 139,575	\$ 157,350	\$ 234,715	\$ 208,105	\$ 171,782
Contributions in relation to statutorily-required contribution	<u>356,799</u>	<u>373,593</u>	<u>157,350</u>	<u>234,715</u>	<u>208,105</u>	<u>171,782</u>
Contribution deficiency/(excess)	<u>\$ (220,814)</u>	<u>\$ (234,018)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 23,445,674	\$ 22,367,293	\$ 22,387,813	\$ 21,147,237	\$ 20,646,245	\$ 19,933,566
Contributions as a percentage of covered payroll	1.52%	1.67%	0.70%	1.11%	1.01%	0.86%

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

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

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET OPEB LIABILITY
 JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>
Employer's proportion of the Net OPEB Liability	0.0917900%	0.0950660%	0.0935040%
Employer's proportionate share of the Net OPEB Liability	\$ 25,405,173	\$ 25,045,882	\$ 24,263,913
State's proportionate share of the Net OPEB Liability associated with the employer	<u>34,401,813</u>	<u>33,631,332</u>	<u>31,864,481</u>
Total	<u>\$ 59,806,986</u>	<u>\$ 58,677,214</u>	<u>\$ 56,128,394</u>
Employer's Covered Payroll	\$ 22,367,293	\$ 22,387,813	\$ 22,119,171
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	113.58%	111.87%	109.70%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	-0.07%	-0.07%	-0.17%

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

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

Changes of Assumptions:

For the 2019 measurement year, the assumed investment rate of return was 0%, including an inflation rate of 2.50%, and the healthcare cost trend rates used the actual trend. Salary increases include a 3.25% wage inflation.

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>
Statutorily-Required Contribution	\$ 205,779	\$ 198,318	\$ 180,686
Contributions in relation to the Statutorily-Required Contribution	<u>207,556</u>	<u>197,013</u>	<u>183,446</u>
Contribution deficiency/(excess)	<u>\$ (1,777)</u>	<u>\$ 1,305</u>	<u>\$ (2,760)</u>
Employer's Covered Payroll	\$ 23,445,674	\$ 22,367,293	\$ 22,387,813
Contributions as a percentage of Covered Payroll	0.89%	0.88%	0.82%

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

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS
JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 14,502	\$ 13,759	\$ 14,068
Interest	6,255	6,711	6,606
Contributions - Employer	967	-	1
Benefit Payments	(16,735)	(6,337)	(4,205)
Changes in Assumptions	(17,081)	4,629	(1,584)
Other Changes	1,286	(379)	(10,526)
Net Change in Total OPEB Liability	<u>\$ (10,806)</u>	<u>\$ 18,383</u>	<u>\$ 4,360</u>
Total OPEB Liability - Beginning	<u>232,578</u>	<u>214,195</u>	<u>209,836</u>
Total OPEB Liability - Ending	<u>\$ 221,772</u>	<u>\$ 232,578</u>	<u>\$ 214,196</u>
 OPEB PLAN FIDUCIARY NET POSITION			
OPEB Plan Net Position - Beginning	\$ -	\$ -	\$ -
OPEB Net Position - Ending	<u>-</u>	<u>-</u>	<u>-</u>
District's Net OPEB Plan Liability	<u>\$ 221,772</u>	<u>\$ 232,578</u>	<u>\$ 214,196</u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 6,027,912	\$ 6,241,435	\$ 5,566,781
Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	3.68%	3.73%	3.85%

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>
Actuarially-Determined Contribution	N/A	N/A	N/A
Contributions in Relation to Actuarially-Determined Contribution	<u>967</u>	<u>-</u>	<u>-</u>
Contribution Deficiency/(Excess)	<u>\$ (967)</u>	<u>N/A</u>	<u>N/A</u>
Covered-Employee Payroll	\$ 5,844,909	\$ 6,241,435	\$ 5,566,781
Contributions as a Percentage of Covered-Employee Payroll	0.02%	0.00%	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 22,630,846	\$ 21,465,303	\$ 22,606,801
Payments in Lieu of Taxes	109,000	59,000	43,302
Tuition	54,060	57,000	27,451
Earnings on Investments	149,000	168,000	224,631
Food Service	326,500	251,107	279,286
District/School Activity Income	267,226	145,000	155,708
Textbooks	245,138	220,700	184,025
Other Local Sources	309,761	332,460	291,068
State Aid			
General State Aid	13,534,029	13,534,029	13,548,900
Special Education	409,355	343,218	431,691
State Free Lunch and Breakfast	5,616	4,000	7,123
Early Childhood - Block Grant	214,588	214,588	214,588
Other State Aid	-	2,750	-
Federal Aid			
Food Service	433,925	393,000	492,113
Title I	255,292	319,115	288,507
Federal Special Education	571,739	816,466	656,145
Emergency Immigrant Assistance	-	6,600	1,615
Title III - English Language Acquisition	60,800	58,016	51,395
Title II - Teacher Quality	65,318	81,648	52,405
Medicaid Matching Funds - Administrative Outreach	70,000	70,000	59,927
Medicaid Matching Funds - Fee-for-Service Program	393,012	375,000	279,356
Other Federal Aid	-	241,000	-
On-Behalf Payments	18,500,000	18,500,000	49,972,421
Total Revenues	\$ 58,605,205	\$ 57,658,000	\$ 89,868,458
EXPENDITURES			
Instruction			
Regular Programs			
Salaries	\$ 11,520,723	\$ 12,135,670	\$ 12,007,839
Employee Benefits	1,726,269	1,730,980	1,818,975
Purchased Services	185,613	120,600	285,930
Supplies and Materials	662,767	732,563	627,652
Other Objects	1,000	1,000	616
Non-Capitalized Equipment	11,000	20,700	18,566
	<u>\$ 14,107,372</u>	<u>\$ 14,741,513</u>	<u>\$ 14,759,578</u>
Pre-K Programs			
Salaries	\$ 85,974	\$ 210,000	\$ 323,323
Employee Benefits	-	-	22,369
	<u>\$ 85,974</u>	<u>\$ 210,000</u>	<u>\$ 345,692</u>
Special Education Programs			
Salaries	\$ 3,794,776	\$ 3,834,420	\$ 3,812,943
Employee Benefits	945,079	945,775	854,779
Purchased Services	47,595	70,425	73,245
Supplies and Materials	67,359	152,000	42,736
Non-Capitalized Equipment	-	750	714
	<u>\$ 4,854,809</u>	<u>\$ 5,003,370</u>	<u>\$ 4,784,417</u>
Remedial and Supplemental Programs K-12			
Salaries	\$ 1,890,795	\$ 1,835,883	\$ 1,807,743
Employee Benefits	289,678	290,124	282,941
	<u>\$ 2,180,473</u>	<u>\$ 2,126,007</u>	<u>\$ 2,090,684</u>
Special Education Programs Pre-K			
Salaries	\$ 866,304	\$ 764,964	\$ 639,424
Employee Benefits	118,643	118,821	136,783
Purchased Services	5,616	5,500	1,989
Supplies and Materials	28,542	82,671	51,322
	<u>\$ 1,019,105</u>	<u>\$ 971,956</u>	<u>\$ 829,518</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
Interscholastic Programs			
Salaries	\$ 433,505	\$ 433,505	\$ 391,589
Employee Benefits	8,443	8,566	8,506
Purchased Services	13,750	13,750	11,431
Supplies and Materials	7,280	7,280	3,961
Other Objects	4,700	4,700	7,398
	<u>\$ 467,678</u>	<u>\$ 467,801</u>	<u>\$ 422,885</u>
Summer School Programs			
Salaries	\$ 118,770	\$ 118,770	\$ 51,454
Employee Benefits	1,945	1,972	864
Purchased Services	250	250	119
Supplies and Materials	3,000	3,000	-
	<u>\$ 123,965</u>	<u>\$ 123,992</u>	<u>\$ 52,437</u>
Bilingual Programs			
Salaries	\$ 1,807,974	\$ 1,688,376	\$ 1,656,847
Employee Benefits	209,522	209,878	220,491
Purchased Services	28,533	16,710	23,411
Supplies and Materials	50,513	42,942	60,367
	<u>\$ 2,096,542</u>	<u>\$ 1,957,906</u>	<u>\$ 1,961,116</u>
Private Tuition - Other Objects			
Special Education Programs K-12	\$ 1,200,000	\$ 1,200,000	\$ 1,683,391
	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,683,391</u>
Total Instruction	<u>\$ 26,135,918</u>	<u>\$ 26,802,545</u>	<u>\$ 26,929,718</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	\$ 1,079,949	\$ 987,406	\$ 987,402
Employee Benefits	128,981	129,346	298,092
	<u>\$ 1,208,930</u>	<u>\$ 1,116,752</u>	<u>\$ 1,285,494</u>
Health Services			
Salaries	\$ 427,081	\$ 393,818	\$ 362,762
Employee Benefits	82,641	82,641	91,069
Purchased Services	122,600	156,000	266,911
Supplies and Materials	5,500	5,500	6,073
	<u>\$ 637,822</u>	<u>\$ 637,959</u>	<u>\$ 726,815</u>
Psychological Services			
Salaries	\$ 332,471	\$ 420,374	\$ 420,369
Employee Benefits	55,098	55,202	75,841
Purchased Services	2,750	2,750	7,855
Supplies and Materials	200	200	-
	<u>\$ 390,519</u>	<u>\$ 478,526</u>	<u>\$ 504,065</u>
Speech Pathology and Audiology Services			
Salaries	\$ 757,556	\$ 773,435	\$ 776,439
Employee Benefits	100,332	100,572	94,450
Purchased Services	35,750	5,750	3,437
Supplies and Materials	1,500	1,500	-
	<u>\$ 895,138</u>	<u>\$ 881,257</u>	<u>\$ 874,326</u>
Other Support Services - Pupils			
Salaries	\$ 470,080	\$ 448,988	\$ 448,986
Employee Benefits	44,094	44,094	34,574
Purchased Services	-	-	660
Supplies and Materials	200	200	-
	<u>\$ 514,374</u>	<u>\$ 493,282</u>	<u>\$ 484,220</u>
Total Support Services - Pupils	<u>\$ 3,646,783</u>	<u>\$ 3,607,776</u>	<u>\$ 3,874,920</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 909,445	\$ 981,777	\$ 612,553
Employee Benefits	138,003	129,265	130,317
Purchased Services	120,666	83,922	76,847
Supplies and Materials	67,444	70,453	48,708
Non-Capitalized Equipment	-	-	6,406
	<u>\$ 1,235,558</u>	<u>\$ 1,265,417</u>	<u>\$ 874,831</u>
Educational Media Services			
Salaries	\$ 716,185	\$ 636,885	\$ 638,038
Employee Benefits	146,273	146,478	100,097
Purchased Services	450	450	-
Supplies and Materials	30,698	29,698	24,151
Non-Capitalized Equipment	2,042	2,042	99
	<u>\$ 895,648</u>	<u>\$ 815,553</u>	<u>\$ 762,385</u>
Assessment and Testing			
Salaries	\$ 242	\$ 242	\$ 634
Employee Benefits	-	-	35
Purchased Services	105,000	105,500	101,551
Supplies and Materials	511	511	25
	<u>\$ 105,753</u>	<u>\$ 106,253</u>	<u>\$ 102,245</u>
Total Support Services - Instructional Staff	<u>\$ 2,236,959</u>	<u>\$ 2,187,223</u>	<u>\$ 1,739,461</u>
General Administration			
Board of Education Services			
Salaries	\$ 4,333	\$ 4,333	\$ 11,479
Employee Benefits	70,686	70,686	722
Purchased Services	165,414	195,414	193,306
Supplies and Materials	1,500	1,500	1,208
Other Objects	9,000	9,000	3,245
	<u>\$ 250,933</u>	<u>\$ 280,933</u>	<u>\$ 209,960</u>
Executive Administration Services			
Salaries	\$ 241,265	\$ 246,193	\$ 249,828
Employee Benefits	43,195	43,582	70,998
Purchased Services	12,000	10,000	5,083
Supplies and Materials	2,500	2,500	2,686
Other Objects	4,000	4,000	2,538
Non-Capitalized Equipment	8,000	8,000	7,971
	<u>\$ 310,960</u>	<u>\$ 314,275</u>	<u>\$ 339,104</u>
Special Area Administration Services			
Salaries	\$ 461,389	\$ 289,216	\$ 430,698
Employee Benefits	75,435	75,775	90,006
Purchased Services	38,400	23,400	41,977
Supplies and Materials	2,466	2,466	990
Other Objects	1,250	1,250	620
Non-Capitalized Equipment	3,118	3,118	-
	<u>\$ 582,058</u>	<u>\$ 395,225</u>	<u>\$ 564,291</u>
Tort Immunity Services			
Purchased Services	\$ 192,342	\$ 192,342	\$ 185,195
	<u>\$ 192,342</u>	<u>\$ 192,342</u>	<u>\$ 185,195</u>
Insurance Payments			
Purchased Services	\$ 172,343	\$ 172,343	\$ 171,893
	<u>\$ 172,343</u>	<u>\$ 172,343</u>	<u>\$ 171,893</u>
Total Support Services - General Administration	<u>\$ 1,508,636</u>	<u>\$ 1,355,118</u>	<u>\$ 1,470,443</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
School Administration			
Office of the Principal Services			
Salaries	\$ 1,509,587	\$ 1,533,515	\$ 1,531,518
Employee Benefits	310,368	312,505	324,647
Purchased Services	10,956	10,956	4,264
Supplies and Materials	15,000	14,000	15,747
Other Objects	5,900	5,900	3,563
Non-Capitalized Equipment	2,000	2,000	1,399
	<u>\$ 1,853,811</u>	<u>\$ 1,878,876</u>	<u>\$ 1,881,138</u>
Total Support Services - School Administration	<u>\$ 1,853,811</u>	<u>\$ 1,878,876</u>	<u>\$ 1,881,138</u>
Business			
Direction of Business Support Services			
Salaries	\$ 104,545	\$ 145,000	\$ 149,425
Employee Benefits	22,785	22,952	21,833
Other Objects	-	-	474
	<u>\$ 127,330</u>	<u>\$ 167,952</u>	<u>\$ 171,732</u>
Fiscal Services			
Salaries	\$ 174,863	\$ 174,569	\$ 178,293
Employee Benefits	50,407	50,407	29,190
Purchased Services	78,889	78,889	85,173
Supplies and Materials	5,003	3,000	4,060
Other Objects	2,553	2,553	-
Non-Capitalized Equipment	1,021	1,021	-
	<u>\$ 312,736</u>	<u>\$ 310,439</u>	<u>\$ 296,716</u>
Internal Services			
Purchased Services	\$ 200,717	\$ 187,444	\$ 208,795
Supplies and Materials	59,218	50,000	33,241
	<u>\$ 259,935</u>	<u>\$ 237,444</u>	<u>\$ 242,036</u>
Total Support Services - Business	<u>\$ 700,001</u>	<u>\$ 715,835</u>	<u>\$ 710,484</u>
Transportation			
Purchased Services	\$ -	\$ -	\$ 17,733
Total Support Services - Transportation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,733</u>
Food Services			
Salaries	\$ 30,169	\$ 50,969	\$ 30,581
Employee Benefits	8,186	8,186	11,250
Purchased Services	714,700	525,000	599,719
Supplies and Materials	5,871	10,354	6,237
Total Support Services - Food Services	<u>\$ 758,926</u>	<u>\$ 594,509</u>	<u>\$ 647,787</u>
Central			
Staff Services			
Salaries	\$ 262,898	\$ 238,896	\$ 189,207
Employee Benefits	152,712	152,729	108,967
Purchased Services	47,600	46,600	44,712
Supplies and Materials	500	500	368
	<u>\$ 463,710</u>	<u>\$ 438,725</u>	<u>\$ 343,254</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Central (Continued)			
Data Processing Services			
Salaries	\$ 611,008	\$ 585,049	\$ 582,701
Employee Benefits	89,118	89,118	97,188
Purchased Services	95,000	359,100	403,308
Supplies and Materials	442,000	102,000	68,287
Non-Capitalized Equipment	57,252	35,000	31,977
	<u>\$ 1,294,378</u>	<u>\$ 1,170,267</u>	<u>\$ 1,183,461</u>
Total Support Services - Central	<u>\$ 1,758,088</u>	<u>\$ 1,608,992</u>	<u>\$ 1,526,715</u>
Total Support Services	<u>\$ 12,463,204</u>	<u>\$ 11,948,329</u>	<u>\$ 11,868,681</u>
Community Services			
Salaries	\$ 572	\$ 2,572	\$ 1,599
Employee Benefits	56	106	23
Purchased Services	27,123	31,467	44,771
Supplies and Materials	10,176	5,250	2,087
Total Community Services	<u>\$ 37,927</u>	<u>\$ 39,395</u>	<u>\$ 48,480</u>
Payments to Other Districts and Governmental Units			
Payments to Other Districts and Governmental Units-Tuition (In-State)			
Payments for Regular Programs			
Other Objects	\$ 9,281	\$ 9,281	\$ 19,836
Payments for Special Education Programs			
Other Objects	1,550,000	1,700,000	1,446,641
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,559,281</u>	<u>\$ 1,709,281</u>	<u>\$ 1,466,477</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,559,281</u>	<u>\$ 1,709,281</u>	<u>\$ 1,466,477</u>
Capital Outlay			
Instruction			
Special Education Programs	\$ 47,068	\$ -	\$ -
Support Services			
Business	-	4,000	3,921
Food Services	9,708	-	-
Central	4,000	4,000	-
Total Capital Outlay	<u>\$ 60,776</u>	<u>\$ 8,000</u>	<u>\$ 3,921</u>
On-Behalf Payments	<u>\$ 18,500,000</u>	<u>\$ 18,500,000</u>	<u>\$ 49,972,421</u>
Total Expenditures	<u>\$ 58,757,106</u>	<u>\$ 59,007,550</u>	<u>\$ 90,289,698</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (151,901)	\$ (1,349,550)	\$ (421,240)
OTHER FINANCING SOURCES (USES)			
Interest Transfers	-	(221,000)	(221,000)
NET CHANGE IN FUND BALANCE	<u>\$ (151,901)</u>	<u>\$ (1,570,550)</u>	<u>\$ (642,240)</u>
FUND BALANCE - JULY 1, 2019			<u>13,525,708</u>
FUND BALANCE - JUNE 30, 2020			<u>\$ 12,883,468</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 3,489,396	\$ 3,312,022	\$ 3,460,295
Earnings on Investments	36,756	55,000	69,797
Other Local Sources	1,210,729	640,190	650,088
State Aid			
School Infrastructure - Maintenance	-	-	50,000
Total Revenues	\$ 4,736,881	\$ 4,007,212	\$ 4,230,180
EXPENDITURES			
Support Services			
Operations and Maintenance			
Salaries	\$ 968,365	\$ 971,823	\$ 960,330
Employee Benefits	246,028	246,028	230,676
Purchased Services	932,487	937,004	875,326
Supplies and Materials	860,750	751,675	679,546
Other Objects	1,523,942	1,523,942	408
Non-Capitalized Equipment	10,000	5,000	3,155
Total Support Services - Operations and Maintenance	\$ 4,541,572	\$ 4,435,472	\$ 2,749,441
Total Support Services	\$ 4,541,572	\$ 4,435,472	\$ 2,749,441
Payments to Other Districts and Governmental Units			
Payments to Other Districts and Governmental Units (In-State)			
Payments for Special Education Programs			
Purchased Services	\$ 123,140	\$ 123,140	\$ -
	\$ 123,140	\$ 123,140	\$ -
Total Payments to Other Districts and Governmental Units (In-State)	\$ 123,140	\$ 123,140	\$ -
Total Payments to Other Districts and Governmental Units	\$ 123,140	\$ 123,140	\$ -
Capital Outlay			
Support Services			
Operations and Maintenance	\$ 822,650	\$ 600,000	\$ 401,318
Total Capital Outlay	\$ 822,650	\$ 600,000	\$ 401,318
Total Expenditures	\$ 5,487,362	\$ 5,158,612	\$ 3,150,759
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (750,481)	\$ (1,151,400)	\$ 1,079,421
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ -	\$ -	\$ (1,674,015)
Interest Transfers	-	(70,000)	(70,000)
	\$ -	\$ (70,000)	\$ (1,744,015)
NET CHANGE IN FUND BALANCE	\$ (750,481)	\$ (1,221,400)	\$ (664,594)
FUND BALANCE - JULY 1, 2019			4,242,971
FUND BALANCE - JUNE 30, 2020			\$ 3,578,377

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 1,169,141	\$ 1,107,816	\$ 1,289,370
Transportation Fees	32,162	32,162	12,678
Earnings on Investments	4,000	11,000	14,604
Other Local Sources	300	300	4,748
State Aid			
Transportation	1,666,420	1,171,035	1,559,006
Federal Aid			
Title I	9,189	9,000	-
Title III - English Language Acquisition	3,000	3,301	-
Total Revenues	\$ 2,884,212	\$ 2,334,614	\$ 2,880,406
EXPENDITURES			
Support Services			
Pupil			
Other Support Services - Pupils			
Purchased Services	\$ -	\$ -	\$ 51,706
Total Support Services - Pupil	\$ -	\$ -	\$ 51,706
Transportation			
Salaries	\$ 20,113	\$ 20,113	\$ 20,387
Employee Benefits	4,422	4,422	1,928
Purchased Services	2,654,062	2,327,601	2,552,584
Supplies and Materials	180,530	180,530	113,405
Total Support Services - Transportation	\$ 2,859,127	\$ 2,532,666	\$ 2,688,304
Total Support Services	\$ 2,859,127	\$ 2,532,666	\$ 2,740,010
Total Expenditures	\$ 2,859,127	\$ 2,532,666	\$ 2,740,010
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 25,085	\$ (198,052)	\$ 140,396
OTHER FINANCING SOURCES (USES)			
Transfer of Working Cash Fund Interest	\$ -	\$ 46,000	\$ 46,000
Transfer of Interest	-	325,000	325,000
	\$ -	\$ 371,000	\$ 371,000
NET CHANGE IN FUND BALANCE	\$ 25,085	\$ 172,948	\$ 511,396
FUND BALANCE - JULY 1, 2019			913,686
FUND BALANCE - JUNE 30, 2020			\$ 1,425,082

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 667,737	\$ 635,277	\$ 716,463
FICA/Medicare Only Purposes Levies	800,368	759,546	815,463
Other Tax Levies	42,225	40,027	40,208
Payments in Lieu of Taxes	-	-	102,095
Earnings on Investments	10,000	10,000	11,887
Total Revenues	\$ 1,520,330	\$ 1,444,850	\$ 1,686,116
EXPENDITURES			
Instruction			
Regular Programs			
Employee Benefits	\$ 223,733	\$ 234,441	\$ 221,942
Pre-K Programs			
Employee Benefits	2,000	-	2,002
Special Education Programs			
Employee Benefits	334,247	332,888	290,126
Special Education Programs - Pre-K			
Employee Benefits	55,664	54,973	64,178
Remedial and Supplemental Programs - K-12			
Employee Benefits	105,032	108,806	98,296
Interscholastic Programs			
Employee Benefits	26,565	26,810	13,131
Summer School Programs			
Employee Benefits	9,460	9,558	3,442
Bilingual Programs			
Employee Benefits	40,567	45,068	50,266
	<u>\$ 797,268</u>	<u>\$ 812,544</u>	<u>\$ 743,383</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Employee Benefits	\$ 15,109	\$ 14,320	\$ 14,048
Health Services			
Employee Benefits	66,418	68,041	66,743
Psychological Services			
Employee Benefits	4,365	6,100	5,622
Speech Pathology and Audiology Services			
Employee Benefits	11,873	11,219	11,168
Other Support Services - Pupils			
Employee Benefits	89,732	90,425	83,334
	<u>\$ 187,497</u>	<u>\$ 190,105</u>	<u>\$ 180,915</u>
Instructional Staff			
Improvement of Instruction Services			
Employee Benefits	\$ 28,482	\$ 26,927	\$ 18,399
Educational Media Services			
Employee Benefits	31,116	30,601	32,911
Assessment and Testing			
Employee Benefits	-	-	5
	<u>\$ 59,598</u>	<u>\$ 57,528</u>	<u>\$ 51,315</u>
General Administration			
Board of Education Services			
Employee Benefits	\$ 2,067	\$ 2,092	\$ 3,326
Executive Administration Services			
Employee Benefits	3,162	3,571	13,101
Special Area Administrative Services			
Employee Benefits	24,842	25,309	31,904
	<u>\$ 30,071</u>	<u>\$ 30,972</u>	<u>\$ 48,331</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
School Administration			
Office of the Principal Services			
Employee Benefits	\$ 90,531	\$ 91,965	\$ 92,966
	<u>\$ 90,531</u>	<u>\$ 91,965</u>	<u>\$ 92,966</u>
Business			
Direction of Business Support Services			
Employee Benefits	\$ 2,115	\$ 1,842	\$ 5,052
Fiscal Services			
Employee Benefits	49,149	47,741	32,135
	<u>\$ 51,264</u>	<u>\$ 49,583</u>	<u>\$ 37,187</u>
Operations and Maintenance			
Employee Benefits	\$ 189,232	\$ 190,358	\$ 182,316
	<u>\$ 189,232</u>	<u>\$ 190,358</u>	<u>\$ 182,316</u>
Transportation			
Employee Benefits	\$ 5,881	\$ 5,949	\$ -
	<u>\$ 5,881</u>	<u>\$ 5,949</u>	<u>\$ -</u>
Food Services			
Employee Benefits	\$ 6,174	\$ 6,494	\$ 10,345
	<u>\$ 6,174</u>	<u>\$ 6,494</u>	<u>\$ 10,345</u>
Central			
Staff Services			
Employee Benefits	\$ 149	\$ 2,699	\$ 13,801
Data Processing Services			
Employee Benefits	89,955	91,781	105,976
	<u>\$ 90,104</u>	<u>\$ 94,480</u>	<u>\$ 119,777</u>
Total Support Services	<u>\$ 710,352</u>	<u>\$ 717,434</u>	<u>\$ 723,152</u>
Community Services			
Employee Benefits	\$ -	\$ -	\$ 77
Total Community Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77</u>
Payments to Other Districts and Governmental Units			
Payments for Special Education Programs			
Employee Benefits	\$ 45,000	\$ 45,000	\$ 80,524
Total Payments to Other Districts and Governmental Units	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 80,524</u>
Total Expenditures	<u>\$ 1,552,620</u>	<u>\$ 1,574,978</u>	<u>\$ 1,547,136</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (32,290)	\$ (130,128)	\$ 138,980
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (32,290)</u>	<u>\$ (130,128)</u>	\$ 138,980
FUND BALANCE - JULY 1, 2019			<u>724,030</u>
FUND BALANCE - JUNE 30, 2020			<u>\$ 863,010</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2020

NOTE 1 - BUDGETARY PROCESS

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 18, 2019, and the final amended budget was passed on June 10, 2020. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

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

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

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

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2020, the following funds presented as Required Supplementary Information exceeded the budgeted expenditures:

Fund	Budget	Actual	Excess of Actual Over Budget
General	\$ 59,007,550	\$ 90,289,698	\$ 31,282,148
Transportation	2,532,666	2,740,010	207,344

SUPPLEMENTAL FINANCIAL INFORMATION

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 COMBINING BALANCE SHEET
 GENERAL FUND
 JUNE 30, 2020

	Educational Fund	Working Cash Fund	Tort Fund	General Fund Total
ASSETS				
Cash and Cash Equivalents	\$ 10,883,365	\$ 2,489,026	\$ 112,792	\$ 13,485,183
Investments, at Fair Value	1,403,390	320,955	14,544	1,738,889
Employee Receivables, net of allowance of \$0	11,132	-	-	11,132
Property Taxes Receivable, net of allowance of \$0	12,483,448	4	99,643	12,583,095
Interfund Receivable, net of allowance of \$0	1,000,000	-	-	1,000,000
Due from Other Governments, net of allowance of \$0	569,977	-	-	569,977
Prepaid Expenses	48,076	-	-	48,076
Other Current Assets	391,650	-	-	391,650
Total Assets	\$ 26,791,038	\$ 2,809,985	\$ 226,979	\$ 29,828,002
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 1,606,288	\$ -	\$ -	\$ 1,606,288
Accrued Payroll and Payroll Liabilities	3,890,441	-	-	3,890,441
Total Liabilities	\$ 5,496,729	\$ -	\$ -	\$ 5,496,729
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 11,357,148	\$ 4	\$ 90,653	\$ 11,447,805
Total Deferred Inflows of Resources	\$ 11,357,148	\$ 4	\$ 90,653	\$ 11,447,805
FUND BALANCE				
Nonspendable				
Prepaid Expenses	\$ 48,076	\$ -	\$ -	\$ 48,076
Restricted				
Tort Liability	-	-	136,326	136,326
Unassigned	9,889,085	2,809,981	-	12,699,066
Total Fund Balance	\$ 9,937,161	\$ 2,809,981	\$ 136,326	\$ 12,883,468
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 26,791,038	\$ 2,809,985	\$ 226,979	\$ 29,828,002

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

	Educational Fund	Working Cash Fund	Tort Fund	General Fund Total
REVENUES				
Property Taxes	\$ 22,451,141	\$ 6	\$ 155,654	\$ 22,606,801
Payments in Lieu of Taxes	43,302	-	-	43,302
Tuition	27,451	-	-	27,451
Earnings on Investments	175,816	46,144	2,671	224,631
Food Service	279,286	-	-	279,286
District/School Activity Income	155,708	-	-	155,708
Textbooks	184,025	-	-	184,025
Other Local Sources	291,068	-	-	291,068
State Aid	14,202,302	-	-	14,202,302
Federal Aid	1,881,463	-	-	1,881,463
State Retirement Contributions	49,972,421	-	-	49,972,421
	<u>\$ 89,663,983</u>	<u>\$ 46,150</u>	<u>\$ 158,325</u>	<u>\$ 89,868,458</u>
EXPENDITURES				
Current				
Instruction				
Regular Programs	\$ 14,759,578	\$ -	\$ -	\$ 14,759,578
Special Education Programs	7,297,326	-	-	7,297,326
Other Instructional Programs	4,872,814	-	-	4,872,814
State Retirement Contributions	49,972,421	-	-	49,972,421
Support Services				
Pupils	3,874,920	-	-	3,874,920
Instructional Staff	1,739,461	-	-	1,739,461
General Administration	1,298,550	-	171,893	1,470,443
School Administration	1,881,138	-	-	1,881,138
Business	710,484	-	-	710,484
Transportation	17,733	-	-	17,733
Food Services	647,787	-	-	647,787
Central	1,526,715	-	-	1,526,715
Community Services	48,480	-	-	48,480
Intergovernmental Payments				
Payments to Other Districts and Governmental Units	1,466,477	-	-	1,466,477
Capital Outlay	3,921	-	-	3,921
	<u>\$ 90,117,805</u>	<u>\$ -</u>	<u>\$ 171,893</u>	<u>\$ 90,289,698</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (453,822)	\$ 46,150	\$ (13,568)	\$ (421,240)
OTHER FINANCING SOURCES (USES)				
Interest Transfers	(175,000)	(46,000)	-	(221,000)
NET CHANGE IN FUND BALANCES	\$ (628,822)	\$ 150	\$ (13,568)	\$ (642,240)
FUND BALANCE - JULY 1, 2019	10,565,983	2,809,831	149,894	13,525,708
FUND BALANCE - JUNE 30, 2020	<u>\$ 9,937,161</u>	<u>\$ 2,809,981</u>	<u>\$ 136,326</u>	<u>\$ 12,883,468</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 22,469,418	\$ 21,312,440	\$ 22,451,141
Payments in Lieu of Taxes	109,000	59,000	43,302
Tuition	54,060	57,000	27,451
Earnings on Investments	115,000	130,000	175,816
Food Service	326,500	251,107	279,286
District/School Activity Income	267,226	145,000	155,708
Textbooks	245,138	220,700	184,025
Other Local Sources	309,761	332,460	291,068
State Aid			
General State Aid	13,534,029	13,534,029	13,548,900
Special Education	409,355	343,218	431,691
State Free Lunch and Breakfast	5,616	4,000	7,123
Early Childhood - Block Grant	214,588	214,588	214,588
Other State Aid	-	2,750	-
Federal Aid			
Food Service	433,925	393,000	492,113
Title I	255,292	319,115	288,507
Federal Special Education	571,739	816,466	656,145
Emergency Immigrant Assistance	-	6,600	1,615
Title III - English Language Acquisition	60,800	58,016	51,395
Title II - Teacher Quality	65,318	81,648	52,405
Medicaid Matching Funds - Administrative Outreach	70,000	70,000	59,927
Medicaid Matching Funds - Fee-for-Service Program	393,012	375,000	279,356
Other Federal Aid	-	241,000	-
State Retirement Contributions	18,500,000	18,500,000	49,972,421
Total Revenues	\$ 58,409,777	\$ 57,467,137	\$ 89,663,983
EXPENDITURES			
Instruction			
Regular Programs			
Salaries	\$ 11,520,723	\$ 12,135,670	\$ 12,007,839
Employee Benefits	1,726,269	1,730,980	1,818,975
Purchased Services	185,613	120,600	285,930
Supplies and Materials	662,767	732,563	627,652
Other Objects	1,000	1,000	616
Non-Capitalized Equipment	11,000	20,700	18,566
	<u>\$ 14,107,372</u>	<u>\$ 14,741,513</u>	<u>\$ 14,759,578</u>
Pre-K Programs			
Salaries	\$ 85,974	\$ 210,000	\$ 323,323
Employee Benefits	-	-	22,369
	<u>\$ 85,974</u>	<u>\$ 210,000</u>	<u>\$ 345,692</u>
Special Education Programs			
Salaries	\$ 3,794,776	\$ 3,834,420	\$ 3,812,943
Employee Benefits	945,079	945,775	854,779
Purchased Services	47,595	70,425	73,245
Supplies and Materials	67,359	152,000	42,736
Non-Capitalized Equipment	-	750	714
	<u>\$ 4,854,809</u>	<u>\$ 5,003,370</u>	<u>\$ 4,784,417</u>
Remedial and Supplemental Programs K-12			
Salaries	\$ 1,890,795	\$ 1,835,883	\$ 1,807,743
Employee Benefits	289,678	290,124	282,941
	<u>\$ 2,180,473</u>	<u>\$ 2,126,007</u>	<u>\$ 2,090,684</u>
Special Education Programs Pre-K			
Salaries	\$ 866,304	\$ 764,964	\$ 639,424
Employee Benefits	118,643	118,821	136,783
Purchased Services	5,616	5,500	1,989
Supplies and Materials	28,542	82,671	51,322
	<u>\$ 1,019,105</u>	<u>\$ 971,956</u>	<u>\$ 829,518</u>
Interscholastic Programs			
Salaries	\$ 433,505	\$ 433,505	\$ 391,589
Employee Benefits	8,443	8,566	8,506
Purchased Services	13,750	13,750	11,431
Supplies and Materials	7,280	7,280	3,961
Other Objects	4,700	4,700	7,398
	<u>\$ 467,678</u>	<u>\$ 467,801</u>	<u>\$ 422,885</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
Summer School Programs			
Salaries	\$ 118,770	\$ 118,770	\$ 51,454
Employee Benefits	1,945	1,972	864
Purchased Services	250	250	119
Supplies and Materials	3,000	3,000	-
	<u>\$ 123,965</u>	<u>\$ 123,992</u>	<u>\$ 52,437</u>
Bilingual Programs			
Salaries	\$ 1,807,974	\$ 1,688,376	\$ 1,656,847
Employee Benefits	209,522	209,878	220,491
Purchased Services	28,533	16,710	23,411
Supplies and Materials	50,513	42,942	60,367
	<u>\$ 2,096,542</u>	<u>\$ 1,957,906</u>	<u>\$ 1,961,116</u>
Private Tuition - Other Objects			
Special Education Programs K-12	\$ 1,200,000	\$ 1,200,000	\$ 1,683,391
	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,683,391</u>
State Retirement Contributions	\$ 18,500,000	\$ 18,500,000	\$ 49,972,421
Total Instruction	<u>\$ 44,635,918</u>	<u>\$ 45,302,545</u>	<u>\$ 76,902,139</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	\$ 1,079,949	\$ 987,406	\$ 987,402
Employee Benefits	128,981	129,346	298,092
	<u>\$ 1,208,930</u>	<u>\$ 1,116,752</u>	<u>\$ 1,285,494</u>
Health Services			
Salaries	\$ 427,081	\$ 393,818	\$ 362,762
Employee Benefits	82,641	82,641	91,069
Purchased Services	122,600	156,000	266,911
Supplies and Materials	5,500	5,500	6,073
	<u>\$ 637,822</u>	<u>\$ 637,959</u>	<u>\$ 726,815</u>
Psychological Services			
Salaries	\$ 332,471	\$ 420,374	\$ 420,369
Employee Benefits	55,098	55,202	75,841
Purchased Services	2,750	2,750	7,855
Supplies and Materials	200	200	-
	<u>\$ 390,519</u>	<u>\$ 478,526</u>	<u>\$ 504,065</u>
Speech Pathology and Audiology Services			
Salaries	\$ 757,556	\$ 773,435	\$ 776,439
Employee Benefits	100,332	100,572	94,450
Purchased Services	35,750	5,750	3,437
Supplies and Materials	1,500	1,500	-
	<u>\$ 895,138</u>	<u>\$ 881,257</u>	<u>\$ 874,326</u>
Other Support Services - Pupils			
Salaries	\$ 470,080	\$ 448,988	\$ 448,986
Employee Benefits	44,094	44,094	34,574
Purchased Services	-	-	660
Supplies and Materials	200	200	-
	<u>\$ 514,374</u>	<u>\$ 493,282</u>	<u>\$ 484,220</u>
Total Support Services - Pupils	<u>\$ 3,646,783</u>	<u>\$ 3,607,776</u>	<u>\$ 3,874,920</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 909,445	\$ 981,777	\$ 612,553
Employee Benefits	138,003	129,265	130,317
Purchased Services	120,666	83,922	76,847
Supplies and Materials	67,444	70,453	48,708
Non-Capitalized Equipment	-	-	6,406
	<u>\$ 1,235,558</u>	<u>\$ 1,265,417</u>	<u>\$ 874,831</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Instructional Staff (Continued)			
Educational Media Services			
Salaries	\$ 716,185	\$ 636,885	\$ 638,038
Employee Benefits	146,273	146,478	100,097
Purchased Services	450	450	-
Supplies and Materials	30,698	29,698	24,151
Non-Capitalized Equipment	2,042	2,042	99
	<u>\$ 895,648</u>	<u>\$ 815,553</u>	<u>\$ 762,385</u>
Assessment and Testing			
Salaries	\$ 242	\$ 242	\$ 634
Employee Benefits	-	-	35
Purchased Services	105,000	105,500	101,551
Supplies and Materials	511	511	25
	<u>\$ 105,753</u>	<u>\$ 106,253</u>	<u>\$ 102,245</u>
Total Support Services - Instructional Staff	<u>\$ 2,236,959</u>	<u>\$ 2,187,223</u>	<u>\$ 1,739,461</u>
General Administration			
Board of Education Services			
Salaries	\$ 4,333	\$ 4,333	\$ 11,479
Employee Benefits	70,686	70,686	722
Purchased Services	165,414	195,414	193,306
Supplies and Materials	1,500	1,500	1,208
Other Objects	9,000	9,000	3,245
	<u>\$ 250,933</u>	<u>\$ 280,933</u>	<u>\$ 209,960</u>
Executive Administration Services			
Salaries	\$ 241,265	\$ 246,193	\$ 249,828
Employee Benefits	43,195	43,582	70,998
Purchased Services	12,000	10,000	5,083
Supplies and Materials	2,500	2,500	2,686
Other Objects	4,000	4,000	2,538
Non-Capitalized Equipment	8,000	8,000	7,971
	<u>\$ 310,960</u>	<u>\$ 314,275</u>	<u>\$ 339,104</u>
Special Area Administration Services			
Salaries	\$ 461,389	\$ 289,216	\$ 430,698
Employee Benefits	75,435	75,775	90,006
Purchased Services	38,400	23,400	41,977
Supplies and Materials	2,466	2,466	990
Other Objects	1,250	1,250	620
Non-Capitalized Equipment	3,118	3,118	-
	<u>\$ 582,058</u>	<u>\$ 395,225</u>	<u>\$ 564,291</u>
Tort Immunity Services			
Purchased Services	\$ 192,342	\$ 192,342	\$ 185,195
	<u>\$ 192,342</u>	<u>\$ 192,342</u>	<u>\$ 185,195</u>
Total Support Services - General Administration	<u>\$ 1,336,293</u>	<u>\$ 1,182,775</u>	<u>\$ 1,298,550</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 1,509,587	\$ 1,533,515	\$ 1,531,518
Employee Benefits	310,368	312,505	324,647
Purchased Services	10,956	10,956	4,264
Supplies and Materials	15,000	14,000	15,747
Other Objects	5,900	5,900	3,563
Non-Capitalized Equipment	2,000	2,000	1,399
	<u>\$ 1,853,811</u>	<u>\$ 1,878,876</u>	<u>\$ 1,881,138</u>
Total Support Services - School Administration	<u>\$ 1,853,811</u>	<u>\$ 1,878,876</u>	<u>\$ 1,881,138</u>
Business			
Direction of Business Support Services			
Salaries	\$ 104,545	\$ 145,000	\$ 149,425
Employee Benefits	22,785	22,952	21,833
Other Objects	-	-	474
	<u>\$ 127,330</u>	<u>\$ 167,952</u>	<u>\$ 171,732</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Business (Continued)			
Fiscal Services			
Salaries	\$ 174,863	\$ 174,569	\$ 178,293
Employee Benefits	50,407	50,407	29,190
Purchased Services	78,889	78,889	85,173
Supplies and Materials	5,003	3,000	4,060
Other Objects	2,553	2,553	-
Non-Capitalized Equipment	1,021	1,021	-
	<u>\$ 312,736</u>	<u>\$ 310,439</u>	<u>\$ 296,716</u>
Internal Services			
Purchased Services	\$ 200,717	\$ 187,444	\$ 208,795
Supplies and Materials	59,218	50,000	33,241
	<u>\$ 259,935</u>	<u>\$ 237,444</u>	<u>\$ 242,036</u>
Total Support Services - Business	<u>\$ 700,001</u>	<u>\$ 715,835</u>	<u>\$ 710,484</u>
Transportation			
Purchased Services	\$ -	\$ -	\$ 17,733
Total Support Services - Transportation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,733</u>
Food Services			
Salaries	\$ 30,169	\$ 50,969	\$ 30,581
Employee Benefits	8,186	8,186	11,250
Purchased Services	714,700	525,000	599,719
Supplies and Materials	5,871	10,354	6,237
Total Support Services - Food Services	<u>\$ 758,926</u>	<u>\$ 594,509</u>	<u>\$ 647,787</u>
Central			
Staff Services			
Salaries	\$ 262,898	\$ 238,896	\$ 189,207
Employee Benefits	152,712	152,729	108,967
Purchased Services	47,600	46,600	44,712
Supplies and Materials	500	500	368
	<u>\$ 463,710</u>	<u>\$ 438,725</u>	<u>\$ 343,254</u>
Data Processing Services			
Salaries	\$ 611,008	\$ 585,049	\$ 582,701
Employee Benefits	89,118	89,118	97,188
Purchased Services	95,000	359,100	403,308
Supplies and Materials	442,000	102,000	68,287
Non-Capitalized Equipment	57,252	35,000	31,977
	<u>\$ 1,294,378</u>	<u>\$ 1,170,267</u>	<u>\$ 1,183,461</u>
Total Support Services - Central	<u>\$ 1,758,088</u>	<u>\$ 1,608,992</u>	<u>\$ 1,526,715</u>
Total Support Services	<u>\$ 12,290,861</u>	<u>\$ 11,775,986</u>	<u>\$ 11,696,788</u>
Community Services			
Salaries	\$ 572	\$ 2,572	\$ 1,599
Employee Benefits	56	106	23
Purchased Services	27,123	31,467	44,771
Supplies and Materials	10,176	5,250	2,087
Total Community Services	<u>\$ 37,927</u>	<u>\$ 39,395</u>	<u>\$ 48,480</u>
Intergovernmental Payments			
Payments to Other Districts and Governmental Units (In-State)			
Payments for Regular Programs			
Other Objects	\$ 9,281	\$ 9,281	\$ 19,836
Payments for Special Education Programs			
Other Objects	1,550,000	1,700,000	1,446,641
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 1,559,281</u>	<u>\$ 1,709,281</u>	<u>\$ 1,466,477</u>
Total Intergovernmental Payments	<u>\$ 1,559,281</u>	<u>\$ 1,709,281</u>	<u>\$ 1,466,477</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Capital Outlay			
Instruction			
Special Education Programs	\$ 47,068	\$ -	\$ -
Support Services			
Business	-	4,000	3,921
Food Services	9,708	-	-
Central	4,000	4,000	-
Total Capital Outlay	<u>\$ 60,776</u>	<u>\$ 8,000</u>	<u>\$ 3,921</u>
Total Expenditures	<u>\$ 58,584,763</u>	<u>\$ 58,835,207</u>	<u>\$ 90,117,805</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (174,986)	\$ (1,368,070)	\$ (453,822)
OTHER FINANCING SOURCES (USES)			
Interest Transfers	-	(175,000)	(175,000)
NET CHANGE IN FUND BALANCE	<u>\$ (174,986)</u>	<u>\$ (1,543,070)</u>	\$ (628,822)
FUND BALANCE - JULY 1, 2019			<u>10,565,983</u>
FUND BALANCE - JUNE 30, 2020			<u>\$ 9,937,161</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - WORKING CASH FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 12,061	\$ 12,060	\$ 6
Earnings on Investments	30,000	35,000	46,144
Total Revenues	<u>\$ 42,061</u>	<u>\$ 47,060</u>	<u>\$ 46,150</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 42,061	\$ 47,060	\$ 46,150
OTHER FINANCING SOURCES (USES)			
Interest Transfers	-	(46,000)	(46,000)
NET CHANGE IN FUND BALANCE	<u>\$ 42,061</u>	<u>\$ 1,060</u>	\$ 150
FUND BALANCE - JULY 1, 2019			<u>2,809,831</u>
FUND BALANCE - JUNE 30, 2020			<u>\$ 2,809,981</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - TORT FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 149,367	\$ 140,803	\$ 155,654
Earnings on Investments	4,000	3,000	2,671
Total Revenues	<u>\$ 153,367</u>	<u>\$ 143,803</u>	<u>\$ 158,325</u>
EXPENDITURES			
Support Services			
General Administration			
Insurance Payments			
Purchased Services	\$ 172,343	\$ 172,343	\$ 171,893
	<u>\$ 172,343</u>	<u>\$ 172,343</u>	<u>\$ 171,893</u>
Total Support Services - General Administration	<u>\$ 172,343</u>	<u>\$ 172,343</u>	<u>\$ 171,893</u>
Total Support Services	<u>\$ 172,343</u>	<u>\$ 172,343</u>	<u>\$ 171,893</u>
Total Expenditures	<u>\$ 172,343</u>	<u>\$ 172,343</u>	<u>\$ 171,893</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (18,976)	\$ (28,540)	\$ (13,568)
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (18,976)</u>	<u>\$ (28,540)</u>	\$ (13,568)
FUND BALANCE - JULY 1, 2019			<u>149,894</u>
FUND BALANCE - JUNE 30, 2020			<u>\$ 136,326</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 7,725,959	\$ 7,332,536	\$ 7,738,512
Earnings on Investments	45,000	56,000	79,603
Total Revenues	<u>\$ 7,770,959</u>	<u>\$ 7,388,536</u>	<u>\$ 7,818,115</u>
EXPENDITURES			
Debt Services			
Interest			
Other Interest on Short-Term Debt			
Other Objects	\$ 6,135,896	\$ 6,135,896	\$ 6,260,534
	<u>\$ 6,135,896</u>	<u>\$ 6,135,896</u>	<u>\$ 6,260,534</u>
Debt Services - Payment of Principal on Long-Term Debt			
Other Objects	\$ 1,522,733	\$ 1,522,733	\$ 3,081,616
	<u>\$ 1,522,733</u>	<u>\$ 1,522,733</u>	<u>\$ 3,081,616</u>
Debt Services - Other			
Other Objects	\$ 4,237	\$ 4,237	\$ 2,500
	<u>\$ 4,237</u>	<u>\$ 4,237</u>	<u>\$ 2,500</u>
Total Debt Services	<u>\$ 7,662,866</u>	<u>\$ 7,662,866</u>	<u>\$ 9,344,650</u>
Total Expenditures	<u>\$ 7,662,866</u>	<u>\$ 7,662,866</u>	<u>\$ 9,344,650</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 108,093</u>	<u>\$ (274,330)</u>	<u>\$ (1,526,535)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ -	\$ -	\$ 1,674,015
Interest Transfers	-	(80,000)	(80,000)
	<u>\$ -</u>	<u>\$ (80,000)</u>	<u>\$ 1,594,015</u>
NET CHANGE IN FUND BALANCE	<u>\$ 108,093</u>	<u>\$ (354,330)</u>	<u>\$ 67,480</u>
FUND BALANCE - JULY 1, 2019			<u>4,850,424</u>
FUND BALANCE - JUNE 30, 2020			<u>\$ 4,917,904</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Earnings on Investments	\$ -	\$ -	\$ 1,344
Other Local Sources	5,000	5,000	-
Total Revenues	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 1,344</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 5,000	\$ 5,000	\$ 1,344
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 5,000</u>	<u>\$ 5,000</u>	\$ 1,344
FUND BALANCE - JULY 1, 2019			<u>88,784</u>
FUND BALANCE - JUNE 30, 2020			<u>\$ 90,128</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 ACTIVITY FUNDS
 YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
A S S E T S				
Cash and Cash Equivalents	<u>\$ 87,796</u>	<u>\$ 113,659</u>	<u>\$ 134,168</u>	<u>\$ 67,287</u>
L I A B I L I T I E S				
Amount Due to Activity				
Grayslake District Office	\$ 12,849	\$ 17,418	\$ 20,136	\$ 10,131
Early Childhood Center	-	2,756	2,756	-
Prairieview School	4,216	4,043	4,442	3,817
Avon Center School	8,127	3,365	2,160	9,332
Grayslake Middle School	33,969	45,192	73,658	5,503
Woodview School	4,532	992	1,889	3,635
Meadowview School	4,290	8,694	5,702	7,282
Frederick School	10,353	20,552	14,926	15,979
Park Campus	9,460	10,647	8,499	11,608
	<u>\$ 87,796</u>	<u>\$ 113,659</u>	<u>\$ 134,168</u>	<u>\$ 67,287</u>

ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2019 - 2020)

This schedule is completed for school districts only.

Fund	Sheet, Row	ACCOUNT NO - TITLE	Amount
OPERATING EXPENSE PER PUPIL			
EXPENDITURES:			
ED	Expenditures 15-22, L114	Total Expenditures	\$ 40,145,384
O&M	Expenditures 15-22, L151	Total Expenditures	3,150,759
DS	Expenditures 15-22, L174	Total Expenditures	9,344,650
TR	Expenditures 15-22, L210	Total Expenditures	2,740,010
MR/SS	Expenditures 15-22, L295	Total Expenditures	1,547,136
TORT	Expenditures 15-22, L342	Total Expenditures	171,893
Total Expenditures			\$ 57,099,832

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

ED	Expenditures 15-22, L7, Col K - (G+)	1125	Pre-K Programs	345,692
ED	Expenditures 15-22, L9, Col K - (G+)	1225	Special Education Programs Pre-K	829,518
ED	Expenditures 15-22, L15, Col K - (G+)	1600	Summer School Programs	52,437
ED	Expenditures 15-22, L22, Col K	1912	Special Education Programs K-12 - Private Tuition	1,683,391
ED	Expenditures 15-22, L75, Col K - (G+)	3000	Community Services	48,480
ED	Expenditures 15-22, L102, Col K	4000	Total Payments to Other Govt Units	1,466,477
ED	Expenditures 15-22, L114, Col G	-	Capital Outlay	3,921
ED	Expenditures 15-22, L114, Col I	-	Non-Capitalized Equipment	67,132
O&M	Expenditures 15-22, L151, Col G	-	Capital Outlay	401,318
O&M	Expenditures 15-22, L151, Col I	-	Non-Capitalized Equipment	3,155
DS	Expenditures 15-22, L170, Col K	5300	Debt Service - Payments of Principal on Long-Term Debt	3,081,616
MR/SS	Expenditures 15-22, L216, Col K	1125	Pre-K Programs	2,002
MR/SS	Expenditures 15-22, L218, Col K	1225	Special Education Programs - Pre-K	64,178
MR/SS	Expenditures 15-22, L224, Col K	1600	Summer School Programs	3,442
MR/SS	Expenditures 15-22, L280, Col K	3000	Community Services	77
MR/SS	Expenditures 15-22, L285, Col K	4000	Total Payments to Other Govt Units	80,524
Total Deductions for OEPP Computation (Sum of Lines 18 - 76)			\$ 8,133,360	
Total Operating Expenses Regular K-12 (Line 14 minus Line 77)			48,966,472	
9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2019-2020			3,486.00	
Estimated OEPP (Line 78 divided by Line 79)			\$ 14,046.61	

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:

TR	Revenues 9-14, L45, Col F	1415	Regular - Transp Fees from Co-curricular Activities (In State)	12,678
ED	Revenues 9-14, L75, Col C	1600	Total Food Service	279,286
ED-O&M	Revenues 9-14, L82, Col C,D	1700	Total District/School Activity Income	155,708
ED	Revenues 9-14, L84, Col C	1811	Rentals - Regular Textbooks	151,041
ED	Revenues 9-14, L91, Col C	1829	Sales - Other (Describe & Itemize)	32,984
ED-O&M	Revenues 9-14, L95, Col C,D	1910	Rentals	32,967
ED	Revenues 9-14, L106, Col C	1993	Other Local Fees (Describe & Itemize)	166,462
ED-O&M-TR	Revenues 9-14, L132, Col C,D,F	3100	Total Special Education	431,691
ED	Revenues 9-14, L146, Col C	3360	State Free Lunch & Breakfast	7,123
ED-O&M-TR-MR/SS	Revenues 9-14, L155, Col C,D,F,G	3500	Total Transportation	1,559,006
O&M	Revenues 9-14, L167, Col D	3925	School Infrastructure - Maintenance Projects	50,000
ED-MR/SS	Revenues 9-14, L198, Col C,G	4200	Total Food Service	492,113
ED-O&M-TR-MR/SS	Revenues 9-14, L204, Col C,D,F,G	4300	Total Title I	288,507
ED-O&M-TR-MR/SS	Revenues 9-14, L213, Col C,D,F,G	4620	Fed - Spec Education - IDEA - Flow Through	365,507
ED-O&M-TR-MR/SS	Revenues 9-14, L214, Col C,D,F,G	4625	Fed - Spec Education - IDEA - Room & Board	232,823
ED-TR-MR/SS	Revenues 9-14, L255, Col C,F,G	4905	Title III - Immigrant Education Program (IEP)	1,615
ED-TR-MR/SS	Revenues 9-14, L256, Col C,F,G	4909	Title III - Language Inst Program - Limited Eng (LIPLEP)	51,395
ED-O&M-TR-MR/SS	Revenues 9-14, L259, Col C,D,F,G	4932	Title II - Teacher Quality	52,405
ED-O&M-TR-MR/SS	Revenues 9-14, L263, Col C,D,F,G	4991	Medicaid Matching Funds - Administrative Outreach	59,927
ED-O&M-TR-MR/SS	Revenues 9-14, L264, Col C,D,F,G	4992	Medicaid Matching Funds - Fee-for-Service Program	279,356
ED-TR-MR/SS	Revenues (Part of EBF Payment)	3100	Special Education Contributions from EBF Funds **	1,675,404
ED-MR/SS	Revenues (Part of EBF Payment)	3300	English Learning (Bilingual) Contributions from EBF Funds ***	320,005
Total Deductions for PCTC Computation Line 85 through Line 173			\$ 6,698,003	
Net Operating Expense for Tuition Computation (Line 78 minus Line 175)			42,268,469	
Total Depreciation Allowance (from page 26, Line 18, Col I)			3,076,015	
Total Allowance for PCTC Computation (Line 176 plus Line 177)			45,344,484	
9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2019-2020			3,486.00	
Total Estimated PCTC (Line 178 divided by Line 179) * \$			13,007.60	

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

** Go to the link below: Under Reports, select FY 2020 Special Education Funding Allocation Calculation Details. Open Excel file and use the amount in column X for the selected district.

*** Follow the same instructions as above except under Reports, select FY 2020 English Learner Education Funding Allocation Calculation Details, and use column V for the selected district.

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



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 847.382.3366 barrington
 847.336.6455 gurnee
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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
 Grayslake Community Consolidated School District No. 46
 Grayslake, Illinois

Report on Compliance for Each Major Federal Program

We have audited

Grayslake Community Consolidated School District No. 46’s

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of ’s major federal programs for the year ended June 30, 2020. Grayslake Community Consolidated School District No. 46’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Grayslake Community Consolidated School District No. 46’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Grayslake Community Consolidated School District No. 46’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Grayslake Community Consolidated School District No. 46’s compliance.

Opinion on Each Major Federal Program

In our opinion, Grayslake Community Consolidated School District No. 46 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.



Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-003. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

Management of Grayslake Community Consolidated School District No. 46 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Grayslake Community Consolidated School District No. 46's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Grayslake Community Consolidated School District No. 46's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

McHenry, Illinois
December 8, 2020

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46

34-049-0460-4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/18-6/30/19 (C)	Year 7/1/19-6/30/20 (D)	Year 7/1/18-6/30/19 (E)	Year 7/1/18-6/30/19 Pass through to Subrecipients	Year 7/1/19-6/30/20 (F)	Year 7/1/19-6/30/20 Pass through to Subrecipients			
CHILD NUTRITION CLUSTER											
US Department of Agriculture											
Passed Through Department of Defense:											
Food Donation Program (Non-Cash Commodities)	10.555	20-4299-00		25,181				25,181		25,181	N/A
Passed Through Illinois State Board of Education:											
Food Donation Program (Non-Cash Commodities)	10.555	20-4299-00		43,082				43,082		43,082	N/A
National School Lunch Program*	10.555	19-4210-00	336,257	63,082	336,257			63,082		399,339	N/A
National School Lunch Program*	10.555	20-4210-00		249,812				249,812		249,812	N/A
Subtotal CFDA 10.555			336,257	381,157	336,257			381,157		717,414	
School Breakfast Program*	10.553	19-4220-00	81,136	12,597	81,136			12,597		93,733	N/A
School Breakfast Program*	10.553	20-4220-00		46,646				46,646		46,646	N/A
Subtotal CFDA 10.553			81,136	59,243	81,136			59,243		140,379	
Summer Food Service Program*	10.559	20-4225-00		119,975				119,975		119,975	N/A
Total Child Nutrition Cluster			417,393	560,375	417,393			560,375		977,768	
Subtotal CFDA "10"			417,393	560,375	417,393			560,375		977,768	
*Project End Date 9/30											
**Project End Date 8/31											

• (M) Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)
- ⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46

34-049-0460-4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/18-6/30/19 (C)	Year 7/1/19-6/30/20 (D)	Year 7/1/18-6/30/19 (E)	Year 7/1/18-6/30/19 Pass through to Subrecipients	Year 7/1/19-6/30/20 (F)	Year 7/1/19-6/30/20 Pass through to Subrecipients			
SPECIAL EDUCATION CLUSTER											
US Department of Education											
Passed Through Illinois State Board of Education:											
Special Education - IDEA - Room and Board**(M)	84.027	19-4625-00	106,273	53,511	106,273			53,511		159,784	N/A
Special Education - IDEA - Room and Board**(M)	84.027	20-4625-00		179,311				179,311		179,311	N/A
Passed Through Special Education District of Lake County:											
Special Education - Grants to States (M)	84.027	20-4620-00		365,508				365,508		365,508	698,124
Subtotal CFDA 84.027			106,273	598,330	106,273			598,330		704,603	
Special Education - Preschool Grants (M)	84.173	20-4600-00		57,816				57,816		57,816	95,688
Total Special Education Cluster			106,273	656,146	106,273			656,146		762,419	
Passed Through Illinois State Board of Education											
Title I - Low Income**(M)	84.010	19-4300-00	217,604	14,775	217,604			14,775		232,379	342,832
Title I - Low Income**(M)	84.010	20-4300-00		273,732				273,732		273,732	399,294
Subtotal CFDA 84.010			217,604	288,507	217,604			288,507		506,111	

• (M) Program was audited as a major program as defined by §200.518.

*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46

34-049-0460-4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/18-6/30/19 (C)	Year 7/1/19-6/30/20 (D)	Year 7/1/18-6/30/19 (E)	Year 7/1/18-6/30/19 Pass through to Subrecipients	Year 7/1/19-6/30/20 (F)			
Passed Through Illinois State Board of Education										
Title III - Immigrant Education Program (IEP)**	84.365	19-4905-00	717	301	717		301		1,018	10,120
Title III - Immigrant Education Program (IEP)**	84.365	20-4905-00		1,314			1,314		1,314	6,600
Title III - LIPLEP**	84.365	19-4909-00	39,929	17,982	39,929		17,982		57,911	58,428
Title III - LIPLEP**	84.365	20-4909-00		33,413			33,413		33,413	61,317
Subtotal CFDA 84.365			40,646	53,010	40,646		53,010		93,656	
Title II - Teacher Quality**	84.367	19-4932-00	104,342	3,518	104,342		3,518		107,860	116,116
Title II - Teacher Quality**	84.367	20-4932-00		48,887			48,887		48,887	102,591
Subtotal CFDA 84.367			104,342	52,405	104,342		52,405		156,747	
Subtotal CFDA 84			468,865	1,050,068	468,865		1,050,068		1,518,933	
MEDICAID CLUSTER										
US Department of Health and Family Services										
Passed Through Illinois Department of Health and Family Services:										
Medicaid Administrative Outreach	93.778	20-4991-00		62,425			62,425		62,425	N/A
Total Medicaid Cluster			0	62,425	0		62,425		62,425	
Total Federal Assistance			886,258	1,672,868	886,258		1,672,868		2,559,126	

• (M) Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of Grayslake Community Consolidated School District No. 46 under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, and used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2020.

NOTE 5 - FEDERAL LOANS

There were no federal loans or loan guarantees outstanding at year end.

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

- 1) Summary of auditor's results:
 - a. The auditor's report expresses an unmodified opinion on whether the financial statements of were prepared in accordance with GAAP.
 - b. Two material weaknesses disclosed during the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No significant deficiencies are reported during the audit of the financial statements.
 - c. No instances of noncompliance material to the financial statements of , which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
 - d. No significant deficiencies in internal control over major federal award programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.
 - e. The auditor's report on compliance for the major federal award programs for expresses as unmodified opinion on all major federal programs.
 - f. Audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a) are reported in this schedule.
 - g. The programs tested as major programs were: CFDA #84.010 Title I – Low Income, and CFDA #84.027 and CFDA #84.173 Special Education Cluster.
 - h. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
 - i. Grayslake Community Consolidated School District No. 46 was determined to not be a low-risk auditee.
- 2) The findings relating to the financial statements which are required to be reported are detailed in finding numbers 2020-001 and 2020-002.
- 3) A finding relating to federal awards which is required to be reported is detailed in finding number 2020-003.

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
34-049-0460-4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2020- 001 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? 2010

3. Criteria or specific requirement

Management is responsible for the accuracy and completeness of all financial statement records.

4. Condition

During the course of the audit, material misstatements of the financial records were found, resulting in adjusting entries.

5. Context¹²

There were a few material adjusting journal entries made to the financial records of the District.

6. Effect

The financial records were materially misstated prior to the start of the audit.

7. Cause

The District's control policies and procedures did not detect or prevent the misstatements.

8. Recommendation

Management should develop a process to identify potential adjustments throughout the year to minimize potential adjustments.

9. Management's response¹³

Management plans to make all necessary adjusting entries prior to the start of the audit process.

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2018 would be assigned a reference number of 2018-001, 2018-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

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

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
34-049-0460-4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2020- 002 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? 2018

3. Criteria or specific requirement

Management is responsible for the accuracy and completeness of all financial statement records.

4. Condition

During the course of the audit, the self-funded insurance cash account, accounts payable and accrued liabilities could not be reconciled to supporting documents.

5. Context¹²

The District could not provide supporting documents to properly reconcile the self-funded insurance cash account, accounts payable and accrued liabilities.

6. Effect

The self-funded insurance, accounts payable and accrued liabilities balances could be misstated.

7. Cause

The District's control policies and procedures did not detect or prevent the misstatements.

8. Recommendation

Management should implement better internal control procedures for a review process of postings to accounts payable and accrued liabilities to make sure all transactions are posted correctly and have sufficient supporting documents. Management should initiate procedures to review bank reconciliations and the general ledger in order to ensure that the bank reconciliation properly reconciles to the District's cash balances on the general ledger.☐

9. Management's response¹³

Management will review internal control procedures and implement changes in the following fiscal year. ☐

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2018 would be assigned a reference number of 2018-001, 2018-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46
34-049-0460-4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2020

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2020- 003 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: Title I - Low Income

4. Project No.: 4300-00 5. CFDA No.: 84.010

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: U.S. DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
Management is responsible for filing grant reports by the applicable due dates.

9. Condition¹⁵
During the course of the audit, we determined grant reports were not filed by the required due dates.

10. Questioned Costs¹⁶
N/A

11. Context¹⁷
Grant reports were submitted late.

12. Effect
Reports were received by funding agencies after the required due dates.

13. Cause
Due to processing delay, grant reports were not submitted to funding agencies by the due dates.

14. Recommendation
Management should develop a process to ensure all grant reports are filed by the required due dates.

15. Management's response¹⁸
Management will reinforce procedures to ensure all grant reports are submitted by the required due date.

¹⁴ See footnote 11.

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

¹⁶ Identify questioned costs as required by §200.516 (a)(3 - 4).
See footnote 12.

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

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

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

¹⁷ See footnote 12.

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

GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 46

34-049-0460-4

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹

Year Ending June 30, 2020

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> ²⁰
2019-001	During the course of the audit, material misstatements of the financial records were found, resulting in adjusting entries.	This is still a finding in the current year. See finding 2020-001.
2019-002	During the course of the audit, the self-funded insurance cash accounts, accounts payable and accrued liabilities could not be reconciled to supporting documents.	This is still a finding in the current year. See finding 2020-002.

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

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

Community Consolidated School District 46 Lake County, Illinois



The mission of School District 46 is to pursue excellence to shape the future.

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GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO 46 34-049-0460-04 CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS Year Ending June 30, 2020

Corrective Action Plan

Finding No.: **2020** 001

Condition:

During the course of the audit, material misstatements of the financial records were found, resulting in adjusting entries.

Plan:

Management plans to make all necessary adjusting entries prior to the start of the audit process.

Anticipated Date of Completion: 6/30/2021

Name of Contact Person: Mary Werling – Interim Chief School Business Official

Management Response: Management will record all accrual entries before the start of the audit, and will review the entries to ensure they are accurate.

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GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO 46 34-049-0460-04 CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS Year Ending June 30, 2020

Corrective Action Plan

Finding No.: **2020** 002

Condition:

During the course of the audit, the self-funded insurance cash account, accounts payable and accrued liabilities could not be reconciled to supporting documents.

Plan:

Management plans to implement better internal control procedures for the review process of postings to accounts payable and accrued liabilities to make sure all transactions are posted correctly and have sufficient supporting documents. Management plans on initiating procedures to review bank reconciliations and the general ledger in order to ensure that the bank reconciliation properly reconciles to the District's cash balances on the general ledger.

Anticipated Date of Completion: 6/30/2021

Name of Contact Person: Mary Werling – Interim Chief School Business Official

Management
Response:

Management will review internal control procedures and implement changes in the following fiscal year.

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GRAYSLAKE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO 46 34-049-0460-04 CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS Year Ending June 30, 2020

Corrective Action Plan

Finding No.: **2020** 003

Condition:

During the course of the audit, we determined grant reports were not filed by the required due dates.

Plan:

Management plans to develop a process to ensure all grant reports are filed by the required due dates.

Anticipated Date of Completion: 6/30/2021

Name of Contact Person: Mary Werling – Interim Chief School Business Official

Management
Response:

Management will reinforce procedures to ensure all grant reports are submitted by the required due date.