



**Community Consolidated School District Number 65  
Cook County, Illinois  
(Evanston/Skokie)**

**\$38,315,000 GENERAL OBLIGATION LEASE CERTIFICATES (LIMITED TAX), SERIES 2022**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER* (213687)
2024	\$1,345,000	5.00%	2.05%	PN0
2025	1,415,000	5.00%	2.17%	PP5
2026	1,485,000	5.00%	2.27%	PQ3
2027	1,565,000	5.00%	2.35%	PR1
2028	1,645,000	5.00%	2.42%	PS9
2029	1,730,000	5.00%	2.49%	PT7
2030	1,815,000	5.00%	2.55%	PU4
2031	1,910,000	5.00%	2.65%	PV2
2032	2,010,000	5.00%	2.71%	PW0
2033	2,110,000	5.00%	2.79%	PX8
2034	2,220,000	5.00%	2.83%	PY6
2035	2,330,000	5.00%	2.88%	PZ3
2036	2,450,000	5.00%	2.90%	QA7
2037	2,580,000	5.00%	2.94%	QB5
2038	2,710,000	5.00%	2.98%	QC3
2039	2,850,000	5.00%	3.00%	QD1
2040	2,995,000	5.00%	3.03%	QE9
2041	3,150,000	5.00%	3.05%	QF6

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\* CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Companies Financial. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Certificates.

No dealer, broker, salesman or other person has been authorized by the District or Mesirow Financial Inc., New York, New York (the "*Underwriter*"), to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Certificates, nor shall there be any offer to sell or solicitation of an offer to buy the Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

**IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 65  
COOK COUNTY, ILLINOIS  
(EVANSTON/SKOKIE)**

1500 McDaniel Avenue  
Evanston, Illinois 60201

**Board of Education**

Anya Tanyavutti  
*President*

Joseph Hailpern

Elisabeth Lindsay-Ryan  
*Vice President*

Donna Wang Su

Sergio Hernandez

Soo La Kim

Marquise Weatherspoon

**Administration**

Dr. Devon Horton  
*Superintendent*

Raphael Obafemi  
*Chief Financial and Operations Officer*

**Professional Services**

*Underwriter*  
Mesirow Financial Inc.  
New York, New York

*Municipal Advisor*  
Raymond James & Associates, Inc.  
Chicago, Illinois

*Bond Counsel and Disclosure Counsel*  
Chapman and Cutler LLP  
Chicago, Illinois

*Lessor, Certificate Registrar and Paying Agent*  
Zions Bancorporation, National Association  
Chicago, Illinois

*Auditor*  
Baker Tilly Virchow Krause, LLP  
Oak Brook, Illinois

## OFFICIAL STATEMENT

**Community Consolidated School District Number 65  
Cook County, Illinois  
(Evanston/Skokie)  
\$38,315,000 General Obligation Lease Certificates (Limited Tax), Series 2022**

### INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community Consolidated School District Number 65, Cook County, Illinois (the “*District*”), in connection with the offering and sale of its General Obligation Lease Certificates (Limited Tax), Series 2022 (the “*Certificates*”).

This Official Statement contains “forward-looking statements” that are based upon the District’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

### THE CERTIFICATES

#### AUTHORITY AND PURPOSE

The Certificates are being issued pursuant to the School Code of the State of Illinois (the “*School Code*”), the Local Government Debt Reform Act of the State of Illinois (the “*Debt Reform Act*”), and all laws amendatory thereof and supplementary thereto, and a certificate resolution adopted by the Board of Education of the District (the “*Board*”) on the 14th day of March, 2022, as supplemented by a notification of sale (together, the “*Certificate Resolution*”).

Proceeds of the Certificates will be used to (a) build and equip a new school building and improve the site thereof (the “*Project*”), (b) pay capitalized interest on the Certificates and (c) pay costs associated with the issuance of the Certificates. See “PLAN OF FINANCE” herein.

#### THE LEASE

(a) *General.* The Certificates evidence indebtedness of the District incurred under a lease agreement (the “*Lease*”) between Zions Bancorporation, National Association, Chicago, Illinois, as lessor (the “*Lessor*”), and the District, as lessee. The Certificates will evidence certain of the District’s rental obligations incurred pursuant to the Lease, and the District will deposit certain proceeds from the sale of the Certificates into the Project Fund (as defined in the Lease). Moneys



in the Project Fund will be used to pay costs of the Project in compliance with all of the requirements of the School Code. Any proceeds of the Certificates remaining in the Project Fund after the costs of the Project have been paid will be applied by the District solely and only to the payment of the principal of and interest on the Certificates.

(b) *Limitation on Liability.* By acceptance of the Certificates, the Certificateholders shall have no obligations or liability under the Lease, nor shall any Certificateholder be obligated to perform either the Lessor's or the District's obligations or duties under the Lease, or make any payment thereunder, or make any inquiry as to the sufficiency of any payment made to the Lessor, or present or file any claim or take any other action to enforce performance under the Lease or collect or enforce payment due thereunder or under the Certificates, except as provided in the Certificates. After the sale of the Certificates, if the Lessor should in any way default under the Lease, the District has agreed and warranted that it will continue to make the payments provided for in the Lease to the Registrar (as hereinafter defined), and to take only such other actions against the Lessor as the District deems necessary that will not affect the Certificateholders' right to receive full payment under the Lease.

#### GENERAL DESCRIPTION

The Certificates will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York ("*DTC*"). Principal of and interest on the Certificates will be payable by Zions Bancorporation, National Association, Chicago, Illinois (the "*Registrar*").

The Certificates will mature as shown on the inside cover page hereof. Interest on the Certificates will be payable each June 1 and December 1, beginning December 1, 2022.

The Certificates will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Certificates will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Certificate will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Certificate is registered at the close of business on the 15th day of the month next preceding the interest payment date.

#### REGISTRATION AND TRANSFER

The Registrar will maintain books (the "*Register*") for the registration of ownership and transfer of the Certificates. Subject to the provisions of the Certificates as they relate to book-entry form, any Certificate may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Certificates, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed

in connection with any transfer or exchange of Certificates except in the case of the issuance of a Certificate or Certificates for the unredeemed portion of a Certificate surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Certificate during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Certificate and ending at the opening of business on such interest payment date, nor to transfer or exchange any Certificate after notice calling such Certificate for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Certificates.

#### REDEMPTION

*Optional Redemption.* The Certificates due on or after December 1, 2032, are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Certificates of a single maturity to be selected by the Registrar), on December 1, 2031, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

*General.* The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Certificates to be redeemed. For purposes of any redemption of less than all of the outstanding Certificates of a single maturity, the particular Certificates or portions of Certificates to be redeemed shall be selected by lot by the Registrar from the Certificates of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Certificates are held in a book-entry system, in which case the selection of Certificates to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Certificates or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Certificates to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Certificates to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the Certificates to be redeemed at the option of the District are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Certificates, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Certificates will not be redeemed. Otherwise, prior to any redemption date, the District will deposit

with the Registrar an amount of money sufficient to pay the redemption price of all the Certificates or portions of Certificates which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Certificate Resolution, and notwithstanding failure to receive such notice, the Certificates or portions of Certificates so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Certificates or portions of Certificates shall cease to bear interest. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates will be paid by the Registrar at the redemption price.

## SECURITY

The Certificates, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“*Bond Counsel*”), are valid and legally binding upon the District payable from any funds of the District legally available for such purpose, except that the rights of the owners of the Certificates and the enforceability of the Certificates may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. **There is no statutory authority for the levy of a separate tax in addition to other District taxes or the levy of a special tax unlimited as to rate or amount to pay the principal and interest due on the Certificates. The amounts payable are not subject to annual appropriation at the discretion of the District.**

The amount of the Certificates due under the Lease, together with all other indebtedness of the District, is within all statutory and constitutional debt limitations. In the Lease, the Lessor agrees to lease the Project to the District, and the District agrees to make the lease payments thereunder; in addition, the District agrees to budget funds of the District annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Lease.

Reference is made to Appendix B for the proposed form of opinion of Bond Counsel.

## PLAN OF FINANCE

### THE PROJECT

Proceeds of the Certificates will be used to pay for the Project. The Project includes building and equipping a new K-8 school building in the Fifth Ward and improving the site thereof. The District expects the new school building to begin serving students in the 2024-2025 school year. The new school building will place most students within walking distance of a neighborhood school, resulting in significant transportation cost savings. The District estimates savings of approximately \$3,250,000 in each fiscal year. The District currently intends to use the transportation savings to pay the Certificates.

## SOURCES AND USES

The sources and uses of funds resulting from the Certificates are shown below:

### SOURCES:

Principal Amount	\$38,315,000.00
Original Issue Premium	<u>6,300,935.40</u>
Total Sources	\$44,615,935.40

### USES:

Deposit to Project Fund	\$40,000,000.00
Deposit to Certificate Fund to pay Capitalized Interest	4,000,000.00
Costs of Issuance*	<u>615,935.40</u>
Total Uses	\$44,615,935.40

\* Includes underwriter's discount and other issuance costs.

## RISK FACTORS

The purchase of the Certificates involves certain investment risks. Accordingly, each prospective purchaser of the Certificates should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Certificates, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

### CONSTRUCTION RISKS

There are potential risks that could affect the ability of the District to timely complete the Project. While preliminary costs have been projected by the District's consulting architects, not all of the construction contracts have been let by the District. No assurance can be given that the cost of completing the Project will not exceed available funds.

Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

## FINANCES OF THE STATE OF ILLINOIS

The State of Illinois (the “*State*”) continues to experience adverse fiscal conditions. The severe underfunding of the State’s pension systems, which, based on the comprehensive annual financial reports of the State’s five retirement systems, have a combined unfunded pension liability in excess of \$140 billion and a combined funded ratio of approximately 40% contributes to the State’s poor financial health. The State’s long-term general obligation bonds carry ratings at the lowest investment grade rating level from multiple rating agencies. The State’s ratings are the lowest ratings of all states.

On June 17, 2021, Governor Pritzker (the “*Governor*”) signed the State’s budget for the fiscal year ending June 30, 2022 (the “*Fiscal Year 2022 Budget*”). In each State fiscal year beginning with the State fiscal year ended June 30, 2018, General State Aid (as hereinafter defined) has been allocated among school districts in accordance with an “Evidence-Based Funding Model” pursuant to Public Act 100-0465, effective August 31, 2017 (“*Public Act 100-465*”). See “STATE AID” herein for more information on the Evidence-Based Funding Model.

As a result of the impact of the Novel Coronavirus 2019 (“*COVID-19*”) and the various governmental or private actions in reaction thereto on the revenues of the State, the State’s budget for the fiscal year ending June 30, 2021 (the “*Fiscal Year 2021 Budget*”) appropriated General State Aid at approximately the same level as the State’s budget for the fiscal year ended June 30, 2020. As a result, additional funds were not allocated under the Evidence-Based Funding Model as New State Funds (as hereinafter defined) for school districts for the fiscal year ending June 30, 2021. The Fiscal Year 2022 Budget increased General State Aid by \$350 million over the Fiscal Year 2021 Budget. See “STATE AID” herein for more information.

In addition, the federal American Rescue Plan Act of 2021 (the “*American Rescue Plan*”), which was signed into law on March 12, 2021, will provide the State with approximately \$7.5 billion in additional federal funds. Certain amounts to be received by the State pursuant to the American Rescue Plan were included in the Fiscal Year 2022 Budget.

Despite moneys the State has received and is expected to receive from the federal government, the actions taken in response to COVID-19 have had, and are expected to continue to have, a significant impact on the State’s economy.

State funding sources constituted 9.65% of the District’s General Fund revenue sources for the fiscal year ended June 30, 2021. The District cannot predict the effect the State’s financial problems, including those caused by the various governmental or private actions in reaction to COVID-19, may have on the District’s future finances. See “POTENTIAL IMPACT OF COVID-19” below.

### POTENTIAL IMPACT OF COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global economies, including

economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy was broad based and negatively impacted national, state and local economies.

In response to the pandemic, former President Trump declared a “national emergency” and designated the State as part of a national disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. Federal legislation, particularly the (i) Coronavirus Aid, Relief, and Economic Security Act (the “*CARES Act*”), signed into law on March 27, 2020, (ii) the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (the “*Supplemental CARES Act*”) signed into law on December 27, 2020, and (iii) the American Rescue Plan (together with the CARES Act and the Supplemental CARES Act, the “*Federal COVID-19 Legislation*”), are each directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act, among other items, creates a \$150 billion Coronavirus Relief Fund (the “*Coronavirus Relief Fund*”) for state, local and tribal governments to use for expenditures incurred due to the public health emergency with respect to COVID-19. The Supplemental CARES Act provides approximately \$82 billion in funding for educational purposes, including an allocation of \$54.3 billion for elementary and secondary school emergency relief. The American Rescue Plan is expected to provide approximately \$5 billion for school districts in the State, approximately \$3.2 billion of which is expected to be directed to school districts outside of Chicago. The District expects to receive \$6,880,510 under the American Rescue Plan, but the timing of receipt of such funds is not yet known. See “STATE AID—Federal COVID-19 Legislation” herein.

In addition to the federal COVID-19 response, the Governor signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that have called for social distancing and masking and imposed restrictions on personal mobility, business operations and congregate activities. The Governor implemented a five-phase approach to reopening the State’s businesses (the “*Reopening Plan*”), with each successive phase of the Reopening Plan easing certain of the restrictions previously imposed by such prior executive orders. On June 11, 2021, the State began the fifth and final phase of the Reopening Plan.

Under Phase 5 of the Reopening Plan, all sections of the State economy have reopened, with no limitations on the size of gatherings and most public activities, including parties, festivals, weddings, places of worship, conferences and sporting events. Businesses and local municipalities are permitted to continue to enforce more stringent rules. If there is a resurgence of COVID-19 cases, with an increase in hospitalizations and capacity issues for intensive care unit beds, the State could return to a previous phase of the Reopening Plan that would reinstate public health restrictions and mitigations.

## LOCAL ECONOMY

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or

commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

#### LOSS OR CHANGE OF CERTIFICATE RATING

The Certificates have received a credit rating from Moody's Investors Service, New York, New York ("*Moody's*"). The rating can be changed or withdrawn at any time for reasons both under and outside the District's control, including the COVID-19 pandemic. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Certificates or may affect the price at which they can be sold.

#### SECONDARY MARKET FOR THE CERTIFICATES

No assurance can be given that a secondary market will develop for the purchase and sale of the Certificates or, if a secondary market exists, that such Certificates can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Certificates at the request of the owners thereof.

Prices of the Certificates as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Certificates. Such market value could be substantially different from the original purchase price.

#### CONTINUING DISCLOSURE

A failure by the District to comply with the Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Certificates. Any such failure must be reported in accordance with Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and may adversely affect the transferability and liquidity of the Certificates and their market price.

#### SUITABILITY OF INVESTMENT

The interest rate borne by the Certificates is intended to compensate the investor for assuming the risk of investing in the Certificates. Furthermore, the tax-exempt feature of the Certificates is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Certificates are an appropriate investment for such investor.

## FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Certificates. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

## FACTORS RELATING TO TAX EXEMPTION

As discussed under “TAX EXEMPTION” herein, interest on the Certificates could become includible in gross income for purposes of federal income taxation, retroactive to the date the Certificates were issued, as a result of future acts or omissions of the District in violation of its covenants in the Certificate Resolution. Should such an event of taxability occur, the Certificates are not subject to any special redemption.

There are or may be pending in the Congress of the United States (“*Congress*”) legislative proposals relating to the federal tax treatment of interest on the Certificates, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Certificates issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Certificates could have an adverse effect on the District’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the “*Service*”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Certificateholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Certificates, regardless of the ultimate outcome.

## CYBERSECURITY

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error,



malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

## BANKRUPTCY

The rights and remedies of the Certificateholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Certificates will be similarly qualified.

## THE DISTRICT

### GENERAL DESCRIPTION

The District is located approximately 15 miles north of the City of Chicago's downtown "Loop." The District lies along Lake Michigan and is part of the the North Shore area. The District serves all of the City of Evanston (the "*City*"), and a portion of the Village of Skokie. The Chicago Transit Authority has six stations within the District connecting the District to Chicago, approximately 13 miles away. The District is approximately 15 miles from O'Hare International Airport. The City is also home to Northwestern University.

The District operates 18 facilities: ten elementary schools (grades K-5), three middle schools (grades 5-8), two magnet schools (grades K-8), an early childhood center and two schools for students with special needs, including a residential school.

There are a number of new large mixed-use developments in the City including a 5 story, mixed-use building with residential space and approximately 4,500 square feet of commercial space, a 15 story mixed-use development with 273 apartments and 6,800 square feet of commercial space, a 5 story residential building with 68 units, an 18 story office building with a drive-through Chase bank on the ground floor, two senior living facilities, and a new theater with a 300 seat auditorium. The recently renovated \$52 million Robert Crown Community Center reopened in the spring of 2020. The 130,000 square foot facility includes two NHL-size ice rinks, a branch of the Evanston public library, a running track, two full-size gymnasiums, child care and after school programs, and a variety of outdoor fields.

The District is governed by an elected seven-member Board and a full-time administrative staff.

DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

OFFICIAL	TITLE	YEAR STARTED IN POSITION
Devon Horton	Superintendent	2020
Raphael Obafemi	Chief Financial and Operations Officer/ School Treasurer	2017
Adeela Qureshi	Board Secretary	2014

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Anya Tanyavutti	President	April 2023
Elisabeth Lindsay-Ryan	Vice President	April 2025
Joseph Hailpern	Member	April 2025
Sergio Hernandez	Member	April 2023
Soo La Kim	Member	April 2025
Donna Wang Su	Member	April 2025
Marquise Weatherspoon	Member	April 2023

ENROLLMENT

HISTORICAL		PROJECTED	
2017/2018	7,482	2022/2023	7,158
2018/2019	7,422	2023/2024	6,954
2019/2020	7,396	2024/2025	6,702
2020/2021	6,977	2025/2026	6,475
2021/2022	6,497	2026/2027	6,273

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Source: The District.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2021-2022 school year, the District had 1,330 full-time employees and 20 part-time employees. Of the total number of employees, approximately 1,154 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

EMPLOYEE GROUP	CONTRACT EXPIRES	UNION AFFILIATION	NUMBER OF MEMBERS
Teachers	August 2024	IEA	797
Teacher’s Assistants	August 2024	IEA	148
Child Care Professionals	August 2021 <sup>(1)</sup>	IEA	40
Secretary and Clerical Staff	August 2022	IEA	111
Custodian and Maintenance Staff	August 2026	IEA	58

(1) The District is currently in negotiations.

POPULATION DATA

The estimated populations of the City, the County of Cook, Illinois (the “County”), and the State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	2000	2010	2020	% CHANGE 2010/2020
The City	74,239	74,486	78,110	+4.87%
The County	5,376,741	5,194,675	5,275,541	+1.56%
The State	12,419,293	12,830,632	12,812,508	-0.14%

Source: U.S. Census Bureau.

EDUCATIONAL CHARACTERISTICS OF PERSONS 25 YEARS AND OLDER

NAME OF ENTITY	HIGH SCHOOL GRADUATES	4 OR MORE YEARS OF COLLEGE
The City	93.7%	67.1%
The County	87.1%	38.8%
The State	89.2%	34.7%

Source: U.S. Census Bureau (2015-2019 American Community Survey).

## FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

### DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2010B BONDS <sup>(1)</sup> (DECEMBER 1)	SERIES 2013 BONDS <sup>(2)</sup> (DECEMBER 1)	SERIES 2014 BONDS <sup>(3)</sup> (DECEMBER 1)	SERIES 2015 BONDS <sup>(4)</sup> (DECEMBER 1)	SERIES 2016 BONDS <sup>(5)</sup> (DECEMBER 1)	SERIES 2019 BONDS <sup>(6)</sup> (DECEMBER 1)	SERIES 2021 BONDS <sup>(7)</sup> (DECEMBER 1)	TOTAL OUTSTANDING BONDS
2022	\$ 1,000,000.00	\$1,310,000.00				\$ 1,120,000.00	\$ 575,000.00	\$ 4,005,000.00
2023	1,000,000.00	1,330,000.00			\$ 157,202.00	1,150,000.00	620,000.00	4,257,202.00
2024	1,250,000.00	1,400,000.00			150,402.00	1,160,000.00	525,000.00	4,485,402.00
2025	1,600,000.00	1,430,000.00				1,140,000.00	640,000.00	4,810,000.00
2026	1,650,000.00	1,505,000.00				1,300,000.00	640,000.00	5,095,000.00
2027	1,700,000.00	1,020,000.00	\$ 219,792.00			1,360,000.00	960,000.00	5,259,792.00
2028	1,800,000.00	1,145,000.00	207,024.00			1,480,000.00	980,000.00	5,612,024.00
2029	1,800,000.00	1,200,000.00	292,758.00			1,570,000.00	1,005,000.00	5,867,758.00
2030		1,230,000.00	1,080,327.80	\$ 258,295.00		1,225,000.00	1,240,000.00	5,033,622.80
2031		1,085,000.00	1,672,139.70	393,024.00			1,005,000.00	4,155,163.70
2032		1,090,000.00	1,693,106.25	792,115.00				3,575,221.25
2033			1,733,760.00	1,149,746.00				2,883,506.00
2034				2,405,282.20	287,127.95			2,692,410.15
2035					3,054,065.25			3,054,065.25
<b>TOTAL</b>	<b>\$11,800,000.00</b>	<b>\$13,745,000.00</b>	<b>\$6,898,907.75</b>	<b>\$4,998,462.20</b>	<b>\$3,648,797.20</b>	<b>\$11,505,000.00</b>	<b>\$8,190,000.00</b>	<b>\$60,786,167.15</b>

(1) Taxable General Obligation Limited Tax School Bonds, Series 2010B, dated November 4, 2010 (the "Series 2010B Bonds").

(2) General Obligation Limited Tax School Bonds, Series 2013, dated May 7, 2013 (the "Series 2013 Bonds").

(3) General Obligation Limited Tax School (Capital Appreciation) Bonds, Series 2014, dated May 15, 2014 (the "Series 2014 Bonds").

(4) General Obligation Limited Tax School (Capital Appreciation) Bonds, Series 2015, dated March 17, 2015 (the "Series 2015 Bonds").

(5) General Obligation Limited Tax School (Capital Appreciation) Bonds, Series 2016, dated April 5, 2016 (the "Series 2016 Bonds").

(6) General Obligation Limited Tax School Bonds, Series 2019, dated October 8, 2019 (the "Series 2019 Bonds").

(7) General Obligation Limited Tax School Bonds, Series 2021, dated November 16, 2021 (the "Series 2021 Bonds").

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL AND INTEREST)

LEVY YEAR	DEBT SERVICE ON THE SERIES 2010B BONDS	DEBT SERVICE ON THE SERIES 2013 BONDS	DEBT SERVICE ON THE SERIES 2014 BONDS	DEBT SERVICE ON THE SERIES 2015 BONDS	DEBT SERVICE ON THE SERIES 2016 BONDS	DEBT SERVICE ON THE SERIES 2019 BONDS	DEBT SERVICE ON THE SERIES 2021 BONDS	TOTAL OUTSTANDING DEBT SERVICE
2021	\$ 1,557,800.00	\$1,818,775.00				\$ 1,683,000.00	\$967,708.34	\$6,027,283.34
2022	1,516,800.00	1,799,475.00			\$ 200,000.00	1,657,000.00	968,250.00	6,141,525.00
2023	1,725,800.00	1,829,575.00			200,000.00	1,609,500.00	842,250.00	6,207,125.00
2024	2,024,550.00	1,817,575.00				1,531,500.00	931,000.00	6,304,625.00
2025	2,008,950.00	1,849,675.00				1,634,500.00	899,000.00	6,392,125.00
2026	1,974,800.00	1,289,425.00	\$ 400,000.00			1,629,500.00	1,187,000.00	6,480,725.00
2027	1,988,100.00	1,363,425.00	400,000.00			1,681,500.00	1,159,000.00	6,592,025.00
2028	1,894,500.00	1,361,175.00	600,000.00			1,697,500.00	1,135,000.00	6,688,175.00
2029		1,349,175.00	2,330,000.00	\$ 500,000.00		1,274,000.00	1,329,800.00	6,782,975.00
2030		1,161,125.00	3,830,000.00	800,000.00			1,045,200.00	6,836,325.00
2031		1,128,150.00	4,125,000.00	1,700,000.00				6,953,150.00
2032			4,500,000.00	2,600,000.00				7,100,000.00
2033				5,770,000.00	635,000.00			6,405,000.00
2034					7,075,000.00			7,075,000.00
TOTAL	\$14,691,300.00	\$16,767,550.00	\$16,185,000.00	\$11,370,000.00	\$8,110,000.00	\$14,398,000.00	\$10,464,208.34	\$91,986,058.34

LEASE CERTIFICATES (PRINCIPAL ONLY)

CALENDAR YEAR	THE CERTIFICATES (DECEMBER 1)
2024	\$ 1,345,000
2025	1,415,000
2026	1,485,000
2027	1,565,000
2028	1,645,000
2029	1,730,000
2030	1,815,000
2031	1,910,000
2032	2,010,000
2033	2,110,000
2034	2,220,000
2035	2,330,000
2036	2,450,000
2037	2,580,000
2038	2,710,000
2039	2,850,000
2040	2,995,000
2041	3,150,000
TOTAL	\$38,315,000

OVERLAPPING GENERAL OBLIGATION BONDS  
(As of March 7, 2022)

TAXING BODY	OUTSTANDING BONDS <sup>(1)</sup>	APPLICABLE TO DISTRICT	
		PERCENT	AMOUNT
The County	\$2,425,146,750	2.173%	\$ 52,698,773
Cook County Forest Preserve District	69,785,000	2.173%	1,516,438
Metropolitan Water Reclamation District	2,660,393,416	2.211%	58,812,296
The City	189,025,000	100.000%	189,025,000
Village of Skokie	222,540,000	11.158%	24,830,168
Skokie Park District	0	11.302%	0
Evanston Township High School District Number 202	26,735,000	100.000%	26,735,000
Oakton Community College Dist. No. 535	45,110,000	14.721%	<u>6,640,808</u>
<b>TOTAL OVERLAPPING BONDS</b>			<b>\$360,258,483</b>

Source: With respect to the applicable taxing bodies and the information used to calculate the percentage of overlapping EAV (as hereinafter defined), the Cook County Clerk's Office. Information regarding the outstanding bonds of the overlapping taxing bodies was obtained from publicly available sources.

- (1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

SELECTED FINANCIAL INFORMATION

2020 Estimated Full Value of Taxable Property:	\$11,500,565,187
2020 Equalized Assessed Value (“EAV”) of Taxable Property:	\$3,833,521,729 <sup>(1)</sup>
Population Estimate:	81,839
General Obligation Bonds:	\$ 60,786,167
Other Direct General Obligation Debt (including the Certificates):	\$ 39,463,667
Total Direct General Obligation Debt:	\$ 100,249,835
Percentage to Full Value of Taxable Property:	0.87%
Percentage to EAV:	2.62%
Debt Limit (6.9% of EAV):	\$ 264,512,999
Percentage of Debt Limit:	37.90%
Per Capita:	\$ 1,225
General Obligation Bonds:	\$ 60,786,167
Overlapping General Obligation Bonds:	\$ 360,258,483
General Obligation Bonds and Overlapping General Obligation Bonds:	\$ 421,044,650
Percentage to Full Value of Taxable Property:	3.66%
Percentage to EAV:	10.98%
Per Capita:	\$ 5,145

(1) Includes TIF (as hereinafter defined) EAV in the amount of \$55,661,868. See “Tax Increment Financing Districts Located Within the District.”

COMPOSITION OF EAV

	2016	2017	2018	2019	2020
<b>By Property Type</b>					
Residential	\$2,417,035,923	\$2,445,645,676	\$2,411,094,786	\$2,937,894,628	\$2,971,311,849
Farm	15,467	15,467	15,467	15,467	15,467
Commercial	508,499,887	553,017,054	562,553,502	772,503,853	767,257,768
Industrial	33,337,878	32,685,494	31,055,552	34,697,198	37,331,171
Railroad	<u>1,559,871</u>	<u>1,591,232</u>	<u>1,708,983</u>	<u>1,864,707</u>	<u>1,943,606</u>
Total EAV <sup>(1)</sup>	\$2,960,449,026	\$3,032,954,923	\$3,006,428,290	\$3,746,975,853	\$3,777,859,861

Source: Cook County Clerk’s Office.

(1) Does not include TIF EAV.



TREND OF EAV

LEVY YEAR	EAV <sup>(1)</sup>	% CHANGE IN EAV FROM PREVIOUS YEAR
2016	\$2,960,449,026	+21.57% <sup>(2)(3)</sup>
2017	3,032,954,923	+2.45%
2018	3,006,428,290	-0.87%
2019	3,746,975,853	+24.63% <sup>(3)</sup>
2020	3,777,859,861	+0.82%

Source: Cook County Clerk's Office.

(1) Does not include TIF EAV.

(2) Based on the District's \$2,435,187,621 2015 EAV.

(3) Reassessment year.

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

A portion of the District's EAV is contained in tax increment financing ("TIF") districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. On October 28, 2021, the City adopted an ordinance creating a new TIF district (the "Fifth Ward TIF") beginning with the 2021 levy year. The District has reached a tentative agreement with the City to receive a portion of the incremental revenue generated from the Trulee Extended Living property within the Fifth Ward TIF. The District anticipates this annual distribution will be, on average, approximately \$350,000. The City approved the agreement at its meeting on March 28, 2022. The District is not aware of any new TIF districts planned in the immediate future.

LOCATION/ NAME OF TIF	YEAR ESTABLISHED	BASE EAV	2020 EAV	INCREMENTAL EAV
Evanston TIF 5	2003	\$11,416,635	\$26,856,036	\$ 15,439,401
Evanston TIF 6	2005	37,477,570	59,954,059	22,476,489
Evanston - Chicago/Main	2013	11,489,118	25,751,799	14,262,681
Evanston - Dempster/Dodge	2012	10,816,879	14,300,176	3,483,297
Total Incremental EAV				\$ 55,661,868
2020 EAV				3,777,859,861
Enterprise Zone EAV				0
Total EAV				<u>\$3,833,521,729</u>

Source: Cook County Clerk's Office.

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED
2015/16	\$ 92,774,014	\$ 94,265,214	101.61%
2016/17	108,811,431	108,792,302	99.98%
2017/18	111,383,992	111,016,211	99.67%
2018/19	116,974,921	116,122,952	99.27%
2019/20	119,333,198	118,856,257	99.60%
2020/21	123,040,624	122,895,995	99.88%

Source: Cook County Treasurer's and County Clerk's Offices.

SCHOOL DISTRICT TAX RATES BY PURPOSE

(Per \$100 EAV)

PURPOSE	2016	2017	2018	2019	2020	MAXIMUM RATE <sup>(1)</sup>
Educational	\$2.8106	\$2.9344	\$2.9412	\$2.3803	\$2.3826	None <sup>(2)</sup>
IMRF	0.0240	0.0824	0.0856	0.0749	0.0787	None
Social Security	0.0915	0.0349	0.0617	0.0539	0.0567	None
Liability Insurance	0.0375	0.0003	0.0343	0.0300	0.0315	None
Transportation	0.0968	0.1456	0.1233	0.1079	0.1159	None
Building	0.3113	0.1754	0.3118	0.2727	0.3146	\$0.5500
Life Safety	0.0030	0.0033	0.0034	0.0030	0.0031	0.1000
Special Education	0.1013	0.0971	0.1131	0.0989	0.1109	0.4000
Limited Bonds	0.1894	0.1848	0.1990	0.1543	0.1638	None
Life Safety Limited Bonds	0.0104	0.0141	0.0175	0.0085	0.0001	None
Total District Tax Rate	<u>\$3.6758</u>	<u>\$3.6723</u>	<u>\$3.8909</u>	<u>\$3.1844</u>	<u>\$3.2579</u>	

Source: Cook County Clerk's Office.

- (1) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the operation of such maximum rates under the Limitation Law (as hereinafter defined).
- (2) Pursuant to Public Act 100-465, beginning with levy year 2017, the District no longer has a maximum tax rate for educational fund purposes. The aggregate tax rate for the various purposes subject to the Limitation Law, however, may not exceed the District's limiting rate under the Limitation Law.

REPRESENTATIVE TOTAL TAX RATES

(Per \$100 EAV)

TAXING AUTHORITY	2016	2017	2018	2019	2020
The District	\$3.6758	\$3.6723	\$3.8909	\$3.1844	\$3.2579
The County	0.5330	0.4960	0.4890	0.4540	0.4530
Cook County Forest Preserve District	0.0630	0.0620	0.0600	0.0590	0.0580
Metropolitan Water Reclamation Dist.	0.4060	0.4020	0.3960	0.3890	0.3780
Consolidated Elections	0.0000	0.0310	0.0000	0.0300	0.0000
North Shore Mosquito Abatement Dist.	0.0100	0.0100	0.0100	0.0090	0.0090
The City	1.5010	1.4900	1.5700	1.4130	1.4130
City of Evanston Library Fund	0.2410	0.2470	0.2540	0.2180	0.2160
City of Evanston General Assistance	0.0350	0.0340	0.0340	0.0330	0.0390
Evanston Twp. High School Dist. #202	2.3320	2.3290	2.4620	2.0240	2.0720
Oakton Comm. College Dist. No. 535	0.2310	0.2320	0.2460	0.2210	0.2270
Total Representative Tax Rate <sup>(1)</sup>	<u>\$9.0278</u>	<u>\$9.0053</u>	<u>\$9.4119</u>	<u>\$8.0344</u>	<u>\$8.1229</u>

Source: Cook County Clerk's Office.

(1) The total of such rates is the property tax rate paid by a typical District resident living in the City.

TEN LARGEST TAXPAYERS

TAXPAYER NAME	2020 EAV	PERCENT OF DISTRICT'S TOTAL EAV
Orrington TT LLC	\$51,886,549	1.35%
Rotary International	49,999,789	1.30%
FSP 909 Davis Street	32,706,380	0.85%
1890 Maple LLC	28,351,865	0.74%
McCaffery Interests	26,324,051	0.69%
TIAA PK Evanston, Inc.	23,376,120	0.61%
FDS 1007 Evanston LLC	23,189,951	0.60%
MB Sherman Highlands	23,047,307	0.60%
Northshore University Health	17,357,848	0.45%
CA Ventures	<u>16,768,234</u>	<u>0.44%</u>
	\$293,008,094	7.64%

Source: Cook County Clerk's Office.

The above taxpayers represent 7.64% of the District's \$3,833,521,729 2020 EAV (including TIF EAV). Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

## NEW PROPERTY

The following chart indicates the EAV of new property (as defined in the Limitation Law) within the District for each of the last five levy years.

LEVY YEAR	NEW PROPERTY
2016	\$24,117,092
2017	8,409,240
2018	78,409,221 <sup>(1)</sup>
2019	21,420,244
2020	33,593,706

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Source: Cook County Clerk's Office.

(1) The increase is largely due to the expiration of a TIF district.

## RETAILERS' OCCUPATION TAX AND SERVICE OCCUPATION TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation Tax and Service Occupation Tax collected by the Illinois Department of Revenue (the "Department") from retailers within the City. The table indicates the level of retail activity in the City.

CALENDAR YEAR	STATE SALES TAX DISTRIBUTION <sup>(1)</sup>
2016	\$ 9,966,853
2017	9,948,542
2018	10,555,084
2019	10,529,488
2020	9,700,815
2021 <sup>(2)</sup>	8,876,341

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Source: The Department.

(1) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation Tax and Service Occupation Tax, collected on behalf of the City, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

(2) Through Third Quarter 2021.

## LARGEST EMPLOYERS

Below is a listing of the largest employers within or near the District area:

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
Northshore University Health System	Company headquarters and general hospital and crisis intervention	Evanston	5,660
Northwestern University	Main campus of private research university	Evanston	5,200
@properties	Residential and commercial real estate agency	Evanston	1,847
The District	Education	Evanston	1,330
Federal-Mogul Motorparts	Gaskets, packings, rubber products and seals	Skokie	1,300
Amita Health St. Francis Hospital	Hospital	Evanston	1,200
Skokie Hospital	General Hospital	Skokie	1,200
The City	Local Government	Evanston	700
Amazon.com, Inc.	Warehouse fulfillment and logistical services	Skokie	600
West Minster Place, McGaw Care Center	Life plan retirement community	Evanston	600
Georgia Nut Co., Inc.	Candy and snacks	Skokie	585
The Village of Skokie	Local government office of economic development	Skokie	500
Northwestern University, Kellogg School of Management	Private university, business and technology management graduate programs	Evanston	500
C. E. Niehoff & Co.	Heavy-duty alternators	Evanston	400
Tech Lighting LLC	Architectural-grade low- and line-voltage lighting systems	Skokie	400
Accuity, Inc.	Processing transactions data and software development	Evanston	300

Source: 2022 Illinois Manufacturers Directory, 2022 Illinois Services Directory and the Illinois Department of Commerce and Economic Opportunity, except for District employee information which was provided by the District.

## UNEMPLOYMENT RATES

	THE CITY	THE COUNTY	THE STATE
2016 – Average	4.8%	6.0%	5.9%
2017 – Average	4.0%	5.1%	5.0%
2018 – Average	3.3%	4.1%	4.4%
2019 – Average	3.0%	3.8%	4.0%
2020 – Average <sup>(1)</sup>	8.1%	11.1%	9.5%
2021 – Average <sup>(1)</sup>	5.5%	7.9%	6.5%

Source: State of Illinois Department of Employment Security.

(1) The District attributes the increase in unemployment rates to the COVID-19 pandemic. See “RISK FACTORS-Potential Impact of COVID-19” herein.

## SPECIFIED OWNER-OCCUPIED UNITS

VALUE	THE CITY		THE COUNTY		THE STATE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	184	1.16%	36,885	3.29%	198,619	6.20%
\$50,000 to \$99,999	361	2.29%	83,703	7.46%	456,773	14.26%
\$100,000 to \$149,999	1,067	6.75%	131,697	11.73%	483,504	15.10%
\$150,000 to \$199,999	1,313	8.31%	175,062	15.59%	508,852	15.89%
\$200,000 to \$299,999	2,706	17.13%	270,535	24.10%	693,104	21.64%
\$300,000 to \$499,999	4,175	26.43%	262,380	23.37%	570,203	17.80%
\$500,000 to \$999,999	4,882	30.91%	126,736	11.29%	234,153	7.31%
\$1,000,000 or more	<u>1,108</u>	<u>7.01%</u>	<u>35,586</u>	<u>3.17%</u>	<u>57,507</u>	<u>1.80%</u>
Total	15,796	100.00%	1,122,584	100.00%	3,202,715	100.00%
Median Value	\$391,400		\$246,600		\$194,500	

Source: U.S. Census Bureau (2015-2019 American Community Survey).

## EMPLOYMENT BY INDUSTRY

CLASSIFICATION	THE CITY		THE COUNTY		THE STATE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	46	0.13%	4,425	0.17%	65,484	1.05%
Construction	905	2.51%	119,785	4.67%	333,807	5.34%
Manufacturing	2,061	5.73%	247,161	9.63%	749,476	11.99%
Wholesale Trade	672	1.87%	70,291	2.74%	187,923	3.01%
Retail Trade	2,702	7.51%	243,740	9.49%	663,163	10.61%
Transportation, warehousing and utilities	1,003	2.79%	188,355	7.34%	409,516	6.55%
Information	1,042	2.90%	53,821	2.10%	113,822	1.82%
Finance, insurance and real estate	2,707	7.52%	208,169	8.11%	453,306	7.25%
Professional, scientific management administrative & waste management	6,374	17.71%	378,949	14.76%	743,209	11.89%
Educational, health & social services	12,941	35.96%	586,136	22.83%	1,441,934	23.07%
Arts, entertainment, recreations accommodations & food services	2,899	8.06%	248,616	9.68%	566,907	9.07%
Other Services	2,106	5.85%	126,368	4.92%	292,957	4.69%
Public Administration	<u>531</u>	<u>1.48%</u>	<u>91,514</u>	<u>3.56%</u>	<u>229,358</u>	<u>3.67%</u>
Total	35,989	100.00%	2,567,330	100.00%	6,250,862	100.00%

Source: U.S. Census Bureau (2015-2019 American Community Survey).

## EMPLOYMENT BY OCCUPATION

CLASSIFICATION	THE CITY		THE COUNTY		THE STATE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	22,554	62.67%	1,052,071	40.98%	2,421,993	38.75%
Service occupations	4,890	13.59%	454,594	17.71%	1,073,272	17.17%
Sales & office occupations	5,681	15.79%	551,604	21.49%	1,366,039	21.85%
Natural resources, construction, & maintenance occupation	938	2.61%	151,272	5.89%	451,379	7.22%
Production, transportation & material moving occupations	<u>1,926</u>	<u>5.35%</u>	<u>357,789</u>	<u>13.94%</u>	<u>938,179</u>	<u>15.01%</u>
Total	35,989	100.00%	2,567,330	100.00%	6,250,862	100.00%

Source: U.S. Census Bureau (2015-2019 American Community Survey).

MEDIAN HOUSEHOLD INCOME

	THE CITY		THE COUNTY		THE STATE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	2,221	7.83%	144,492	7.33%	302,966	6.25%
\$10,000 to \$14,999	1,028	3.63%	79,117	4.01%	185,043	3.82%
\$15,000 to \$24,999	1,736	6.12%	177,486	9.00%	417,135	8.61%
\$25,000 to \$34,999	2,305	8.13%	166,358	8.44%	405,504	8.37%
\$35,000 to \$49,999	2,257	7.96%	219,867	11.15%	563,757	11.63%
\$50,000 to \$74,999	4,091	14.43%	310,795	15.76%	809,343	16.70%
\$75,000 to \$99,999	2,949	10.40%	240,315	12.19%	622,330	12.84%
\$100,000 to \$149,999	4,234	14.93%	301,087	15.27%	778,079	16.06%
\$150,000 to \$199,999	2,136	7.53%	147,525	7.48%	360,394	7.44%
\$200,000 or more	<u>5,395</u>	<u>19.03%</u>	<u>185,066</u>	<u>9.38%</u>	<u>401,583</u>	<u>8.29%</u>
Total	28,352	100.00%	1,972,108	100.00%	4,846,134	100.00%
Median Household Income	\$78,904		\$64,660		\$65,886	

Source: U.S. Census Bureau (2015-2019 American Community Survey).

PER CAPITA INCOME

The City	\$51,723
The County	37,552
The State	36,038

Source: U.S. Census Bureau (2015-2019 American Community Survey).

**SHORT-TERM BORROWING**

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

**FUTURE DEBT**

Except for the Certificates, the District does not currently anticipate issuing any debt in 2022.

**DEFAULT RECORD**

The District has no record of default and has met its debt repayment obligations promptly.



## WORKING CASH FUND

The District is authorized to issue (subject to the provisions of the Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed \$.05 per hundred dollars of EAV (the "*Working Cash Fund Tax*"). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

## WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2017	\$12,316,984
2018	12,506,198
2019	12,839,217
2020	13,071,760
2021	13,258,806

Source: Compiled from the District's Audited Financial Statements for Fiscal Years ended June 30, 2017-2021.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

#### REAL PROPERTY ASSESSMENT

The County Assessor (the "*Assessor*") is responsible for the assessment of all taxable real property within the County, including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department. For triennial reassessment purposes, Cook County is divided into three Districts: west and south suburbs (the "*South Tri*"), north and northwest suburbs (the "*North Tri*"), and the City of Chicago (the "*City Tri*"). The District is located in the North Tri and was last reassessed for the 2019 tax levy year. The District will next be reassessed for the 2022 levy year.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "*Assessed Valuation*") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert

to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

CLASS	DESCRIPTION OF QUALIFYING PROPERTY	ASSESSMENT PERCENTAGE	REVERTS TO CLASS
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "Board of Review"), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide

administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the “*Circuit Court*”) or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

#### EQUALIZATION

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the “*Equalization Factor*”), commonly called the “multiplier,” for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2011	2.9706
2012	2.8056
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160
2020	3.2234

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body’s jurisdiction, plus the valuation of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the “*Assessment Base*”).

## EXEMPTIONS

The Illinois Property Tax Code, as amended (the “*Property Tax Code*”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“*Residential Property*”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$7,000 for tax years 2012 through 2016, and \$10,000 for tax years 2017 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer’s homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of \$100,000 or less (“*Qualified Homestead Property*”). If the taxpayer’s annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000 for tax years 2013 through 2016 and \$8,000 for tax years 2017 and thereafter.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of (i) \$55,000 through assessment year 2016 and (ii) \$65,000 beginning in assessment year 2017. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year. Beginning in tax year 2017, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or \$2,000.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per

square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “*Natural Disaster Exemption*”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran’s disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans’ Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

## TAX LEVY

As part of the annual budgetary process of governmental units (the “Units”) with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit’s maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year’s EAV for all property currently in the District. The prior year’s EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year’s EAV.

## PROPERTY TAX EXTENSION LIMITATION LAW

The Property Tax Extension Limitation Law of the State of Illinois, as amended (the “Limitation Law”) is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in taxing Districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

The District has the authority to levy taxes for many different purposes. See “FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT - School District Tax Rates by Purpose.” The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing Districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District’s limiting rate computed in accordance with the provisions of the Limitation Law.

Public Act 100-465 provides that if the District's Adequacy Target (as defined under "STATE AID" herein) exceeds 110% for the school year that begins during the calendar year immediately preceding the levy year for which a tax reduction is sought, a petition signed by at least 10% of the registered voters in the District may be filed requiring a proposition to be submitted to the District's voters at the next consolidated election in April of odd-numbered years asking the voters whether the District must reduce its extension for educational purposes for the levy year in which the election is held to an amount that is less than the extension for educational purposes for the immediately preceding levy year. The reduced extension, however, may not be more than 10% lower than the amount extended for educational purposes in the previous levy year and may not cause the District's Adequacy Target to fall below 110% for the levy year for which the reduction is sought. If the voters approve the proposition, the County Clerk will extend a rate for educational purposes that is no greater than the limiting rate for educational purposes computed in accordance with the Limitation Law. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

#### EXTENSIONS

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

#### COLLECTIONS

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on



the certain percentage of the *corrected* prior year’s tax bill. The second installment covers the balance of the current year’s tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019
2019 <sup>(1)</sup>	August 3, 2020
2020 <sup>(1)</sup>	August 2, 2021

Source: Cook County Clerk’s Office.

(1) Due to the impact of COVID-19, the County approved an ordinance declaring that no interest will accrue on the second installment of 2019 taxes, due on August 3, 2020, provided the taxes are paid on or before October 1, 2020. Said ordinance was amended in November 2020, providing that the first installment of property taxes for the year 2020 tax year will be due on March 2, 2021, and the second installment will be due on August 2, 2021, but no interest penalties for any late payments of tax year 2020 taxes will accrue until after May 3, 2021, for the first installment of taxes and October 1, 2021 for the second installment of taxes.

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the “*Annual Tax Sale*”) of unpaid taxes shown on that year’s Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any “automated means.” Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law,

the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the “*Scavenger Sale*”), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years’ taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

#### TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the “*Law*”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. **There is no statutory authority for the levy of a separate tax in addition to other District taxes or the levy of a special tax unlimited as to rate or amount to pay the principal and interest due on the Certificates.** The District covenants in the Certificate Resolution to budget funds of the District annually and in a timely manner in amounts sufficient to pay debt service when due under the terms of the Certificates. As set forth in the Debt Reform Act, the Certificates are valid and legally binding upon the District whether or not an appropriation for debt service thereon is included in any annual or supplemental budget adopted by the District.

#### SCHOOL DISTRICT FINANCIAL PROFILE

The Illinois State Board of Education (“*ISBE*”) utilizes a system for assessing a school district’s financial health referred to as the “*School District Financial Profile*” which replaced the Financial Watch List and Financial Assurance and Accountability System. This system identifies those school districts which are moving into financial distress.

The system uses five indicators which are individually scored, placed into a category of a four, three, two or one, with four being the best possible, and weighted in order to arrive at a composite district financial profile. The indicators and the weights assigned to those indicators are as follows: fund balance to revenue ratio (35%); expenditures to revenue ratio (35%); days cash on hand (10%); percent of short-term borrowing ability remaining (10%); and percent of long-term debt margin remaining (10%).

The scores of the weighted indicators are totaled to obtain a district's overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- *Financial Recognition.* A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.
- *Financial Review.* A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.
- *Financial Early Warning.* A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.
- *Financial Watch.* A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

For each school district, ISBE calculates an original financial profile score (the "*Original Score*") and an adjusted financial profile score (the "*Adjusted Score*"). The Original Score is calculated based solely on such school district's audited financial statements as of the close of the most recent fiscal year. The Adjusted Score is calculated based initially on a school district's audited financial statements for the most recent fiscal year, with adjustments made to reflect the impact on the Original Score of timing differences between such school district's actual and expected receipt of State Aid payments or evidence-based funding, as required by Section 1A-8 of the School Code. ISBE has implemented this statutory requirement by adding in payments expected to be received during the calculation year but not actually received until the following fiscal year, as well as by subtracting certain State Aid payments or evidence-based funding received during the current fiscal year but attributable to a prior fiscal year. Such adjustments may have a varying effect on a school district's Adjusted Score based on the amount of time by which such State Aid payments or evidence-based funding are delayed and the accounting basis adopted by such school district. Due to the manner in which such requirement has been implemented by ISBE, a school district's Adjusted Score may be different than it otherwise would have been in certain years based on the scheduled receipt of State Aid payments or evidence-based funding.

The following table sets forth the District’s Original Scores and Adjusted Scores, as well as the designation assigned to each score, for each of the last five fiscal years (as released by ISBE in March of the year following the conclusion of each fiscal year):

FISCAL YEAR (JUNE 30)	ORIGINAL SCORE	DESIGNATION BASED ON ORIGINAL SCORE	ADJUSTED SCORE	DESIGNATION BASED ON ADJUSTED SCORE
2020	3.80	Recognition	3.80	Recognition
2019	3.80	Recognition	3.80	Recognition
2018	3.80	Recognition	3.80	Recognition
2017	3.35	Review	3.35	Review
2016	3.00	Early Warning	3.35	Review

The Auditor has calculated the District’s Original Score for fiscal year 2021 to be 3.90, which places the District in the Financial Recognition category. Such calculation of the Original Score is preliminary and may be different from the official Original Score released by ISBE. The District expects that ISBE will release its official Original Score and its Adjusted Score in March 2022.

### STATE AID

#### GENERAL

The State provides aid to local school districts on an annual basis as part of the State’s appropriation process. Many school districts throughout the State rely on such “*State Aid*” as a significant part of their budgets. For the fiscal year ended June 30, 2021, 9.65% of the District’s General Fund revenue came from sources at the State, including State Aid. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District’s revenue sources.

#### GENERAL STATE AID—EVIDENCE–BASED FUNDING MODEL

Through fiscal year 2017, general State financial aid (“*General State Aid*”) was allocated to each Illinois school district based on the difference between available local resources per pupil (which was calculated based on a number of factors, including the district’s EAV, the number of students in attendance in the district and the district’s corporate personal property replacement tax receipts) and a foundation level (the “*Foundation Level*”). The Foundation Level was an amount established annually by the State’s budget representing the minimum level of per pupil financial support that was to be available to provide for the basic education of each pupil.

The State appropriation for General State Aid in some fiscal years prior to fiscal year 2017 was reduced. As such, the State was not able to fully fund General State Aid and the amount each district received was prorated in each of fiscal years 2010 through 2016. For fiscal year 2017, the State appropriation was increased to fully fund General State Aid.

The Fiscal Year 2021 Budget did not appropriate General State Aid in excess of the amount appropriated in the Fiscal Year 2020 Budget. Therefore, school districts did not receive New State Funds during State fiscal year 2021. The Fiscal Year 2022 Budget appropriates General State Aid in an amount \$350 million greater than the appropriation in the Fiscal Year 2021 Budget. Such additional funds will be distributed to school districts under the Evidence-Based Funding Model. The Evidence-Based Funding Model provided for in Public Act 100-465 sets forth a school funding formula which ties individual district funding to evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the funding formula, ISBE will calculate an adequacy target (the "*Adequacy Target*") each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education (based on certain State resources and its expected property tax collections, its "*Local Capacity Target*") and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts ("*New State Funds*") will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives 0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

Based on the most recent ISBE notification, the District's Local Capacity Target, plus its Base Funding Minimum, is 104% of its Adequacy Target and that the District has been placed in Tier Four. For school year 2021-2022, the District received approximately \$7,929 of New State Funds.

Public Act 100-465 also provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being that district's "*Base Funding Minimum*"). Mandated Categorical State Aid (as hereinafter defined) received by the District in fiscal year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Base Funding Minimum for the school year 2017-2018 (the "*Initial Base Funding Minimum*"). Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year. The Base Funding Minimum for the District for school year 2021-2022 was \$8,267,263.26. If the State appropriates insufficient funds to cover the cost of the Base Funding Minimum, reductions will be made first to the Base Funding Minimum for all Tier 3 and Tier 4 school districts on a per pupil basis; *provided, however*, that such reductions may not reduce State funding for such districts below the Initial Base Funding Minimum. If funds are still insufficient, then further reductions are to be done on a per pupil basis for all school districts. Consequently, reduced appropriations for General State Aid in future years could result in the District receiving less in a future fiscal year than its Base Funding Minimum.

## PROPERTY TAX RELIEF POOL FUNDS

For the purpose of encouraging high tax rate school districts to reduce property taxes, Public Act 100-465 also established a property tax relief grant program (the “*Property Tax Relief Pool*”). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district’s percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district’s Base Funding Minimum, unless that district does not abate its property tax levy by the amount of intended property tax relief as described above. The Fiscal Year 2021 Budget did not appropriate any funds for the Property Tax Relief Pool. Of the \$350 million of New State Funds appropriated in the Fiscal Year 2022 Budget, \$50 million was allocated to the Property Tax Relief Pool.

## MANDATED CATEGORICAL STATE AID

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as “*Mandated Categorical State Aid*,” are made to the school district in the fiscal year following the expenditure, *provided* that the school district files the paperwork necessary to inform the State of such an entitlement. From time to time, Mandated Categorical State Aid payments from the State have been delayed and have been prorated as part of the appropriation process, as described below.

Prior to fiscal year 2018, the School Code provided for Mandated Categorical State Aid with respect to mandatory school programs relating to: (a) special education, (b) transportation, (c) free and reduced breakfast and lunch, and (d) orphanage tuition. Beginning with fiscal year 2018, Mandated Categorical State Aid is no longer the source of funding for mandatory school programs relating to special education, other than private facility tuition and transportation. Mandated Categorical State Aid received by a district in fiscal year 2017 for special education programming no longer available for Mandated Categorical State Aid in fiscal year 2018 is included in the Base Funding Minimum for that district.

In addition, although school districts are entitled to reimbursement for expenditures made under these programs, these reimbursements are subject to the State’s appropriation process. In the event that the State does not appropriate an amount sufficient to fund fully the Mandated

Categorical State Aid owed to each school district, the total Mandated Categorical State Aid is proportionally reduced such that each school district receives the same percentage of its Mandated Categorical State Aid request with respect to a specific category of such aid as every other school district.

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are “mandatory” under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fund fully the Mandatory Categorical State Aid requirements. As such, the District’s revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

#### COMPETITIVE GRANT STATE AID

The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code. In contrast to Mandated Categorical State Aid, such “*Competitive Grant State Aid*” is not guaranteed to a school district that provides these programs. Instead, a school district applying for Competitive Grant State Aid must compete with other school districts for the limited amount appropriated each year by the State for such program.

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is annually determined separately for each category of aid based on the State’s budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures with respect to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

#### PAYMENT FOR MANDATED CATEGORICAL STATE AID AND COMPETITIVE GRANT STATE AID

The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, “*Categorical State Aid*”) in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For example, with respect to the categories of Mandated Categorical State Aid related to extraordinary special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State’s fiscal year.

See *Exhibit C* for a summary of the District’s general fund revenue sources.

#### FEDERAL COVID-19 LEGISLATION

The State’s allocation from the Coronavirus Relief Fund (by population proportions) is approximately \$4.9 billion, split between the State (\$2.7 billion) and local governments (the City of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion). The CARES Act also provides \$30.75 billion for an Education Stabilization Fund for states, school districts and institutions of higher education for costs related to COVID-19. Of that amount, \$13.5 billion is available for elementary and secondary education as formula-grants to states based on the following formula: 60% of the funds are distributed based on the relative number of 5- to 24-year-olds in a state; and 40% of the funds are distributed based on the relative number of individuals younger than 21. States will then distribute 90% of the funds to local educational agencies (LEAs) based on their proportional allocation of Every Student Succeeds Act (“ESSA”) Title I-A funds. State education agencies can reserve up to 10% of funds for emergency needs as determined by the state. Funds distributed to LEAs can be used for coronavirus-response activities, such as planning for and coordinating during long-term school closures; purchasing educational technology to support online learning for all students served by the LEAs; and additional activities authorized by federal elementary and secondary education laws.

The amount of funds the District has received from the CARES Act is \$800,913. The District expects to receive additional funds in the amount of \$3,018,577 pursuant to the Supplemental CARES Act. The District also expects to receive \$6,880,510 under the American Rescue Plan, but the timing of receipt of such funds is not yet known. The State will also receive funds pursuant to the American Rescue Plan, certain of which amounts were included in the Fiscal Year 2022 Budget.

#### RETIREMENT PLANS

The District participates in two defined benefit pension plans: (i) the Teachers’ Retirement System of the State of Illinois (“TRS”), which provides retirement benefits to the District’s teaching employees, and (ii) the Illinois Municipal Retirement Fund (the “IMRF” and, together with TRS, the “Pension Plans”), which provides retirement benefits to the District’s non-teaching employees. The District makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Illinois Pension Code, as amended (the “Pension Code”).

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 10 to the Audit, as hereinafter defined, attached hereto as APPENDIX A.



## BACKGROUND REGARDING PENSION PLANS

### *The Actuarial Valuation*

The disclosures in the Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of the Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards (the “*GASB Standards*”) issued by the Governmental Accounting Standards Board (“*GASB*”), as described below.

In producing an actuarial valuation, the actuary for the Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

### *GASB Standards*

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a “Net Pension Liability” or “Net Pension Asset,” which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the “*Total Pension Liability*”) and the fair market value of the pension plan’s assets (referred to as the “*Fiduciary Net Position*”).

Furthermore, the GASB Standards employ a rate, referred to in such statements as the “*Discount Rate*,” which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan’s investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

### *Pension Plans Remain Governed by the Pension Code*

As described above, the GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension

Code in all respects, including, but not limited to, the amounts to be contributed by the District to the Pension Plans in each year.

#### TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois General Assembly for the benefit of Illinois public school teachers outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer, which includes all school districts located outside of the City of Chicago, to provide services for which teacher licensure is required.

The Illinois Pension Code sets the benefit provisions of TRS, which can only be amended by the Illinois General Assembly. The State maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The report may be viewed at TRS's website as follows: <http://trs.illinois.gov/pubs/cafr.htm>.

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 10 to the Audit.

#### *Employer Funding of Teachers' Retirement System*

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except for a small portion contributed by the teacher's employer, such as the District. For the fiscal years ended June 30, 2019, through June 30, 2021, all amounts contributed by the District to TRS were as follows:

FISCAL YEAR ENDED JUNE 30	TRS CONTRIBUTIONS
2019	\$559,349
2020	556,960
2021	471,737

Source: The audited financial statements of the District for the years ended June 30, 2019, through June 30, 2021.

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 10 to the Audit.

### *Shift of Contributions from the State to Employers*

Various proposals have been introduced into the General Assembly to shift the burden of making certain contributions to TRS from the State to the school districts employing participants in TRS, such as the District (each a “*Cost Shifting Proposal*”). Though these Cost Shifting Proposals differ in certain respects, the most common formulation would require a school district, such as the District, to contribute the full amount of the normal costs of its employees’ TRS pensions, with such additional contributions being phased in over the course of several years.

Discussions and deliberations on the complex topic of pension reform remain fluid. The District cannot predict whether, or in what form, the Cost Shifting Proposal may be introduced in the General Assembly or ultimately be enacted into law. Furthermore, it is possible that any future pension reform legislation that is passed by the General Assembly (including any legislation containing the Cost Shifting Proposal) could face court challenges.

If the Cost Shifting Proposal were to become law, it may have a material adverse effect on the finances of District. How local school districts, including the District, would pay for such shift of contributions cannot be determined at the current time. Property taxes to pay pension costs are capped by the Limitation Law. If such pension expenditures are not exempted from the Limitation Law, school districts (such as the District) would have to pay such additional contributions from revenues or reserves.

Although the Cost Shifting Proposal has not been adopted as of the date hereof, the General Assembly approved legislation shifting a portion of the State’s contributions to TRS to individual school districts. On July 6, 2017, the General Assembly enacted Public Act 100-0023 (“*P.A. 100-23*”) which, among other things, requires employers participating in TRS, such as the District, to make certain contributions to TRS that were not required under prior law. P.A. 100-23 includes provisions for a separate set of benefits (the “*New Tier Benefits*”) applicable to employees hired after the “*Implementation Date*,” the same being the date on which TRS authorizes new hires to participate in the New Tier Benefits, which P.A. 100-23 directs should be “as soon as possible” after the effective date of P.A. 100-23. Under P.A. 100-23, beginning in Fiscal Year 2018, the District will be responsible for paying the normal cost for those employees earning the New Tier Benefits (as well as the normal cost for certain employees hired after the Implementation Date that elect to earn the benefits currently in place) and to amortize any unfunded liability related thereto. Finally, P.A. 100-23 mandates that the District make an additional payment to TRS to the extent that any employee’s salary exceeds the salary of the Governor of the State (currently \$177,412), as calculated therein.

The contributions required by P.A. 100-23 represent an increase in the District’s contributions to TRS in comparison to prior law; however, the District is unable to predict the timing or the degree of any such additional contributions, and as such, the District is not able to predict whether the impact of such additional contributions on its finances will be material.

### *Recognition of Net Pension Liability*

The GASB Standards divide the Net Pension Liability of a pension plan for which multiple entities make a portion of the employer contribution among such contributing entities. With respect to TRS, the District and the State each provide a portion of the employer contribution with respect to the District's TRS liability. As of June 30, 2021, the Net Pension Liability associated with the District was \$585,006,062, of which the District's proportionate share was \$7,374,783.

### ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the IMRF, which is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in Illinois. The IMRF is established and administered under statutes adopted by the Illinois General Assembly. The Pension Code sets the benefit provisions of the IMRF, which can only be amended by the Illinois General Assembly.

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the "*IMRF Account*") along with a unique employer contribution rate determined by the IMRF Board of Trustees (the "*IMRF Board*"), as described below. The employees of a participating employer receive benefits solely from such employer's IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF's website.

See Note 10 to the Audit for additional information on the IMRF's actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

### *Contributions*

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District's contribution rate for calendar year 2020 was 8.47% of covered payroll.

For the calendar years ended December 31 of the years 2018 through 2020, the District contributed the following amounts to IMRF:

CALENDAR YEAR ENDED DECEMBER 31	IMRF CONTRIBUTIONS
2018	\$1,732,828
2019	1,427,478
2020	1,659,572

Source: The audited financial statements of the District for the years ended June 30, 2019, through June 30, 2021.

### *Measures of Financial Position*

The following table presents the measures of the IMRF Account's financial position as of December 31 of the years 2018 through 2020, which are presented pursuant to the GASB Standards.

CALENDAR YEAR ENDED DECEMBER 31	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION (ASSET)/LIABILITY	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	DISCOUNT RATE
2018	\$82,558,795	\$73,880,022	\$8,678,773	89.49%	7.25%
2019	86,800,889	85,479,707	1,321,182	98.48%	7.25%
2020	89,407,269	96,394,877	(6,987,608)	107.82%	7.25%

Source: The audited financial statements of the District for the years ended June 30, 2019, through June 30, 2021.

See Note 10 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, information on the assumptions and methods used by the Actuary, and the financial reporting information required by the GASB Standards.

### **TEACHER HEALTH INSURANCE SECURITY FUND**

The District participates in the Teacher Health Insurance Security Fund (the "*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 TRS.

The State maintains primary responsibility for funding, but contributions from participating employers and members are also required. For the fiscal year ended June 30, 2021, the District paid \$450,806 to the THIS Fund, which was \$244,468 lower than the required

contribution for the year. For more information regarding the District's THIS Fund obligation, see Note 9 to the Audit.

### **CERTIFICATE RATING**

Moody's has assigned the Certificates a rating of "Aa2." This rating reflects only the views of Moody's and any explanation of the significance of such rating may only be obtained therefrom. Certain information concerning the Certificates and the District not included in this Official Statement may have been furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that such rating may not be changed by Moody's if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Certificates.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," the form of which is attached hereto as APPENDIX C, neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Certificates any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

### **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Certificates, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of obligation proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Certificates to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Certificates to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Certificates is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "*Code*").

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have

incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Certificates should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the “*OID Issue Price*”) for each maturity of the Certificates is the price at which a substantial amount of such maturity of the Certificates is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The *OID Issue Price* of a maturity of the Certificates may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the *OID Issue Price* of a maturity of the Certificates is less than the principal amount payable at maturity, the difference between the *OID Issue Price* of each such maturity, if any, of the Certificates (the “*OID Certificates*”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an *OID Certificate* in the initial public offering at the *OID Issue Price* for such maturity and who holds such *OID Certificate* to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such *OID Certificate* constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such *OID Certificate* at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such *OID Certificates* is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of *OID Certificates* should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such *OID Certificates*.

Owners of Certificates who dispose of Certificates prior to the stated maturity (whether by sale, redemption or otherwise), purchase Certificates in the initial public offering, but at a price different from the *OID Issue Price* or purchase Certificates subsequent to the initial public offering should consult their own tax advisors.

If a Certificate is purchased at any time for a price that is less than the Certificate’s stated redemption price at maturity or, in the case of an *OID Certificate*, its *OID Issue Price* plus accreted original issue discount (the “*Revised Issue Price*”), the purchaser will be treated as having purchased a Certificate with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Certificate is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an *OID Certificate* for a price that is less than its *Revised*

Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Certificate. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Certificates.

An investor may purchase a Certificate at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Certificate in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt obligation. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Certificate. Investors who purchase a Certificate at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Certificate’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Certificate.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Certificates. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Certificateholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Certificates until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Certificates, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Certificate owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Certificate owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Certificates is not exempt from present State income taxes. Ownership of the Certificates may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Certificates. Prospective purchasers of the Certificates should consult their tax advisors regarding the applicability of any such state and local taxes.



## **CONTINUING DISCLOSURE**

The District will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the beneficial owners of the Certificates to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “*MSRB*”) pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Certificates. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of the Undertaking, attached hereto as APPENDIX C.

There have been no instances in the previous five years in which the District failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the District to comply with the Undertaking will not constitute a default under the Certificate Resolution and beneficial owners of the Certificates are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Certificates and their market price.

## **AUDITED FINANCIAL STATEMENTS**

The audited financial statements of the District for the fiscal year ended June 30, 2021 (the “*Audit*”), contained in Appendix A, including the independent auditor’s report accompanying the Audit, have been prepared by Baker Tilly Virchow Krause, LLP, Oak Brook, Illinois (the “*Auditor*”), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to the Chief Financial and Operations Officer of the District.

## **BOOK-ENTRY ONLY SYSTEM**

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the

New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has an S&P Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to

Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Certificates; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Certificates; or (e) any other action taken by the Securities Depository or any Participant.

### **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Certificates are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois ("*Chapman and Cutler*"), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Certificates. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Certificates and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Certificates from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Certificates for investment by any investor.

### **NO LITIGATION**

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Certificates, or in any way contesting or affecting the validity or enforceability of the Certificates or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Certificates are delivered.

### **MUNICIPAL ADVISOR**

Raymond James & Associates, Inc., Chicago, Illinois, has been retained by the District as municipal advisor (the "*Municipal Advisor*") in connection with the issuance of the Certificates. In assisting with the preparation of this Official Statement, the Municipal Advisor has relied upon the District and other sources having access to relevant data to provide accurate information for

this Official Statement. To the best of the Municipal Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Municipal Advisor's duties, responsibilities, and fees arise solely from that as municipal advisor to the District.

#### **UNDERWRITING**

The Certificates were offered for sale by the District at a public competitive sale on March 29, 2022. The best bid submitted at the sale was submitted by Mesirow Financial Inc., New York, New York (the "*Underwriter*"). The District awarded the contract for sale of the Certificates to the Underwriter at a price of \$44,338,917.95, reflecting the par amount of the Certificates of \$38,315,000.00, plus original issue premium of \$6,300,935.40, and less Underwriter's discount of \$277,017.45. The Underwriter has represented to the District that the Certificates have been subsequently re-offered to the public initially at the yields set forth on the inside cover of this Official Statement.

## AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Certificates. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Certificates, a certificate confirming that, to the best of its knowledge and belief, this Official Statement, together with any supplements thereto, as of the date hereof, and at the time of delivery of the Certificates, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/ Raphael Obafemi

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Chief Financial and Operations Officer  
Community Consolidated School District  
Number 65, Cook County, Illinois

March 29, 2022

**EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE, FISCAL YEARS ENDED JUNE 30, 2017-2021**

	Ed <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
Beginning Balance	\$5,682,604	\$1,214,749	\$3,871,845	\$189,235	\$1,244,378	\$4,530,252	\$12,267,893	\$1,475,532	\$3,575	\$30,480,063
Revenues	97,438,848	7,202,854	5,262,577	4,269,222	3,731,455	177,453	49,091	778,514	86,979	118,996,993
Expenditures	98,437,708	6,462,422	5,520,637	3,733,809	3,809,546	3,054,037	0	248,591	69,900	121,336,650
Net Transfers	0	0	(24,713)	0	24,713	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/17	\$4,683,744	\$1,955,181	\$3,589,072	\$724,648	\$1,191,000	\$1,653,668	\$12,316,984	\$2,005,455	\$20,654	\$28,140,406
Beginning Balance	\$4,683,746	\$1,955,182	\$3,589,072	\$724,649	\$1,191,000	\$1,653,669	\$12,316,985	\$2,005,453	\$20,654	\$28,140,410
Revenues <sup>(2)</sup>	122,756,571	8,558,744	6,159,812	4,807,193	3,348,550	5,185	189,213	1,312,670	116,467	147,254,405
Expenditures	105,190,692	6,971,960	5,629,342	4,270,988	3,911,421	608,106	0	880,255	64,000	127,526,764
Net Transfers	0	0	(37,069)	0	37,069	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/18	\$22,249,625	\$3,541,966	\$4,082,473	\$1,260,854	\$665,198	\$1,050,748	\$12,506,198	\$2,437,868	\$73,121	\$47,868,051
Beginning Balance	\$22,249,625	\$3,541,966	\$4,082,473	\$1,260,854	\$665,198	\$1,050,748	\$12,506,198	\$2,437,868	\$73,121	\$47,868,051
Revenues	116,869,208	8,513,086	6,518,519	4,430,997	4,732,493	9,126	333,019	302,491	126,652	141,835,591
Expenditures	109,072,282	8,876,739	5,704,211	4,770,179	3,953,848	585,443	0	866,447	106,998	133,936,147
Net Transfers	0	0	0	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/19	\$30,046,551	\$3,178,313	\$4,896,781	\$921,672	\$1,443,843	\$474,431	\$12,839,217	\$1,873,912	\$92,775	\$55,767,495
Beginning Balance	\$30,046,551	\$3,178,313	\$4,896,781	\$921,672	\$1,443,843	\$474,431	\$12,839,217	\$1,873,912	\$92,775	\$55,767,495
Revenues	117,810,712	9,448,186	4,006,081	6,206,047	5,153,555	28,871	232,543	1,864,111	80,398	144,830,504
Expenditures	114,269,430	9,863,325	20,229,386	4,055,145	4,041,024	3,975,186	0	2,323,175	122,819	158,879,490
Net Transfers	0	0	0	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	12,150,255	0	0	4,730,519	0	0	0	16,880,774
Ending Balance, 6/30/20	\$33,587,833	\$2,763,174	\$823,731	\$3,072,574	\$2,556,374	\$1,258,635	\$13,071,760	\$1,414,848	\$50,354	\$58,599,283
Beginning Balance <sup>(3)</sup>	\$34,208,582	\$2,763,174	\$823,731	\$3,072,574	\$2,556,374	\$1,258,635	\$13,071,760	\$1,414,848	\$50,354	\$59,220,032
Revenues	116,702,825	11,465,502	5,884,069	5,472,972	5,008,444	5,126	187,046	1,459,003	109,416	146,294,403
Expenditures	119,951,597	8,727,310	5,651,008	3,750,077	4,172,714	1,223,067	0	383,978	121,941	143,981,692
Net Transfers	0	0	0	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/21	\$30,959,810	\$5,501,366	\$1,056,792	\$4,795,469	\$3,392,104	\$40,694	\$13,258,806	\$2,489,873	\$37,829	\$61,532,743

Source: The audited financial statements of the District for the years ended June 30, 2017 - June 30, 2021.

(1) Excludes "On-behalf" payments.

(2) In April of 2017, the District proposed a limiting rate increase referendum of \$0.595, which was approved by 81% of the District's voters. The rate increase led to an increase of approximately \$14,500,000 of taxes in the operating funds annually. The increased tax rates went into effect for the 2016 levy year and impacted the financial results of Fiscal Year ended June 30, 2018. The increased revenues are being used to pay for the additional staff needed due to increasing enrollment and to restore the balances of the operating funds.

(3) Pursuant to the implementation of GASB Statement No. 84, the beginning balance of the Educational Fund was restated to include student activity funds.

**EXHIBIT B — BUDGET, FISCAL YEAR ENDING JUNE 30, 2022**

	Ed <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
FUND BALANCE AS OF 7/1/21	\$32,771,515	\$4,075,239	\$986,989	\$4,319,115	\$3,028,926	\$40,694	\$13,258,806	\$2,424,707	\$31,311	\$60,937,302
ESTIMATED REVENUE	129,129,950	10,868,824	6,175,635	5,337,737	4,610,418	0	87,204	1,316,518	113,962	157,640,248
ESTIMATED EXPENDITURES	131,057,071	9,416,189	5,830,801	4,932,479	4,415,269	0	0	1,327,117	125,000	157,103,926
OTHER	0	0	0	0	0	0	0	0	0	0
ESTIMATED FUND BALANCE 6/30/22	\$30,844,394	\$5,527,874	\$1,331,823	\$4,724,373	\$3,224,075	\$40,694	\$13,346,010	\$2,414,108	\$20,273	\$61,473,624

Source: Budget for the District for the year ending June 30, 2022. The beginning fund balances were estimated by the District at the time the budget was adopted. Consequently, such balances may not match the ending fund balances set forth in the District's audited financial statements for the fiscal year ended June 30, 2021.

(1) Excludes "On-behalf" payments.



**EXHIBIT C — GENERAL FUND REVENUE SOURCES,  
FISCAL YEARS ENDED JUNE 30, 2017-2021**

	YEAR ENDED JUNE 30, 2017 <sup>(1)</sup>	YEAR ENDED JUNE 30, 2018	YEAR ENDED JUNE 30, 2019	YEAR ENDED JUNE 30, 2020	YEAR ENDED JUNE 30, 2021
Local Sources	81.50%	82.34%	81.57%	82.92%	82.26%
State Sources	9.31%	11.28%	10.12%	9.52%	9.65%
Federal Sources	<u>9.19%</u>	<u>6.38%</u>	<u>8.31%</u>	<u>7.56%</u>	<u>8.09%</u>
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The annual financial reports of the District for the years ended June 30, 2017-June 30, 2021. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund. Excludes “On-behalf” payments.

- (1) For fiscal years prior to the fiscal year ended June 30, 2018, General State Aid was allocated based on a number of factors, including the District’s EAV, the number of students in attendance in the District and the District’s corporate personal property replacement tax receipts. Beginning with the fiscal year ended June 30, 2018, the funding of General State Aid for school districts in the State converted to the Evidence-Based Funding Model. See “State Aid” herein for additional information.

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE  
DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 65**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED**

**JUNE 30, 2021**

**AND**

**INDEPENDENT AUDITORS' REPORT**

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

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# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

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## Independent Auditors' Report

To the Board of Education of  
Community Consolidated School District No. 65

### Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Community Consolidated School District No. 65, Illinois, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Community Consolidated School District No. 65'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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 over financial reporting relevant to Community Consolidated School District No. 65'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 Community Consolidated School District No. 65's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Community Consolidated School District No. 65, Illinois, as of June 30, 2021 and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

**Emphasis of Matter**

As discussed in Note 3, Community Consolidated School District No. 65 adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. Our opinions are not modified with respect to this matter.

**Basis of Accounting**

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Community Consolidated School District No. 65's basic financial statements. The other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Prior-Year Comparative Information*

We have previously audited Community Consolidated School District No. 65's 2020 financial statements, and we expressed unmodified audit opinions on the respective modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 23, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2021 on our consideration of Community Consolidated School District No. 65'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 Community Consolidated School District No. 65's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Consolidated School District No. 65's internal control over financial reporting and compliance.



Oak Brook, Illinois  
October 31, 2021

# **Community Consolidated School District No. 65**

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

### **As of and for the Year Ended June 30, 2021**

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The discussion and analysis of Community Consolidated School District No. 65's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2021. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is presented in the Management's Discussion and Analysis (the "MD&A").

#### **Financial Highlights**

- The District has reported \$153,373,844 in total assets, \$142,631 in deferred outflows of resources, and \$72,353,159 in total liabilities.
- Out of the \$153,373,844 in assets, \$91,613,955 in capital assets, \$61,562,709 on cash and cash investment that may be used to meet the District's ongoing obligations to citizens and creditors and \$197,180 due from another government.
- The District's liabilities are equal to \$72,353,159. This amount consists of \$68,235,989 are due after one year, and \$3,890,000 are due within one year. The District also has \$227,170 in payroll payables and other current liabilities.
- In total, net position increased by \$4,463,566. This represents a 5% increase from 2020 and is due to revenues exceeding expenses.
- General revenues accounted for \$129,183,554 in revenue or 61% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$81,870,042 or 39% of total revenues of \$211,053,596.
- The District had \$206,590,030 in expenses related to government activities. However, only \$81,870,042 of these expenses were offset by program specific charges and grants.

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

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

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

This report also contains 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.



# **Community Consolidated School District No. 65**

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

### **As of and for the Year Ended June 30, 2021**

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The statement of net position - modified cash basis presents information on all District assets/deferred outflows of resources and liabilities/deferred inflows of resources arising from cash transactions, with the difference between them reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statements of activities - modified cash basis presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported with cash is received and disbursed. Additionally, activity related to acquisition, depreciation and year end balances of capital assets, as well as year end balances and related changes in long-term debt in its government-wide financial statements are reported.

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

#### *Fund financial statements*

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

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

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

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Safety Fund, all of which are considered to be major funds.

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

**Community Consolidated School District No. 65**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2021**

*Notes to basic financial statements*

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

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the District's net pension and OPEB liabilities.

**Government-Wide Financial Analysis**

The District's combined net position was higher on June 30, 2021, than it was the year before, increasing 5% to \$81,163,316.

<b>Table 1</b>		
<b>Condensed Statements of Net Position</b>		
<b>(in millions of dollars)</b>		
	<u>2020*</u>	<u>2021</u>
<b>Assets:</b>		
Current and other assets	\$ 58.6	\$ 61.7
Capital assets	<u>92.4</u>	<u>91.6</u>
Total assets	<u>151.0</u>	<u>153.3</u>
Total deferred outflows of resources	<u>0.2</u>	<u>0.1</u>
<b>Liabilities:</b>		
Current liabilities	0.1	0.2
Long-term debt outstanding	<u>75.0</u>	<u>72.1</u>
Total liabilities	<u>75.1</u>	<u>72.3</u>
<b>Net position:</b>		
Net investment in capital assets	22.8	25.9
Restricted	13.6	20.0
Unrestricted	<u>39.7</u>	<u>35.3</u>
Total net position	<u>\$ 76.1</u>	<u>\$ 81.2</u>

\*Prior year information has not been updated for the District's implementation of GASB Statement No. 84 in fiscal year 2020.

Revenues in the governmental activities of the District of \$211,053,596 exceeded expenses by \$4,463,566. This was attributable primarily to better than projected collection of property taxes and additional Corporate Personal Property Replacement Tax (CPPRT) revenues. In addition, due to COVID-19 pandemic certain operating expenditures, especially salaries and supplies were underspent.

**Community Consolidated School District No. 65**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2021**

<b>Table 2</b>		
<b>Changes in Net Position</b>		
<b>(in millions of dollars)</b>		
	<u>2020*</u>	<u>2021</u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 2.3	\$ 1.0
Operating grants & contributions	76.0	80.7
Capital grants & contributions	0.3	0.2
<i>General revenues:</i>		
Taxes	117.8	120.4
Evidenced based funding	7.9	7.9
Other	1.3	0.9
Total revenues	<u>205.6</u>	<u>211.1</u>
<b>Expenses:</b>		
Instruction	136.2	142.2
Pupil & instructional staff services	16.0	17.1
Administration & business	15.3	14.9
Transportation	4.1	3.9
Operations & maintenance	9.4	8.8
Interest & fees	3.1	2.8
Other	15.3	16.9
Total expenses	<u>199.4</u>	<u>206.6</u>
Increase (decrease) in net position	6.2	4.5
Net position, beginning of year	<u>61.5</u>	<u>76.7</u>
Net position, end of year	<u>\$ 67.7</u>	<u>\$ 81.2</u>

\*Prior year information has not been updated for the District's implementation of GASB Statement No. 84 in fiscal year 2020.

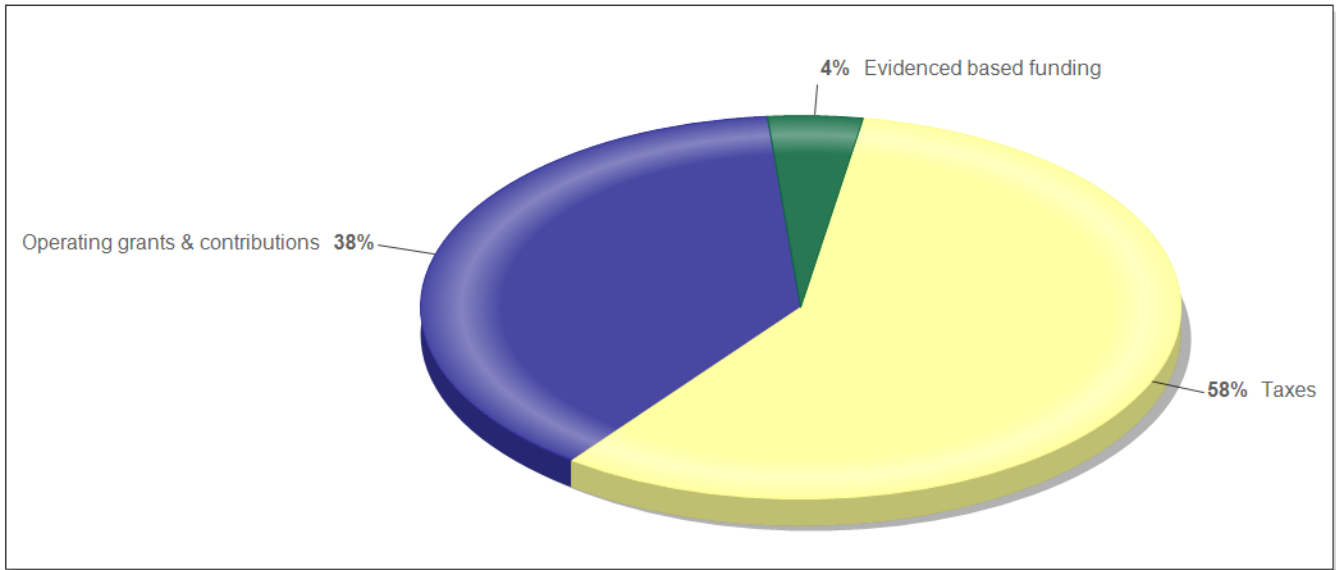
Property taxes accounted for the largest portion of the District's revenues, contributing 58%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$206,590,030, mainly related to instruction and direct student services.

The decrease in *Charges for Services* revenue is a result of the COVID-19 pandemic and school closure, which have resulted in the loss of childcare and student fees as well as lunch sales.

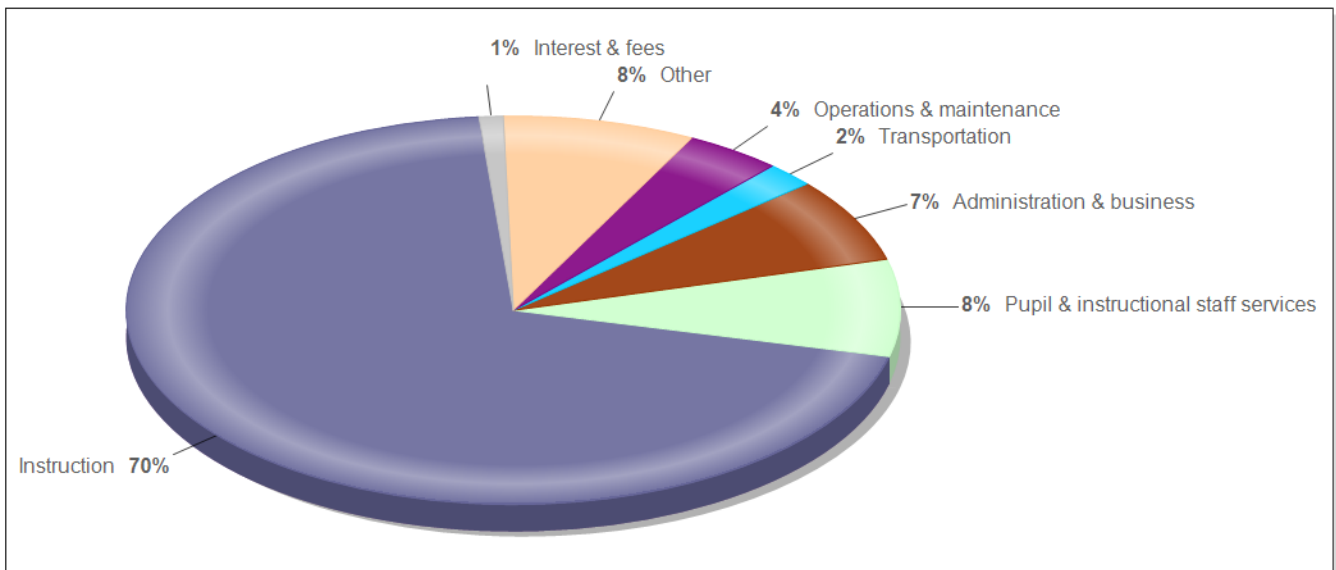
**Community Consolidated School District No. 65**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2021**

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**District-Wide Revenues by Source**



**District-Wide Expenses by Function**



**Community Consolidated School District No. 65**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2021**

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

Charts above illustrate the District's revenues and expenditures. The General Fund (Educational Accounts) experienced an operational deficit of \$3,248,772. The budget included a \$2,109,765. Both revenues and expenditures were collected at 99 percent at \$116,919,819 and \$119,951,597, respectively. The fund balance decreased from \$34,208,582 to \$30,959,810.

The fund balance in the Debt Service fund increased from \$823,731 to \$1,056,792.

**General Fund Budgetary Highlights**

The District's General Funds balance decreased from \$48,695,190 to \$46,708,489. The budgeted deficit was \$1,594,293 and the actual deficit was \$1,986,701. Funds included in the General Fund include: Educational, Tort, and the Working Cash Accounts. The loss of childcare and student fees as well as lunch sales, caused by the COVID-19 pandemic, is responsible for the loss of revenues.

**Capital Assets and Debt Administration**

*Capital assets*

By the end of 2021, the District had compiled a total investment of \$159,847,188 (\$91,613,955 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$2,775,682. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

<b>Table 3</b>			
<b>Capital Assets (net of depreciation)</b>			
<b>(in millions of dollars)</b>			
	<u>2020</u>		<u>2021</u>
Land	\$ 3.0	\$	3.0
Buildings	86.2		85.9
Equipment	<u>3.2</u>		<u>2.7</u>
Total	<u>\$ 92.4</u>	<u>\$</u>	<u>91.6</u>

*Long-term debt*

The District retired \$3,813,552 in bonds in 2021. At the end of fiscal 2021, the District had a debt margin of \$195,786,163. More detailed information on long-term debt can be found in Note 6 of the basic financial statements.

<b>Table 4</b>			
<b>Outstanding Long-Term Debt</b>			
<b>(in millions of dollars)</b>			
	<u>2020</u>		<u>2021</u>
General obligation bonds	\$ 75.0	\$	72.1
Total	<u>\$ 75.0</u>	<u>\$</u>	<u>72.1</u>

# **Community Consolidated School District No. 65**

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

### **As of and for the Year Ended June 30, 2021**

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

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

The Public Act 89-1 as amended continues in force. The legislation limits the levy increase to the lesser of the consumer price index (CPI) or 5 percent, and mandates the use of the prior year equalized assessed valuation (EAV) amount to generate property tax receipts. This "tax cap" continues to limit the District's tax collection ability. In addition, the COVID-19 pandemic may affect the District's collection rate of property taxes.

Legislative discussions are still ongoing for a property tax freeze plan. While no bill is currently close to being passed, this could add a future additional limitation on the District's tax collection ability.

#### **Requests for Information**

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

Business Office  
Community Consolidated School District No. 65  
1500 McDaniel Avenue  
Evanston, Illinois 60201

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS

AS OF JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES
<b>Assets</b>	
Cash and investments	\$ 60,916,424
Student activity cash	629,655
Receivables (net of allowance for uncollectibles):	
Intergovernmental	197,180
Capital assets:	
Land	2,966,736
Capital assets being depreciated, net of accumulated depreciation	<u>88,647,219</u>
Total assets	<u>153,357,214</u>
<b>Deferred outflows of resources</b>	
Deferred charge on refunding	<u>142,631</u>
Total deferred outflows of resources	<u>142,631</u>
<b>Liabilities</b>	
Payroll deductions payable	112,606
Other current liabilities	97,910
Long-term liabilities:	
Other long-term liabilities - due within one year	3,890,000
Other long-term liabilities - due after one year	<u>68,235,989</u>
Total liabilities	<u>72,336,505</u>
<b>Net position</b>	
Net investment in capital assets	25,922,043
Restricted for:	
Tort immunity	2,489,873
Special education	2,600,222
Operations and maintenance	5,501,366
Student transportation	4,795,469
Retirement benefits	3,392,104
Debt service	1,056,792
Capital projects	78,523
Unrestricted	<u>35,326,948</u>
Total net position	<u>\$ 81,163,340</u>

See Notes to Basic Financial Statements

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			GOVERNMENTAL ACTIVITIES	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS		
<b>Governmental activities</b>						
Instruction:						
Regular programs	\$ 51,007,752	\$ 718,513	\$ 325,118	\$ -	\$ (49,964,121)	
Special programs	21,400,949	-	11,876,590	-	(9,524,359)	
Other instructional programs	4,929,053	-	164,751	-	(4,764,302)	
Student activities	241,800	250,706	-	-	8,906	
State retirement contributions	64,759,217	-	64,759,217	-	-	
Support Services:						
Pupils	10,600,299	-	-	-	(10,600,299)	
Instructional staff	6,502,917	-	206,698	-	(6,296,219)	
General administration	4,842,388	-	-	-	(4,842,388)	
School administration	6,965,394	-	-	-	(6,965,394)	
Business	3,102,988	725	1,917,335	-	(1,184,928)	
Transportation	3,910,628	3,552	1,226,769	-	(2,680,307)	
Operations and maintenance	8,805,112	-	217,018	203,074	(8,385,020)	
Central	7,961,720	-	-	-	(7,961,720)	
Other supporting services	2,579,099	-	-	-	(2,579,099)	
Community services	6,217,106	-	-	-	(6,217,106)	
Interest and fees	2,763,608	-	-	-	(2,763,608)	
<b>Total governmental activities</b>	<b>\$ 206,590,030</b>	<b>\$ 973,496</b>	<b>\$ 80,693,496</b>	<b>\$ 203,074</b>	<b>(124,719,964)</b>	

General revenues:

Taxes:

Real estate taxes, levied for general purposes	91,107,426
Real estate taxes, levied for specific purposes	20,625,759
Real estate taxes, levied for debt service	5,794,693
Personal property replacement taxes	2,835,085
State aid-formula grants	7,898,714
Investment income	821,805
Miscellaneous	100,072
<b>Total general revenues</b>	<b>129,183,554</b>

Change in net position	4,463,590
Net position, beginning of year (as restated)	76,699,750
<b>Net position, end of year</b>	<b>\$ 81,163,340</b>

See Notes to Basic Financial Statements



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**GOVERNMENTAL FUNDS**

BALANCE SHEET - MODIFIED CASH BASIS

AS OF JUNE 30, 2021

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Assets</b>				
Cash and investments	\$ 46,092,170	\$ 5,501,366	\$ 4,795,469	\$ 3,392,104
Student activity cash	629,655	-	-	-
Receivables (net allowance for uncollectibles):				
Intergovernmental	<u>197,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u><u>\$ 46,919,005</u></u>	<u><u>\$ 5,501,366</u></u>	<u><u>\$ 4,795,469</u></u>	<u><u>\$ 3,392,104</u></u>
<b>Liabilities</b>				
Other current liabilities	\$ 97,910	\$ -	\$ -	\$ -
Payroll deductions payable	<u>112,606</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>210,516</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance</b>				
Restricted	5,090,095	5,501,366	4,795,469	3,392,104
Assigned	629,655	-	-	-
Unassigned	<u>40,988,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balance</b>	<u>46,708,489</u>	<u>5,501,366</u>	<u>4,795,469</u>	<u>3,392,104</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 46,919,005</u></u>	<u><u>\$ 5,501,366</u></u>	<u><u>\$ 4,795,469</u></u>	<u><u>\$ 3,392,104</u></u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2021	2020
\$ 1,056,792	\$ 40,694	\$ 37,829	\$ 60,916,424	\$ 58,518,238
-	-	-	629,655	-
-	-	-	<u>197,180</u>	<u>193,730</u>
<u>\$ 1,056,792</u>	<u>\$ 40,694</u>	<u>\$ 37,829</u>	<u>\$ 61,743,259</u>	<u>\$ 58,711,968</u>
\$ -	\$ -	\$ -	\$ 97,910	\$ -
-	-	-	112,606	112,685
-	-	-	<u>210,516</u>	<u>112,685</u>
1,056,792	40,694	37,829	19,914,349	13,531,687
-	-	-	629,655	-
-	-	-	<u>40,988,739</u>	<u>45,067,596</u>
<u>1,056,792</u>	<u>40,694</u>	<u>37,829</u>	<u>61,532,743</u>	<u>58,599,283</u>
<u>\$ 1,056,792</u>	<u>\$ 40,694</u>	<u>\$ 37,829</u>	<u>\$ 61,743,259</u>	<u>\$ 58,711,968</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET - MODIFIED CASH BASIS TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
AS OF JUNE 30, 2021

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Total fund balances - governmental funds - modified cash basis		\$ 61,532,743
Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position - Modified Cash Basis do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet - Modified Cash Basis.		91,613,955
Deferred charge on refunding included in the Statement of Net Position - Modified Cash Basis is not available to pay for current period expenditures and, therefore, is not included in the Governmental Funds Balance Sheet - Modified Cash Basis.		142,631
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position - Modified Cash Basis.		
Balances at June 30, 2021 are:		
Bonds payable	\$ (66,945,912)	
Accretion on capital appreciation bonds	<u>(5,180,077)</u>	
		<u>(72,125,989)</u>
Net position of governmental activities - modified cash basis		<u>\$ 81,163,340</u>

See Notes to Basic Financial Statements

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**  
**GOVERNMENTAL FUNDS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 FOR THE YEAR ENDED JUNE 30, 2021  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Revenues</b>				
Property taxes	\$ 92,202,939	\$ 10,610,187	\$ 4,042,867	\$ 4,768,030
Corporate personal property replacement taxes	2,114,973	564,182	-	155,930
State aid	47,825,857	5,467	1,344,576	-
Federal aid	10,135,568	217,018	-	-
Investment income	504,805	55,783	81,977	84,484
Student activities	250,706	-	-	-
Other	806,445	12,865	3,552	-
<b>Total revenues</b>	<u>153,841,293</u>	<u>11,465,502</u>	<u>5,472,972</u>	<u>5,008,444</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	49,281,199	-	-	610,483
Special programs	18,459,257	-	-	722,758
Other instructional programs	4,691,907	-	-	152,883
Student activities	241,800	-	-	-
State retirement contributions	35,492,419	-	-	-
Support Services:				
Pupils	9,960,965	-	-	425,264
Instructional staff	6,245,158	-	-	131,209
General administration	4,520,575	-	-	172,315
School administration	6,631,387	-	-	199,237
Business	2,745,094	-	-	251,391
Transportation	-	-	3,757,717	41,821
Operations and maintenance	-	7,830,816	-	537,942
Central	7,425,189	-	-	335,184
Other supporting services	2,485,832	534	-	49,527
Community services	5,609,053	-	62,826	542,700
Payments to other districts and gov't units	1,810,957	93,002	(70,466)	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	227,202	802,958	-	-
<b>Total expenditures</b>	<u>155,827,994</u>	<u>8,727,310</u>	<u>3,750,077</u>	<u>4,172,714</u>
Excess (deficiency) of revenues over expenditures	<u>(1,986,701)</u>	<u>2,738,192</u>	<u>1,722,895</u>	<u>835,730</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Principal on bonds sold	-	-	-	-
Premium on bonds sold	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,986,701)	2,738,192	1,722,895	835,730
Fund balance, beginning of year (as restated)	<u>48,695,190</u>	<u>2,763,174</u>	<u>3,072,574</u>	<u>2,556,374</u>
Fund balance, end of year	<u>\$ 46,708,489</u>	<u>\$ 5,501,366</u>	<u>\$ 4,795,469</u>	<u>\$ 3,392,104</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2021	2020
\$ 5,794,693	\$ -	\$ 109,162	\$ 117,527,878	\$ 115,548,578
-	-	-	2,835,085	2,235,170
-	-	-	49,175,900	46,854,110
-	-	-	10,352,586	9,861,570
89,376	5,126	254	821,805	1,024,713
-	-	-	250,706	-
-	-	-	822,862	2,601,968
<u>5,884,069</u>	<u>5,126</u>	<u>109,416</u>	<u>181,786,822</u>	<u>178,126,109</u>
-	-	-	49,891,682	48,656,296
-	-	-	19,182,015	18,467,344
-	-	-	4,844,790	4,939,975
-	-	-	241,800	-
-	-	-	35,492,419	33,295,605
-	-	-	10,386,229	9,325,330
-	-	-	6,376,367	6,369,542
-	-	-	4,692,890	6,285,052
-	-	-	6,830,624	5,402,372
-	-	-	2,996,485	3,309,813
-	-	-	3,799,538	4,035,720
-	67,939	23,186	8,459,883	9,183,277
-	-	-	7,760,373	7,092,309
-	-	-	2,535,893	1,879,642
-	-	-	6,214,579	6,188,901
-	-	-	1,833,493	1,735,270
3,570,000	-	-	3,570,000	17,800,000
2,081,008	-	-	2,081,008	2,429,386
-	1,155,128	98,755	2,284,043	5,779,170
<u>5,651,008</u>	<u>1,223,067</u>	<u>121,941</u>	<u>179,474,111</u>	<u>192,175,004</u>
<u>233,061</u>	<u>(1,217,941)</u>	<u>(12,525)</u>	<u>2,312,711</u>	<u>(14,048,895)</u>
-	-	-	-	9,461,038
-	-	-	-	(9,461,038)
-	-	-	-	14,610,000
-	-	-	-	2,270,774
-	-	-	-	16,880,774
233,061	(1,217,941)	(12,525)	2,312,711	2,831,879
<u>823,731</u>	<u>1,258,635</u>	<u>50,354</u>	<u>59,220,032</u>	<u>55,767,495</u>
<u>\$ 1,056,792</u>	<u>\$ 40,694</u>	<u>\$ 37,829</u>	<u>\$ 61,532,743</u>	<u>\$ 58,599,374</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
- MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

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Net change in fund balances - total governmental funds - modified cash basis	\$	2,312,711
Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities - Modified Cash Basis, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds current year net capital outlay in the current period.		
		(736,521)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which current year principal repayments exceeded proceeds from current year long-term financing arrangements.		
		2,656,244
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities - Modified Cash Basis. This is the amount of the current year, net effect of these differences.		
		243,552
In the Statement of Activities - Modified Cash Basis, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Deferred charge on refunding	\$	(12,396)
		<u>(12,396)</u>
Change in net position of governmental activities - modified cash basis	\$	<u><u>4,463,590</u></u>

See Notes to Basic Financial Statements

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Consolidated School District No. 65 (the “District”) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The District serves the communities of Evanston and parts of Skokie. The accounting policies of the District conform to the modified cash basis of accounting as applicable to the local governmental units of this type. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant accounting policies of the District:

### Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

The District is the administrative agent for the Evanston District 65 and 202 Joint Agreement for the Park School (the Joint Agreement), a joint venture of Evanston School Districts 65 and 202. The Joint Agreement is considered a separate entity for financial reporting purposes and issued its own basic financial statements which are available at 1500 McDaniel Avenue, Evanston, Illinois.

### Basis of Presentation

#### *Government-wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District’s operating activities are all considered “governmental activities”, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered “business activities”.

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

#### *Governmental Funds Financial Statements*

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Separate financial statements are provided for all governmental funds.

### Measurement Focus and Basis of Accounting

The government-wide financial statements and the fund financial statements are reported using the modified cash basis of accounting. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenditures are recognized when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In the government-wide financial statements, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as described above. In the governmental fund financial statements, the current financial resources measurement focus is used. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period.

As a result of the use of the modified cash basis of accounting, certain assets and deferred inflows of resources and their related revenues, (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and deferred inflows of resources and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

### Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel, and administrative involvement of the board of education.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund or Capital Projects Funds.

*Operations and Maintenance Fund* - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

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



# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

---

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Project Funds - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

*Capital Projects Fund* - accounts for construction projects and renovations financed through bond issues.

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

## Assets, Liabilities and Net Position or Equity

### *Deposits and Investments*

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at cost.

### *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

### *Property Tax Revenues*

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2020 levy resolution was approved during the November 16, 2020 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

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

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2020 and 2019 tax levies were 2.3% and 1.9%, respectively.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

In accordance with the modified cash basis of accounting, the District recognizes property tax revenue when received. As such, property tax revenues recognized in each of the funds during fiscal year 2021 include portions of the 2019 and 2020 levies billed to taxpayers during fiscal year 2021. Historically, the District has never received the entire amount of its gross property tax levy for a particular year.

The following table provides the District's 2020 extension, 2020 levy rate, maximum rates allowed per referendum and statutory maximum tax rate for the educational account, transportation fund, operations and maintenance fund, special education account, and fire prevention and life safety fund:

<i>Fund</i>	<i>Tax Rates</i>			
	<i>2020 Extension</i>	<i>2020 Levy - Tax Rate</i>	<i>Maximum Allowed Per Referendum</i>	<i>Statutory Maximum</i>
General Fund:				
Educational Account	\$ 90,013,150	\$ 2.3826	\$ 3.5000	\$ -
Special Education Account	4,187,892	1.1090	0.4000	0.4000
Operations and Maintenance Fund	11,885,168	0.3146	0.3750	0.5500
Transportation Fund	4,376,670	0.1159	0.2000	-
Fire Prevention and Life Safety Fund	118,970	0.0031	0.0500	0.1000

***Personal Property Replacement Taxes***

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

***Capital Assets***

Capital assets, which include land, buildings, and other equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$500 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

<i>Assets</i>	<i>Years</i>
Buildings and improvements	10-80 Years
Equipment	5-20 Years

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

---

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

### *Deferred Outflows of Resources*

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide statements.

### *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 are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. 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.

### *Equity Classifications*

Equity is classified as net position in the government-wide financial statements and displayed in three components:

*Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

*Restricted net position* - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

---

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Equity is classified as fund balance in the fund financial statements and displayed in five components:

*Nonspendable* - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships). As of June 30, 2021, the District has no nonspendable fund balance amounts.

*Restricted* - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

*Committed* - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment. As of June 30, 2021, the District has no committed fund balance amounts.

*Assigned* - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. No one has been designated by the Board of Education to assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period. As of June 30, 2021, the District had no assigned fund balance amounts.

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The assigned fund balances are for purpose of the respective funds as described above in the Major Governmental Funds section.

Governmental fund balances reported on the fund financial statements at June 30, 2021 are as follows:

The assigned fund balance in the General Fund of \$629,655 is for student activity purposes. The restricted fund balance in the General Fund is comprised of \$2,489,873 for tort immunity and \$2,600,222 for special education. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section. The committed and assigned fund balances are for the purpose of the respective fund as described above in the Major Governmental Funds section.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

---

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### *Comparative Data*

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which such summarized information was derived.

### *Eliminations and Reclassifications*

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

## NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### **Budgetary Data**

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the cash basis, which is consistent with cash basis of accounting prescribed by the program accounting manual for Illinois school districts.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

## NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (CONTINUED)

### Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Modified Cash basis) includes “on-behalf” payments received and made for the amounts contributed by the State of Illinois for the employer’s share of the Teachers Retirement System pension. The District does not budget for these amounts. The differences between the budget and Modified Cash basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 118,348,874	\$ 120,335,575
To adjust for on-behalf payments received	-	35,492,419
To adjust for on-behalf payments made	<u>35,492,419</u>	<u>-</u>
General Fund GAAP Basis	<u>\$ 153,841,293</u>	<u>\$ 155,827,994</u>

### Excess of Expenditures over Budget

For the year ended June 30, 2021, expenditures exceeded budget in the Operations & Maintenance Fund and the Capital Projects Fund by \$894,523, and \$66,048, respectively. The budget variances were supported by available financial resources.

## NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In January 2017, the Governmental Accounting Standards Board issued statement No. 84 - *Fiduciary Activities*. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This standard was implemented July 1, 2020.

## NOTE 4 - DEPOSITS AND INVESTMENTS

At year end, the District's cash and investments was comprised of the following:

	<i>Carrying Value</i>	<i>Statement Balances</i>	<i>Associated Risks</i>
Deposits	\$ 44,070,456	\$ 51,094,895	Custodial credit risk
Illinois Funds	27,276	27,276	Credit risk
ISDLAF+	<u>17,448,347</u>	<u>17,448,347</u>	Credit risk
Total	<u>\$ 61,546,079</u>	<u>\$ 68,570,518</u>	
Reconciliation to financial statements			
Per statement of net position			
Cash and investments	\$ 60,916,424		
Student activity cash	<u>629,655</u>		
Total	<u>\$ 61,546,079</u>		

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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## NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

*Custodial Credit Risk - Deposits.* With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2021, the bank balance of the District's deposit with financial institutions totaled \$51,094,895; of which was fully collateralized and insured.

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

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 5 - CAPITAL ASSETS**

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

	<i><b>Beginning Balance</b></i>	<i><b>Increases</b></i>	<i><b>Decreases</b></i>	<i><b>Ending Balance</b></i>
<b><u>Capital assets not being depreciated:</u></b>				
Land	\$ 2,966,736	\$ -	\$ -	\$ 2,966,736
Total capital assets not being depreciated	<u>2,966,736</u>	<u>-</u>	<u>-</u>	<u>2,966,736</u>
<b><u>Capital assets being depreciated:</u></b>				
Buildings	141,587,087	1,802,919	-	143,390,006
Equipment	<u>13,254,204</u>	<u>236,242</u>	<u>-</u>	<u>13,490,446</u>
Total capital assets being depreciated	<u>154,841,291</u>	<u>2,039,161</u>	<u>-</u>	<u>156,880,452</u>
<b><u>Less Accumulated Depreciation for:</u></b>				
Buildings	55,362,375	2,138,095	-	57,500,470
Equipment	<u>10,095,176</u>	<u>637,587</u>	<u>-</u>	<u>10,732,763</u>
Total accumulated depreciation	<u>65,457,551</u>	<u>2,775,682</u>	<u>-</u>	<u>68,233,233</u>
Net capital assets being depreciated	<u>89,383,740</u>	<u>(736,521)</u>	<u>-</u>	<u>88,647,219</u>
Net governmental activities capital assets	<u>\$ 92,350,476</u>	<u>\$ (736,521)</u>	<u>\$ -</u>	<u>\$ 91,613,955</u>

Depreciation expense was recognized in the operating activities of the District as follows:

	<i><b>Governmental Activities</b></i>	<i><b>Depreciation</b></i>
Regular programs		\$ 1,112,381
Special programs		385,441
Other instructional programs		84,263
Pupils		211,546
Instructional staff		126,550
General administration		84,863
School administration		134,770
Business		106,767
Transportation		111,090
Operations and maintenance		209,186
Central		165,619
Other supporting services		<u>43,206</u>
Total depreciation expense - governmental activities		<u>\$ 2,775,682</u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 6 - LONG TERM LIABILITIES**

*Changes in General Long-term Liabilities.* The following is the long-term liability activity for the District for the year ended June 30, 2021:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 72,722,488	\$ 913,756	\$ 3,570,000	\$ 70,066,244	\$ 3,890,000
Unamortized premium	2,532,327	-	262,056	2,270,271	-
Unamortized discount	(229,030)	-	(18,504)	(210,526)	-
Total bonds payable	<u>75,025,785</u>	<u>913,756</u>	<u>3,813,552</u>	<u>72,125,989</u>	<u>3,890,000</u>
Total long-term liabilities - governmental activities	<u>\$ 75,025,785</u>	<u>\$ 913,756</u>	<u>\$ 3,813,552</u>	<u>\$ 72,125,989</u>	<u>\$ 3,890,000</u>

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

<i>Purpose</i>	<i>Interest Rates</i>	<i>Original Indebtedness</i>	<i>Face Amount</i>	<i>Carrying Amount</i>
Series 2010B General Obligation Bonds dated November 4, 2010 are due in annual installments through December 1, 2029	4.1% - 5.25%	\$ 11,800,000	\$ 11,800,000	\$ 11,800,000
Series 2010C General Obligation Bonds dated November 4, 2010 are due in annual installments through December 1, 2021	1.0% - 3.95%	1,200,000	1,000,000	1,000,000
Series 2012 General Obligation Bonds dated June 4, 2012 are due in annual installments through December 1, 2031	2.0% - 3.0%	9,700,000	9,000,000	9,000,000
Series 2013 General Obligations Bonds dated May 7, 2013 are due in annual installments through December 1, 2032	3.0% - 5.0%	15,000,000	15,000,000	15,000,000
Series 2014 General Obligation Capital Appreciation Bonds dated April 28, 2014 are due in annual installments through December 1, 2033	4.47% - 4.94%	6,898,908	16,185,000	9,640,783
Series 2015 General Obligation Capital Appreciation Bonds dated March 17, 2015 are due in annual installments through December 1, 2034	4.25% - 4.49%	4,998,462	11,370,000	6,557,864
Series 2016 General Obligation Capital Appreciation Bonds dated April 5, 2016 are due in annual installments through December 1, 2035	3.17% - 4.32%	3,648,797	8,110,000	4,527,598
Series 2019 General Obligation Bonds dated October 8, 2019 are due in annual installments through December 1, 2030	3.00% - 5.00%	<u>14,610,000</u>	<u>12,540,000</u>	<u>12,540,000</u>
Total		<u>\$ 67,856,167</u>	<u>\$ 85,005,000</u>	<u>\$ 70,066,245</u>

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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## NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2022	\$ 3,890,000	\$ 1,954,675	\$ 5,844,675
2023	4,130,000	1,804,050	5,934,050
2024	4,380,000	1,651,700	6,031,700
2025	4,610,000	1,491,750	6,101,750
2026	4,870,000	1,316,625	6,186,625
2027 - 2031	28,915,000	3,195,225	32,110,225
2032 - 2036	<u>34,210,000</u>	<u>91,213</u>	<u>34,301,213</u>
Total	<u>\$ 85,005,000</u>	<u>\$ 11,505,238</u>	<u>\$ 96,510,238</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2021, the statutory debt limit for the District was \$260,672,330, providing a debt margin of \$195,786,163.

## NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District participates in various insurance cooperatives to cover these risks which provide coverage at pooled rates.

## NOTE 8 - JOINT AGREEMENTS

The District is the administrative agent for the Evanston District 65 and 202 Joint Agreement for the Park School, a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District. The Joint Agreement is considered a separate entity for financial reporting purposes and issued its own basic financial statements which are available at 1500 McDaniel Avenue, Evanston, Illinois.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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## NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

### Teachers' Health Insurance Security

*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."

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

*On Behalf Contributions to THIS Fund.* The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2021. State of Illinois contributions of \$937,108 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$3,241,109 in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

*Contributions.* The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.92% during the year ended June 30, 2021. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2021, the District paid \$450,806 to the THIS Fund, respectively, which was \$244,468 lower than the required contribution for the year.

*THIS Fiduciary Net Position.* Detailed information about the THIS Fund's fiduciary net position as of June 30, 2020 is available in the separately issued THIS Annual Financial Report.

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

District's proportionate share of the collection net OPEB liability	\$ 75,981,245
State's proportionate share of the collective net OPEB liability associated with the District	<u>102,933,895</u>
Total	<u>\$ 178,915,140</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)**

The net 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 rolled forward to June 30, 2020. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020 and 2019, the District's proportion was 0.284192% and 0.282798%, respectively.

*Actuarial Assumptions.* The net OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50
Salary Increases	4.00% to 9.50%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates - Initial	Medicare and Non-Medicare - 8.25%
Healthcare Cost Trend Rates - Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2037

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

*Discount Rate.* At June 30, 2020, the discount rate used to measure the total OPEB liability was a blended rate of 2.45%, which was a change from the June 30, 2019 rate of 3.13%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45%) or 1-percentage-point higher (3.45%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Net OPEB Liability	<u>\$ 91,318,708</u>	<u>\$ 75,981,245</u>	<u>\$ 63,830,130</u>

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

## NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.25% decreasing to an ultimate rate of 3.25%) for non-Medicare coverage and initial rate of 7.25% decreasing to an ultimate rate of 3.25% for Medicare coverage) or 1-percentage-point higher (initial rate of 9.25% decreasing to an ultimate rate of 5.25%) for non-Medicare coverage and initial rate of 9.25% decreasing to an ultimate rate of 5.25% for Medicare coverage) than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Net OPEB Liability	<u>\$ 61,112,073</u>	<u>\$ 75,981,245</u>	<u>\$ 96,081,587</u>

*OPEB Expense.* District OPEB expense, as part of the June 30, 2020 valuation, was \$2,644,618. For the year ended June 30, 2021, the District recognized on-behalf revenue and expenditures of \$3,241,109 for support provided by the state.

## NOTE 10 - RETIREMENT SYSTEMS

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

### Teachers' Retirement System

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

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

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

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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## NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

*Tier 2* members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for *Tier 2* are identical to those of *Tier 1*. Death benefits are payable under a formula that is different from *Tier 1*.

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

Public Act 100-0023, enacted in 2017, creates an optional *Tier 3* hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring *Tier 1* members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested *Tier 1* and *2* members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

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

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

*On Behalf Contributions to TRS.* The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2021, State of Illinois contributions recognized by the District were based on the state's proportionate share of with the pension expense associated with the District, and the District recognized revenue and expenses of \$61,518,108 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$34,555,311 in the General Fund based on the current financial resources measurement basis.

*2.2 Formula Contributions.* Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$372,677.

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

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

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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## NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

For the year ended June 30, 2021, the District pension contribution was 10.41 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2021, were \$77,261, which was equal to the District's required contribution.

*Salary increases over 6 percent.* The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2021, the District paid \$8,653 to TRS for employer contributions due on salary increases in excess of 6 percent.

*Excess sick leave.* A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the District paid \$13,146 to TRS for sick leave days granted in excess of the normal annual allotment.

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

*Net Pension Liability.* At June 30, 2021, the District has 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 allocated to the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 7,374,783
State's proportionate share of the collective net pension liability associated with the District	<u>577,631,279</u>
Total	<u>\$ 585,006,062</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2020 and 2019, the District's proportion was 0.00855392 percent and 0.00890505 percent, respectively.

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

*Actuarial Assumptions.* The assumptions used to measure the total pension liability in the June 30, 2020 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.50%.

*Mortality.* Mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017. The assumptions were based on the results of an experience study dated September 18, 2018.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)**

*Long-Term Expected Real 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 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:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
U.S. equities large cap	16.50 %	6.10 %
U.S. equities small/mid cap	2.30 %	7.20 %
International equities developed	12.20 %	7.00 %
Emerging market equities	3.00 %	9.40 %
U.S. bonds core	7.00 %	2.20 %
U.S. bonds high yield	2.50 %	4.10 %
International debt developed	3.10 %	1.50 %
Emerging international debt	3.20 %	4.50 %
Real estate	16.00 %	5.70 %
Private debt	5.20 %	6.30 %
Hedge funds (absolute return)	10.00 %	4.30 %
Private equity	15.00 %	10.50 %
Infrastructure	4.00 %	6.20 %

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2020 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)**

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
District's proportionate share of the collective net pension liability	<u>\$ 8,951,643</u>	<u>\$ 7,374,783</u>	<u>\$ 6,076,570</u>

*Pension Expense.* District pension expense, as part of the June 30, 2020 valuation, was \$870,470. For the year ended June 30, 2021, the District recognized TRS-related pension expense of \$449,938 and on-behalf revenue and expense of \$61,518,108 for support provided by the state.

**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 pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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## NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

*Plan Membership.* At December 31, 2020, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	313
Inactive, non-retired members	682
Active members	493
Total	<u>1,488</u>

*Contributions.* As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2020 was 8.47 percent of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Net Pension Liability/(Asset).* The net pension liability/(asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

*Actuarial Assumptions.* The assumptions used to measure the total pension liability in the December 31, 2020 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, and (c) price inflation of 2.25%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

*Mortality.* For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)**

*Long-Term Expected Real 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 arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Projected Returns/Risk</b>	
		<b>One Year Arithmetic</b>	<b>Ten Year Geometric</b>
Equities	37.00 %	6.35 %	5.00 %
International equities	18.00 %	7.65 %	6.00 %
Fixed income	28.00 %	1.40 %	1.30 %
Real estate	9.00 %	7.10 %	6.20 %
Alternatives	7.00 %		
Private equity		10.35 %	6.95 %
Hedge funds		N/A	N/A
Commodities		3.90 %	2.85 %
Cash equivalents	1.00 %	0.70 %	0.70 %

*Discount Rate.* The discount rate used to measure the total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2019 measurement date was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.78% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2020 to arrive at a discount rate of 7.25 used to determine the total pension liability. The year ending December 31, 2120 is the last year in the 2021 to 2120 projection period for which projected benefit payments are fully funded.

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total pension liability	\$ 99,722,008	\$ 89,407,269	\$ 81,352,634
Plan fiduciary net position	<u>96,394,877</u>	<u>96,394,877</u>	<u>96,394,877</u>
Net pension liability/(asset)	<u>\$ 3,327,131</u>	<u>\$ (6,987,608)</u>	<u>\$ (15,042,243)</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)**

*Changes in Net Pension Liability/(Asset).* The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2020 was as follows:

	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net Pension Liability/ (Asset) (a) - (b)</i>
Balances at December 31, 2019	\$ 86,800,889	\$ 85,479,707	\$ 1,321,182
Service cost	2,037,584	-	2,037,584
Interest on total pension liability	6,203,231	-	6,203,231
Differences between expected and actual experience of the total pension liability	(181,298)	-	(181,298)
Change of assumptions	(937,395)	-	(937,395)
Benefit payments, including refunds of employee contributions	(4,515,742)	(4,515,742)	-
Contributions - employer	-	1,659,572	(1,659,572)
Contributions - employee	-	882,918	(882,918)
Net investment income	-	12,043,865	(12,043,865)
Other (net transfer)	-	844,557	(844,557)
Balances at December 31, 2020	<u>\$ 89,407,269</u>	<u>\$ 96,394,877</u>	<u>\$ (6,987,608)</u>

*Pension Expense.* District pension expense/(revenue), as part of the December 31, 2020 valuation, was \$(2,245,776). For the year ended June 30, 2021, the District recognized pension expense of \$1,659,572.

**NOTE 11 - CONTINGENT LIABILITIES**

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

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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## NOTE 12 - RESTATEMENT

Net position and beginning fund balances have been restated due to the implementation of GASB Statement No. 84 - *Fiduciary Activities*. The restatement is necessary to present student activity amounts within the governmental activities and governmental funds

	<b>Governmental Activities</b>
Net position as previously reported, June 30, 2020	\$ 76,079,001
Adjustment to record student activity net position as of June 30, 2020	<u>620,749</u>
Net position as restated, June 30, 2020	<u>\$ 76,699,750</u>

	<b>General Fund</b>
Fund balance as previously reported, June 30, 2020	\$ 48,074,441
Adjustment to to record student activity fund balances as of June 30, 2020	<u>620,749</u>
Fund balance as restated, June 30, 2020	<u>\$ 48,695,190</u>

Comparative total columns of the previous year have been restated to reflect these changes.

## NOTE 13 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY  
AND RELATED RATIOS  
Six Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total pension liability</b>			
Service cost	\$ 2,037,584	\$ 1,968,587	\$ 1,799,803
Interest	6,203,231	5,913,682	5,762,224
Differences between expected and actual experience	(181,298)	309,948	(1,255,310)
Changes of assumptions	(937,395)	-	2,261,639
Benefit payments, including refunds of member contributions	(4,515,742)	(3,950,123)	(3,878,615)
<b>Net change in total pension liability</b>	<u>2,606,380</u>	<u>4,242,094</u>	<u>4,689,741</u>
<b>Total pension liability - beginning</b>	<u>86,800,889</u>	<u>82,558,795</u>	<u>77,869,054</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 89,407,269</u>	<u>\$ 86,800,889</u>	<u>\$ 82,558,795</u>
<b>Plan fiduciary net position</b>			
Employer contributions	1,659,572	\$ 1,427,478	\$ 1,732,828
Employee contributions	882,918	908,975	853,402
Net investment income	12,043,865	13,774,741	(4,266,198)
Benefit payments, including refunds of member contributions	(4,515,742)	(3,950,123)	(3,878,615)
Other (net transfer)	844,557	(561,386)	123,117
<b>Net change in plan fiduciary net position</b>	<u>10,915,170</u>	<u>11,599,685</u>	<u>(5,435,466)</u>
<b>Plan fiduciary net position - beginning</b>	<u>85,479,707</u>	<u>73,880,022</u>	<u>79,315,488</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 96,394,877</u>	<u>\$ 85,479,707</u>	<u>\$ 73,880,022</u>
<b>Employer's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ (6,987,608)</u>	<u>\$ 1,321,182</u>	<u>\$ 8,678,773</u>
<b>Plan fiduciary net position as a percentage of the total pension liability/(asset)</b>	107.82%	98.48%	89.49%
<b>Covered payroll</b>	19,593,526	\$ 19,601,893	\$ 18,513,130
<b>Employer's net pension liability/(asset) as a percentage of covered payroll</b>	-35.66%	6.74%	46.88%

**Notes to Schedule:**

The District implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 1,875,140	\$ 1,828,991	\$ 1,815,538
5,679,986	5,351,607	5,164,233
(40,035)	997,989	(706,344)
(2,516,745)	(91,127)	86,582
<u>(3,849,750)</u>	<u>(3,805,069)</u>	<u>(3,741,236)</u>
1,148,596	4,282,391	2,618,773
<u>76,720,458</u>	<u>72,438,067</u>	<u>69,819,294</u>
<u>\$ 77,869,054</u>	<u>\$ 76,720,458</u>	<u>\$ 72,438,067</u>
\$ 1,672,072	\$ 1,627,768	\$ 1,597,478
826,640	814,822	774,762
12,406,220	4,519,920	339,306
(3,849,750)	(3,805,069)	(3,741,236)
<u>(1,951,498)</u>	<u>941,094</u>	<u>(1,402,659)</u>
9,103,684	4,098,535	(2,432,349)
<u>70,211,804</u>	<u>66,113,269</u>	<u>68,545,618</u>
<u>\$ 79,315,488</u>	<u>\$ 70,211,804</u>	<u>\$ 66,113,269</u>
<u>\$ (1,446,434)</u>	<u>\$ 6,508,654</u>	<u>\$ 6,324,798</u>
101.86%	91.52%	91.27%
\$ 17,739,315	\$ 17,012,691	\$ 16,519,940
-8.15%	38.26%	38.29%

See Auditors' Report and Notes to Required Supplementary Information

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
 Six Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,659,572	\$ 1,421,137	\$ 1,732,829	\$ 1,656,852
Contributions in relation to the actuarially determined contribution	<u>(1,659,572)</u>	<u>(1,427,478)</u>	<u>(1,732,828)</u>	<u>(1,672,072)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (6,341)</u>	<u>\$ 1</u>	<u>\$ (15,220)</u>
Covered payroll	\$ 19,593,526	\$ 19,601,893	\$ 18,513,130	\$ 17,739,315
Contributions as a percentage of covered payroll	8.47%	7.28%	9.36%	9.43%
		<u>2017</u>	<u>2016</u>	
Actuarially determined contribution		\$ 1,628,115	\$ 1,597,478	
Contributions in relation to the actuarially determined contribution		<u>(1,628,115)</u>	<u>(1,597,478)</u>	
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ -</u>	
Covered payroll		\$ 17,012,691	\$ 16,519,940	
Contributions as a percentage of covered payroll		9.57%	9.67%	

**Notes to Schedule:**

The District implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

**Valuation date:**

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

**Other information:**

There were no benefit changes during the year.



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**TEACHERS' RETIREMENT SYSTEM**

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS  
Six Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0085539183%	0.0089050452%	0.0094000000%
District's proportionate share of the net pension liability	\$ 7,374,783	\$ 7,222,719	\$ 7,319,459
State's proportionate share of the net pension liability	<u>577,631,279</u>	<u>514,033,011</u>	<u>501,413,611</u>
Total net pension liability	<u>\$ 585,006,062</u>	<u>\$ 521,255,730</u>	<u>\$ 508,733,070</u>
Covered payroll	\$ 75,573,219	\$ 71,977,391	\$ 67,289,456
District's proportionate share of the net pension liability as a percentage of covered payroll	9.76%	10.03%	10.88%
Plan fiduciary net position as a percentage of the total pension liability	37.80%	39.60%	40.00%
Contractually required contribution	\$ 517,423	\$ 517,787	\$ 491,988
Contributions in relation to the contractually required contribution	<u>(449,938)</u>	<u>(527,787)</u>	<u>(500,212)</u>
Contribution deficiency (excess)	<u>\$ 67,485</u>	<u>\$ (10,000)</u>	<u>\$ (8,224)</u>
Contributions as a percentage of covered payroll	0.5954%	0.7333%	0.7200%

**Notes to Schedule:**

The District implemented GASB 68 in 2016. Information for fiscal years prior to 2016 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

**Key Assumptions:**

Long-term expected rate of return	7.00%	7.00%	7.00%
Municipal bond index	2.21%	3.50%	3.87%
Single equivalent discount rate	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.50%	2.50%
Projected salary increases	4.00% to 9.50% varying by service	4.00% to 9.50% varying by service	4.00% to 9.50% varying by service

See Auditors' Report and Notes to Required Supplementary Information

<u>2018</u>	<u>2017</u>	<u>2016</u>
2.4496000000%	1.9459000000%	0.0219000000%
\$ 18,714,610	\$ 15,360,105	\$ 14,339,002
<u>468,470,966</u>	<u>50,993,932</u>	<u>396,388,510</u>
<u>\$ 487,185,576</u>	<u>\$ 66,354,037</u>	<u>\$ 410,727,512</u>
\$ 64,079,569	\$ 63,528,725	\$ 61,015,492
29.21%	24.18%	23.50%
39.30%	36.40%	41.50%
\$ 475,030	\$ 896,797	\$ 822,397
<u>(481,023)</u>	<u>(962,813)</u>	<u>(775,827)</u>
<u>\$ (5,993)</u>	<u>\$ (66,016)</u>	<u>\$ 46,570</u>
0.7100%	1.5000%	1.2200%
7.00%	7.00%	7.50%
3.58%	2.85%	3.73%
7.00%	6.83%	7.47%
2.50%	2.50%	3.00%
3.25% to 9.25%	3.25% to 9.25%	3.75% to 9.75%
varying by service	varying by service	varying by service

See Auditors' Report and Notes to Required Supplementary Information

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**TEACHERS' HEALTH INSURANCE SECURITY FUND**  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OPEB LIABILITY AND DISTRICT CONTRIBUTIONS**  
**Four Most Recent Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.28419120%	0.28279800%	0.28386200%	0.27854800%
District's proportionate share of the net OPEB liability	\$ 75,981,245	\$ 78,271,291	\$ 74,785,966	\$ 72,281,938
State's proportionate share of the net OPEB liability	<u>102,933,895</u>	<u>105,989,314</u>	<u>100,421,252</u>	<u>94,924,187</u>
Total net OPEB liability	<u>\$ 178,915,140</u>	<u>\$ 184,260,605</u>	<u>\$ 175,207,218</u>	<u>\$ 167,206,125</u>
Covered payroll	71,977,391	\$ 71,977,391	\$ 67,289,456	\$ 64,079,569
District's proportionate share of the net OPEB liability as a percentage of covered payroll	105.56%	108.74%	111.14%	112.80%
Plan fiduciary net position as a percentage of the total pension liability	0.70%	0.25%	-0.07%	-0.17%
Contractually required contribution	\$ 695,274	\$ 662,192	\$ 639,297	\$ 1,386,163
Contributions in relation to the contractually required contribution	<u>(450,806)</u>	<u>(662,192)</u>	<u>(638,797)</u>	<u>(1,385,785)</u>
Contribution deficiency (excess)	<u>\$ 244,468</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 378</u>
Contributions as a percentage of covered payroll	0.6263%	0.9200%	0.9493%	2.1626%

**Notes to Schedule:**

The District implemented GASB 75 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

**Key Assumptions:**

Long-term expected rate of return	0.00%	0.00%	0.00%	0.00%
Municipal bond index	2.45%	3.13%	3.62%	3.56%
Single equivalent discount rate	2.45%	3.13%	3.62%	3.56%
Inflation rate	2.50%	2.50%	2.75%	2.75%
Healthcare cost trend rates - initial	Medicare and Non-Medicare - 8.25%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%
Healthcare cost trend rates - ultimate	4.25%	4.50%	4.50%	4.50%
Mortality	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables

See Auditors' Report and Notes to Required Supplementary Information

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65****GENERAL FUND**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 88,806,989	\$ 87,296,307	\$ (1,510,682)	\$ 88,540,671
Tort immunity levy	1,013,947	1,095,513	81,566	1,564,372
Special education levy	3,410,876	3,811,119	400,243	3,324,117
Corporate personal property replacement taxes	1,333,950	2,114,973	781,023	1,667,437
Regular tuition from pupils or parents (in state)	83,752	19,673	(64,079)	56,234
Investment income	471,500	504,805	33,305	628,676
Sales to pupils - lunch	184,163	725	(183,438)	260,976
Sales to pupils - breakfast	5,261	-	(5,261)	12,726
Sales to pupils - a la carte	97,694	-	(97,694)	128,162
Sales to adults	43,956	-	(43,956)	80,086
Fees	1,610,540	447,087	(1,163,453)	1,396,751
Student activities	339,636	250,706	(88,930)	-
Contributions and donations from private sources	238,738	100,072	(138,666)	277,227
Refund of prior years' expenditures	-	-	-	35,044
Other	405,709	238,888	(166,821)	257,778
Total local sources	<u>98,046,711</u>	<u>95,879,868</u>	<u>(2,166,843)</u>	<u>98,230,257</u>
<b>Flow-through revenue from one LEA to another LEA</b>				
Flow-through revenue from state sources	150,000	-	(150,000)	-
Flow-through revenue from federal sources	150,000	-	(150,000)	-
Total flow-through	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
<b>State sources</b>				
Evidence based funding	7,885,820	7,898,714	12,894	7,898,534
Special education - private facility tuition	846,397	920,151	73,754	852,747
Special education - orphanage - individual	1,450,528	1,570,222	119,694	1,450,528
Special education - orphanage - summer	55,670	77,506	21,836	55,670
State free lunch & breakfast	13,229	5,617	(7,612)	13,229
Learning improvement - change grants	4,500	-	(4,500)	-
Truant alternative/optional education	60,000	72,792	12,792	66,581
Early childhood - block grant	1,646,463	1,754,693	108,230	1,646,463
State charter schools	-	11,052	11,052	-
Other restricted revenue from state sources	73,381	22,691	(50,690)	71,587
Total state sources	<u>12,035,988</u>	<u>12,333,438</u>	<u>297,450</u>	<u>12,055,339</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Federal sources</b>				
Head start	\$ 2,712,249	\$ 3,609,930	\$ 897,681	\$ 2,712,251
Breakfast start-up	89,009	-	(89,009)	-
National school lunch program	794,817	2,357	(792,460)	794,819
School breakfast program	-	1,472	1,472	89,010
Summer food service admin/program	-	1,644,273	1,644,273	-
Child care commodity/SFS 13-adult day care	62,070	85,930	23,860	154,693
Food service - other	-	177,686	177,686	178,504
Title I - Low income	916,969	961,775	44,806	997,776
Title I - Low income - neglected, private	25,041	24,142	(899)	39,618
Title I - Other	50,000	7,312	(42,688)	142,050
Title IV - Other	375,810	-	(375,810)	-
Federal - special education - preschool flow-through	56,720	60,044	3,324	57,285
Federal - special education - IDEA - flow-through	2,040,247	1,864,616	(175,631)	1,984,937
Federal - special education - IDEA - room & board	447,519	283,656	(163,863)	448,394
Build America bond interest reimbursements	215,250	203,074	(12,176)	-
Other ARRA funds - XI	800,000	-	(800,000)	-
Emergency immigrant assistance	150,591	-	(150,591)	-
Title III - English language acquisition	-	91,959	91,959	150,591
Title II - Teacher quality	160,174	206,698	46,524	216,163
Medicaid matching funds - administrative outreach	384,187	516,845	132,658	296,552
Medicaid matching funds - fee-for-service program	952,881	102,424	(850,457)	1,024,415
Other restricted revenue from federal sources	-	291,375	291,375	334,712
<b>Total federal sources</b>	<b>10,233,534</b>	<b>10,135,568</b>	<b>(97,966)</b>	<b>9,621,770</b>
<b>Total revenues</b>	<b>120,616,233</b>	<b>118,348,874</b>	<b>(2,267,359)</b>	<b>119,907,366</b>
<b>Expenditures</b>				
<b>Instruction</b>				
<b>Regular programs</b>				
Salaries	43,268,385	42,301,540	966,845	41,166,195
Employee benefits	4,463,642	4,788,824	(325,182)	4,174,959
Purchased services	1,223,240	880,783	342,457	1,269,109
Supplies and materials	1,870,692	1,309,782	560,910	1,440,165
Capital outlay	46,500	24,714	21,786	32,228
Other objects	600	270	330	1,151
<b>Total</b>	<b>50,873,059</b>	<b>49,305,913</b>	<b>1,567,146</b>	<b>48,083,807</b>

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Pre-K programs</b>				
Salaries	\$ 719,748	\$ 683,111	\$ 36,637	\$ 716,235
Employee benefits	124,479	138,333	(13,854)	116,882
Purchased services	18,583	9,219	9,364	14,570
Supplies and materials	<u>10,000</u>	<u>149,518</u>	<u>(139,518)</u>	<u>195,087</u>
Total	<u>872,810</u>	<u>980,181</u>	<u>(107,371)</u>	<u>1,042,774</u>
<b>Special education programs</b>				
Salaries	11,319,108	11,797,735	(478,627)	10,705,783
Employee benefits	1,444,741	1,488,557	(43,816)	1,331,415
Purchased services	550,541	725,836	(175,295)	699,720
Supplies and materials	50,500	21,551	28,949	68,768
Capital outlay	4,000	-	4,000	-
Other objects	<u>967,040</u>	<u>-</u>	<u>967,040</u>	<u>-</u>
Total	<u>14,335,930</u>	<u>14,033,679</u>	<u>302,251</u>	<u>12,805,686</u>
<b>Special education programs Pre-K</b>				
Salaries	880,486	885,707	(5,221)	896,365
Employee benefits	121,807	127,031	(5,224)	114,373
Purchased services	19,289	24,824	(5,535)	100,852
Supplies and materials	<u>6,050</u>	<u>13,765</u>	<u>(7,715)</u>	<u>12,963</u>
Total	<u>1,027,632</u>	<u>1,051,327</u>	<u>(23,695)</u>	<u>1,124,553</u>
<b>Remedial and supplemental programs K - 12</b>				
Salaries	791,086	656,384	134,702	756,555
Employee benefits	160,106	142,748	17,358	107,055
Purchased services	-	12,262	(12,262)	5,925
Supplies and materials	<u>81,000</u>	<u>40,984</u>	<u>40,016</u>	<u>85,460</u>
Total	<u>1,032,192</u>	<u>852,378</u>	<u>179,814</u>	<u>954,995</u>
<b>Interscholastic programs</b>				
Salaries	50,000	9,573	40,427	140,435
Purchased services	-	-	-	13,635
Supplies and materials	<u>5,000</u>	<u>4,494</u>	<u>506</u>	<u>6,290</u>
Total	<u>55,000</u>	<u>14,067</u>	<u>40,933</u>	<u>160,360</u>
<b>Summer school programs</b>				
Salaries	368,979	276,118	92,861	379,084
Purchased services	140,000	55,837	84,163	117,000
Supplies and materials	<u>41,500</u>	<u>727</u>	<u>40,773</u>	<u>11,064</u>
Total	<u>550,479</u>	<u>332,682</u>	<u>217,797</u>	<u>507,148</u>
<b>Gifted programs</b>				
Salaries	31,903	10,100	21,803	27,280
Purchased services	-	10,500	(10,500)	4,746
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,875</u>
Total	<u>31,903</u>	<u>20,600</u>	<u>11,303</u>	<u>41,901</u>

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Bilingual programs</b>				
Salaries	\$ 2,830,756	\$ 2,930,709	\$ (99,953)	\$ 2,627,073
Employee benefits	288,480	348,426	(59,946)	272,485
Purchased services	7,000	40,394	(33,394)	49,171
Supplies and materials	<u>30,000</u>	<u>24,848</u>	<u>5,152</u>	<u>60,124</u>
Total	<u>3,156,236</u>	<u>3,344,377</u>	<u>(188,141)</u>	<u>3,008,853</u>
<b>Special education programs K -12 - private tuition</b>				
Other objects	<u>3,005,720</u>	<u>2,521,873</u>	<u>483,847</u>	<u>2,882,752</u>
Total	<u>3,005,720</u>	<u>2,521,873</u>	<u>483,847</u>	<u>2,882,752</u>
<b>Student activities</b>				
Other objects	<u>560,892</u>	<u>241,800</u>	<u>319,092</u>	<u>-</u>
Total	<u>560,892</u>	<u>241,800</u>	<u>319,092</u>	<u>-</u>
Total instruction	<u>75,501,853</u>	<u>72,698,877</u>	<u>2,802,976</u>	<u>70,612,829</u>
<b>Support services</b>				
<b>Pupils</b>				
<b>Attendance and social work services</b>				
Salaries	2,969,400	2,846,656	122,744	2,919,107
Employee benefits	330,229	327,706	2,523	310,075
Purchased services	219,500	141,469	78,031	164
Supplies and materials	<u>99,450</u>	<u>4,604</u>	<u>94,846</u>	<u>6,853</u>
Total	<u>3,618,579</u>	<u>3,320,435</u>	<u>298,144</u>	<u>3,236,199</u>
<b>Health services</b>				
Salaries	873,933	806,426	67,507	860,126
Employee benefits	159,271	182,067	(22,796)	149,550
Purchased services	11,320	2,874	8,446	12,867
Supplies and materials	9,000	5,641	3,359	17,749
Capital outlay	<u>7,250</u>	<u>6,534</u>	<u>716</u>	<u>4,479</u>
Total	<u>1,060,774</u>	<u>1,003,542</u>	<u>57,232</u>	<u>1,044,771</u>
<b>Psychological services</b>				
Salaries	1,331,240	1,349,620	(18,380)	1,201,696
Employee benefits	84,142	91,482	(7,340)	79,007
Purchased services	-	18,601	(18,601)	20,501
Supplies and materials	<u>-</u>	<u>11,138</u>	<u>(11,138)</u>	<u>11,476</u>
Total	<u>1,415,382</u>	<u>1,470,841</u>	<u>(55,459)</u>	<u>1,312,680</u>

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Speech pathology and audiology services</b>				
Salaries	\$ 1,711,128	\$ 1,789,401	\$ (78,273)	\$ 1,635,264
Employee benefits	160,351	186,856	(26,505)	150,566
Purchased services	12,000	-	12,000	-
Supplies and materials	<u>12,000</u>	<u>1,696</u>	<u>10,304</u>	<u>13,558</u>
Total	<u>1,895,479</u>	<u>1,977,953</u>	<u>(82,474)</u>	<u>1,799,388</u>
<b>Other support services - pupils</b>				
Salaries	1,569,905	1,565,827	4,078	1,450,769
Employee benefits	73,181	93,438	(20,257)	80,265
Purchased services	90,550	535,463	(444,913)	3,245
Supplies and materials	140,000	-	140,000	-
Capital outlay	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total	<u>1,873,650</u>	<u>2,194,728</u>	<u>(321,078)</u>	<u>1,534,279</u>
Total pupils	<u>9,863,864</u>	<u>9,967,499</u>	<u>(103,635)</u>	<u>8,927,317</u>
<b>Instructional staff</b>				
<b>Improvement of instructional services</b>				
Salaries	3,079,598	2,907,878	171,720	3,081,800
Employee benefits	311,844	307,672	4,172	307,048
Purchased services	986,296	836,270	150,026	1,062,603
Supplies and materials	88,834	303,722	(214,888)	91,241
Other objects	<u>74,430</u>	<u>18,339</u>	<u>56,091</u>	<u>45,972</u>
Total	<u>4,541,002</u>	<u>4,373,881</u>	<u>167,121</u>	<u>4,588,664</u>
<b>Educational media services</b>				
Salaries	1,438,909	1,439,329	(420)	1,372,368
Employee benefits	158,941	158,900	41	149,240
Purchased services	8,000	5,346	2,654	5,716
Supplies and materials	<u>48,587</u>	<u>39,866</u>	<u>8,721</u>	<u>41,098</u>
Total	<u>1,654,437</u>	<u>1,643,441</u>	<u>10,996</u>	<u>1,568,422</u>
<b>Assessment and testing</b>				
Salaries	98,418	104,475	(6,057)	99,931
Purchased services	52,000	27,636	24,364	19,810
Supplies and materials	<u>115,300</u>	<u>95,725</u>	<u>19,575</u>	<u>-</u>
Total	<u>265,718</u>	<u>227,836</u>	<u>37,882</u>	<u>119,741</u>
Total instructional staff	<u>6,461,157</u>	<u>6,245,158</u>	<u>215,999</u>	<u>6,276,827</u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>General administration</b>				
<b>Board of education services</b>				
Salaries	\$ 101,769	\$ 84,143	\$ 17,626	\$ 64,320
Employee benefits	22,669	23,234	(565)	21,285
Purchased services	66,418	105,663	(39,245)	64,572
Supplies and materials	10,500	3,580	6,920	6,245
Capital outlay	-	4,010	(4,010)	-
Other objects	50,000	18,500	31,500	44,817
Total	251,356	239,130	12,226	201,239
<b>Executive administration services</b>				
Salaries	504,539	515,175	(10,636)	414,337
Employee benefits	63,617	85,033	(21,416)	16,617
Purchased services	16,500	14,547	1,953	6,978
Supplies and materials	10,250	11,307	(1,057)	7,349
Capital outlay	1,000	-	1,000	-
Total	595,906	626,062	(30,156)	445,281
<b>Special area administration services</b>				
Salaries	2,311,051	2,356,032	(44,981)	2,245,618
Employee benefits	188,441	346,532	(158,091)	282,359
Purchased services	37,000	30,565	6,435	22,176
Supplies and materials	5,000	3,555	1,445	4,202
Capital outlay	500	-	500	-
Total	2,541,992	2,736,684	(194,692)	2,554,355
<b>Tort immunity services</b>				
Salaries	10,000	-	10,000	5,006
Purchased services	740,250	909,315	(169,065)	2,955,486
Supplies and materials	100,000	13,394	86,606	21,795
Capital outlay	60,625	60,625	-	-
Total	910,875	983,334	(72,459)	2,982,287
Total general administration	4,300,129	4,585,210	(285,081)	6,183,162
<b>School administration</b>				
<b>Office of the principal services</b>				
Salaries	5,828,693	5,854,495	(25,802)	4,576,210
Employee benefits	650,324	652,416	(2,092)	490,728
Purchased services	148,000	82,746	65,254	108,920
Total	6,627,017	6,589,657	37,360	5,175,858

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2021  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Other support services - school administration</b>				
Salaries	\$ 53,500	\$ 41,730	\$ 11,770	\$ 51,356
Total	<u>53,500</u>	<u>41,730</u>	<u>11,770</u>	<u>51,356</u>
Total school administration	<u>6,680,517</u>	<u>6,631,387</u>	<u>49,130</u>	<u>5,227,214</u>
<b>Business</b>				
<b>Direction of business support services</b>				
Salaries	397,482	374,622	22,860	372,314
Employee benefits	46,879	46,797	82	44,017
Purchased services	12,500	7,749	4,751	8,000
Supplies and materials	2,000	2,114	(114)	2,611
Capital outlay	500	-	500	1,000
Total	<u>459,361</u>	<u>431,282</u>	<u>28,079</u>	<u>427,942</u>
<b>Fiscal services</b>				
Salaries	449,257	444,872	4,385	439,306
Employee benefits	80,058	79,956	102	75,172
Purchased services	32,000	23,353	8,647	33,287
Supplies and materials	2,500	2,271	229	2,000
Capital outlay	500	1,456	(956)	749
Total	<u>564,315</u>	<u>551,908</u>	<u>12,407</u>	<u>550,514</u>
<b>Food services</b>				
Salaries	954,508	869,621	84,887	868,332
Employee benefits	138,505	132,083	6,422	130,052
Purchased services	81,200	27,153	54,047	65,641
Supplies and materials	1,129,000	734,503	394,497	1,018,855
Capital outlay	12,000	23,324	(11,324)	2,018
Total	<u>2,315,213</u>	<u>1,786,684</u>	<u>528,529</u>	<u>2,084,898</u>
Total business	<u>3,338,889</u>	<u>2,769,874</u>	<u>569,015</u>	<u>3,063,354</u>
<b>Central</b>				
<b>Planning, research, development and evaluation services</b>				
Salaries	431,826	425,028	6,798	658,355
Employee benefits	38,533	53,558	(15,025)	68,106
Purchased services	31,500	888	30,612	7,376
Supplies and materials	2,800	1,722	1,078	797
Total	<u>504,659</u>	<u>481,196</u>	<u>23,463</u>	<u>734,634</u>

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Information services</b>				
Salaries	\$ 188,215	\$ 183,895	\$ 4,320	\$ 112,336
Employee benefits	7,200	32,860	(25,660)	-
Purchased services	21,200	31,454	(10,254)	25,078
Supplies and materials	<u>2,300</u>	<u>2,156</u>	<u>144</u>	<u>69</u>
Total	<u>218,915</u>	<u>250,365</u>	<u>(31,450)</u>	<u>137,483</u>
<b>Staff services</b>				
Salaries	680,677	650,306	30,371	643,996
Employee benefits	187,566	173,645	13,921	175,080
Purchased services	132,500	101,412	31,088	124,065
Supplies and materials	9,500	1,996	7,504	5,713
Capital outlay	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>1,010,743</u>	<u>927,359</u>	<u>83,384</u>	<u>948,854</u>
<b>Data processing services</b>				
Salaries	1,083,879	1,051,309	32,570	1,144,949
Employee benefits	154,621	177,162	(22,541)	160,383
Purchased services	3,034,575	3,968,287	(933,712)	2,930,416
Supplies and materials	796,492	569,511	226,981	697,600
Capital outlay	-	87,721	(87,721)	507,547
Other objects	<u>449,278</u>	<u>-</u>	<u>449,278</u>	<u>-</u>
Total	<u>5,518,845</u>	<u>5,853,990</u>	<u>(335,145)</u>	<u>5,440,895</u>
Total central	<u>7,253,162</u>	<u>7,512,910</u>	<u>(259,748)</u>	<u>7,261,866</u>
<b>Other supporting services</b>				
Salaries	202,909	227,799	(24,890)	-
Employee benefits	1,749,288	1,656,566	92,722	1,564,458
Purchased services	314,100	394,297	(80,197)	224,780
Supplies and materials	2,000	1,968	32	-
Termination benefits	<u>98,232</u>	<u>205,202</u>	<u>(106,970)</u>	<u>77,514</u>
Total	<u>2,366,529</u>	<u>2,485,832</u>	<u>(119,303)</u>	<u>1,866,752</u>
Total support services	<u>40,264,247</u>	<u>40,197,870</u>	<u>66,377</u>	<u>38,806,492</u>
<b>Community services</b>				
Salaries	4,125,295	3,776,594	348,701	4,017,350
Employee benefits	695,429	657,014	38,415	628,197
Purchased services	1,039,385	1,013,601	25,784	805,647
Supplies and materials	184,177	133,677	50,500	105,531
Capital outlay	-	18,818	(18,818)	9,475
Other objects	<u>8,000</u>	<u>28,167</u>	<u>(20,167)</u>	<u>11,253</u>
Total community services	<u>6,052,286</u>	<u>5,627,871</u>	<u>424,415</u>	<u>5,577,453</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Payments to other districts and governmental units</b>				
<b>Payments for special education programs - tuition</b>				
Other objects	\$ 392,140	\$ 1,810,957	\$ (1,418,817)	\$ 1,595,831
Total	<u>392,140</u>	<u>1,810,957</u>	<u>(1,418,817)</u>	<u>1,595,831</u>
Total payments to other districts and governmental units	<u>392,140</u>	<u>1,810,957</u>	<u>(1,418,817)</u>	<u>1,595,831</u>
Total expenditures	<u>122,210,526</u>	<u>120,335,575</u>	<u>1,874,951</u>	<u>116,592,605</u>
Excess (deficiency) of revenues over expenditures	<u>(1,594,293)</u>	<u>(1,986,701)</u>	<u>(392,408)</u>	<u>3,314,761</u>
<b>Other financing sources (uses)</b>				
Principal on bonds sold	-	-	-	4,730,519
Transfer among funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,730,519)</u>
Net change in fund balance	<u>\$ (1,594,293)</u>	<u>(1,986,701)</u>	<u>\$ (392,408)</u>	3,314,761
Fund balance, beginning of year (as restated)		<u>48,695,190</u>		<u>44,759,680</u>
Fund balance, end of year		<u>\$ 46,708,489</u>		<u>\$ 48,074,441</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65  
OPERATIONS AND MAINTENANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 9,330,355	\$ 10,610,187	\$ 1,279,832	\$ 8,837,979
Corporate personal property replacement taxes	355,839	564,182	208,343	444,799
Investment income	52,015	55,783	3,768	69,354
Rentals	29,267	-	(29,267)	29,267
Services provided other LEA's	51,020	-	(51,020)	-
Other	15,311	12,865	(2,446)	11,320
Total local sources	<u>9,833,807</u>	<u>11,243,017</u>	<u>1,409,210</u>	<u>9,392,719</u>
<b>State sources</b>				
Early childhood - block grant	5,467	5,467	-	5,467
School infrastructure - maintenance projects	-	-	-	50,000
Total state sources	<u>5,467</u>	<u>5,467</u>	<u>-</u>	<u>55,467</u>
<b>Federal sources</b>				
Other restricted revenue from federal sources	-	217,018	217,018	-
Total federal sources	<u>-</u>	<u>217,018</u>	<u>217,018</u>	<u>-</u>
Total revenues	<u>9,839,274</u>	<u>11,465,502</u>	<u>1,626,228</u>	<u>9,448,186</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Operation and maintenance of plant services</b>				
Salaries	3,737,202	3,591,513	145,689	3,715,942
Employee benefits	498,379	357,788	140,591	468,611
Purchased services	1,787,672	1,934,266	(146,594)	2,223,511
Supplies and materials	1,584,137	1,947,249	(363,112)	1,468,670
Capital outlay	55,000	784,110	(729,110)	1,887,555
Other objects	169,915	-	169,915	30
Total	<u>7,832,305</u>	<u>8,614,926</u>	<u>(782,621)</u>	<u>9,764,319</u>
Total business	<u>7,832,305</u>	<u>8,614,926</u>	<u>(782,621)</u>	<u>9,764,319</u>
<b>Other supporting services</b>				
Employee benefits	482	534	(52)	482
Total	<u>482</u>	<u>534</u>	<u>(52)</u>	<u>482</u>
Total support services	<u>7,832,787</u>	<u>8,615,460</u>	<u>(782,673)</u>	<u>9,764,801</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65  
OPERATIONS AND MAINTENANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Community services</b>				
Capital outlay	\$ -	\$ 18,848	\$ (18,848)	\$ -
Total community services	-	18,848	(18,848)	-
<b>Payments to other districts and government units</b>				
<b>Payments for special education programs</b>				
Other objects	-	93,002	(93,002)	98,524
Total	-	93,002	(93,002)	98,524
Total payments to other districts and government units	-	93,002	(93,002)	98,524
Total expenditures	7,832,787	8,727,310	(894,523)	9,863,325
Excess (deficiency) of revenues over expenditures	2,006,487	2,738,192	731,705	(415,139)
<b>Other financing sources (uses)</b>				
Permanent transfer from working cash fund - abatement	-	-	-	4,730,519
Transfer to capital projects fund	-	-	-	(4,730,519)
Net change in fund balance	<u>\$ 2,006,487</u>	2,738,192	<u>\$ 731,705</u>	(415,139)
Fund balance, beginning of year		2,763,174		3,178,313
Fund balance, end of year		<u>\$ 5,501,366</u>		<u>\$ 2,763,174</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65  
TRANSPORTATION FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 3,703,240	\$ 4,042,867	\$ 339,627	\$ 4,621,805
Regular transportation fees from pupils or parents	19,724	3,552	(16,172)	33,897
Investment income	76,987	81,977	4,990	102,646
Total local sources	<u>3,799,951</u>	<u>4,128,396</u>	<u>328,445</u>	<u>4,758,348</u>
<b>State sources</b>				
Transportation - regular/vocational	27,103	26,267	(836)	26,350
Transportation - special education	1,323,773	1,200,502	(123,271)	1,303,542
Early childhood - block grant	117,807	117,807	-	117,807
Total state sources	<u>1,468,683</u>	<u>1,344,576</u>	<u>(124,107)</u>	<u>1,447,699</u>
Total revenues	<u>5,268,634</u>	<u>5,472,972</u>	<u>204,338</u>	<u>6,206,047</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Business</b>				
<b>Pupil transportation services</b>				
Salaries	549,042	270,629	278,413	505,206
Employee benefits	32,786	23,545	9,241	30,784
Purchased services	4,383,120	3,463,543	919,577	3,414,547
Supplies and materials	500	-	500	91
Other objects	124,158	-	124,158	-
Total	<u>5,089,606</u>	<u>3,757,717</u>	<u>1,331,889</u>	<u>3,950,628</u>
Total business	<u>5,089,606</u>	<u>3,757,717</u>	<u>1,331,889</u>	<u>3,950,628</u>
Total support services	<u>5,089,606</u>	<u>3,757,717</u>	<u>1,331,889</u>	<u>3,950,628</u>
<b>Community services</b>				
Purchased services	94,205	62,826	31,379	63,602
Total community services	<u>94,205</u>	<u>62,826</u>	<u>31,379</u>	<u>63,602</u>
<b>Payments to other districts and government units</b>				
<b>Payments for special education programs</b>				
Other objects	-	(70,466)	70,466	40,915
Total	<u>-</u>	<u>(70,466)</u>	<u>70,466</u>	<u>40,915</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65  
TRANSPORTATION FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Total payments to other districts and government units	\$ -	\$ (70,466)	\$ 70,466	\$ 40,915
Total expenditures	<u>5,183,811</u>	<u>3,750,077</u>	<u>1,433,734</u>	<u>4,055,145</u>
Net change in fund balance	<u>\$ 84,823</u>	1,722,895	<u>\$ 1,638,072</u>	2,150,902
Fund balance, beginning of year		<u>3,072,574</u>		<u>921,672</u>
Fund balance, end of year		<u>\$ 4,795,469</u>		<u>\$ 3,072,574</u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 1,881,542	\$ 2,784,144	\$ 902,602	\$ 3,187,312
Social security/Medicare only levy	1,854,656	1,983,886	129,230	1,498,478
Corporate personal property replacement taxes	98,347	155,930	57,583	122,934
Investment income	<u>78,773</u>	<u>84,484</u>	<u>5,711</u>	<u>105,031</u>
Total local sources	<u>3,913,318</u>	<u>5,008,444</u>	<u>1,095,126</u>	<u>4,913,755</u>
<b>Federal sources</b>				
Build America bond interest reimbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,800</u>
Total federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,800</u>
Total revenues	<u>3,913,318</u>	<u>5,008,444</u>	<u>1,095,126</u>	<u>5,153,555</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular programs	631,238	610,483	20,755	604,717
Pre-K programs	30,945	31,395	(450)	31,497
Special education programs	744,911	675,800	69,111	651,500
Special education programs Pre-K	37,931	36,965	966	36,589
Remedial and supplemental programs K - 12	11,350	9,993	1,357	11,269
Remedial and supplemental programs Pre-K	19,169	-	19,169	18,512
CTE programs	2,617	1,379	1,238	1,508
Interscholastic programs	6,847	132	6,715	6,606
Summer school programs	31,975	17,758	14,217	25,821
Gifted programs	779	143	636	751
Bilingual programs	<u>97,726</u>	<u>102,076</u>	<u>(4,350)</u>	<u>94,244</u>
Total instruction	<u>1,615,488</u>	<u>1,486,124</u>	<u>129,364</u>	<u>1,483,014</u>
<b>Support services</b>				
<b>Pupils</b>				
Attendance and social work services	58,300	53,289	5,011	55,813
Health services	117,764	108,663	9,101	107,657
Psychological services	19,416	20,343	(927)	18,104
Speech pathology and audiology services	26,343	26,486	(143)	24,392
Other support services - pupils	<u>215,374</u>	<u>216,483</u>	<u>(1,109)</u>	<u>196,526</u>
Total pupils	<u>437,197</u>	<u>425,264</u>	<u>11,933</u>	<u>402,492</u>
<b>Instructional staff</b>				
Improvement of instructional staff	57,548	108,579	(51,031)	71,472
Educational media services	19,665	19,865	(200)	18,909
Assessment and testing	<u>2,423</u>	<u>2,765</u>	<u>(342)</u>	<u>2,334</u>
Total instructional staff	<u>79,636</u>	<u>131,209</u>	<u>(51,573)</u>	<u>92,715</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>General administration</b>				
Board of education services	\$ 10,036	\$ 13,159	\$ (3,123)	\$ 9,616
Executive administration services	18,753	21,229	(2,476)	18,088
Special area administration services	<u>77,228</u>	<u>137,927</u>	<u>(60,699)</u>	<u>74,186</u>
Total general administration	<u>106,017</u>	<u>172,315</u>	<u>(66,298)</u>	<u>101,890</u>
<b>School administration</b>				
Office of the principal services	184,036	198,647	(14,611)	174,428
Other support services - school administration	<u>760</u>	<u>590</u>	<u>170</u>	<u>730</u>
Total school administration	<u>184,796</u>	<u>199,237</u>	<u>(14,441)</u>	<u>175,158</u>
<b>Business</b>				
Direction of business support services	37,069	35,504	1,565	35,750
Fiscal services	49,881	49,241	640	47,567
Facilities acquisition and construction service	16,073	8,808	7,265	15,523
Operations and maintenance of plant services	550,672	529,134	21,538	527,104
Pupil transportation services	96,259	41,821	54,438	85,092
Food services	134,257	134,665	(408)	128,914
Internal services	<u>39,343</u>	<u>31,981</u>	<u>7,362</u>	<u>37,995</u>
Total business	<u>923,554</u>	<u>831,154</u>	<u>92,400</u>	<u>877,945</u>
<b>Central</b>				
Planning, research, development and evaluation services	104,589	69,097	35,492	100,651
Information services	15,602	27,078	(11,476)	15,067
Staff services	70,200	70,660	(460)	67,733
Data processing services	<u>160,365</u>	<u>168,349</u>	<u>(7,984)</u>	<u>154,539</u>
Total central	<u>350,756</u>	<u>335,184</u>	<u>15,572</u>	<u>337,990</u>
<b>Other supporting services</b>				
	<u>12,872</u>	<u>49,527</u>	<u>(36,655)</u>	<u>12,408</u>
Total support services	<u>2,094,828</u>	<u>2,143,890</u>	<u>(49,062)</u>	<u>2,000,598</u>
<b>Community services</b>				
	<u>576,453</u>	<u>542,700</u>	<u>33,753</u>	<u>557,321</u>
Total expenditures	<u>4,286,769</u>	<u>4,172,714</u>	<u>114,055</u>	<u>4,040,933</u>
Net change in fund balance	<u>\$ (373,451)</u>	835,730	<u>\$ 1,209,181</u>	1,112,622
Fund balance, beginning of year		<u>2,556,374</u>		<u>1,443,843</u>
Fund balance, end of year		<u>\$ 3,392,104</u>		<u>\$ 2,556,465</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65  
DEBT SERVICE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 5,622,820	\$ 5,794,693	\$ 171,873	\$ 3,894,964
Investment income	<u>83,337</u>	<u>89,376</u>	<u>6,039</u>	<u>111,117</u>
Total local sources	<u>5,706,157</u>	<u>5,884,069</u>	<u>177,912</u>	<u>4,006,081</u>
Total revenues	<u>5,706,157</u>	<u>5,884,069</u>	<u>177,912</u>	<u>4,006,081</u>
<b>Expenditures</b>				
<b>Debt services</b>				
<b>Interest on short term debt</b>				
Other interest on short term debt	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
Total	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
<b>Payments on long term debt</b>				
Interest on long term debt	2,076,476	2,076,475	1	2,233,453
Principal payments on long term debt	<u>3,570,000</u>	<u>3,570,000</u>	<u>-</u>	<u>17,800,000</u>
Total	<u>5,646,476</u>	<u>5,646,475</u>	<u>1</u>	<u>20,033,453</u>
<b>Other debt service</b>				
Purchased services	<u>-</u>	<u>4,533</u>	<u>(4,533)</u>	<u>195,933</u>
Total	<u>-</u>	<u>4,533</u>	<u>(4,533)</u>	<u>195,933</u>
Total debt services	<u>5,658,476</u>	<u>5,651,008</u>	<u>7,468</u>	<u>20,229,386</u>
Total expenditures	<u>5,658,476</u>	<u>5,651,008</u>	<u>7,468</u>	<u>20,229,386</u>
Excess (deficiency) of revenues over expenditures	<u>47,681</u>	<u>233,061</u>	<u>185,380</u>	<u>(16,223,305)</u>
<b>Other financing sources (uses)</b>				
Principal on bonds sold	-	-	-	9,879,481
Premium on bonds sold	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,270,774</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,150,255</u>
Net change in fund balance	<u>\$ 47,681</u>	233,061	<u>\$ 185,380</u>	(4,073,050)
Fund balance, beginning of year		<u>823,731</u>		<u>4,896,781</u>
Fund balance, end of year		<u>\$ 1,056,792</u>		<u>\$ 823,731</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**CAPITAL PROJECTS FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Revenues</b>				
<b>Local sources</b>				
Investment income	\$ 4,779	\$ 5,126	\$ 347	\$ 6,371
Contributions and donations from private sources	-	-	-	22,500
Total local sources	<u>4,779</u>	<u>5,126</u>	<u>347</u>	<u>28,871</u>
Total revenues	<u>4,779</u>	<u>5,126</u>	<u>347</u>	<u>28,871</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Facilities acquisition and construction service</b>				
Salaries	155,000	58,917	96,083	150,364
Employee benefits	7,019	9,022	(2,003)	6,590
Purchased services	135,000	-	135,000	531,657
Supplies and materials	187,000	-	187,000	69,275
Capital outlay	<u>673,000</u>	<u>1,155,128</u>	<u>(482,128)</u>	<u>3,217,300</u>
Total	<u>1,157,019</u>	<u>1,223,067</u>	<u>(66,048)</u>	<u>3,975,186</u>
Total business	<u>1,157,019</u>	<u>1,223,067</u>	<u>(66,048)</u>	<u>3,975,186</u>
Total support services	<u>1,157,019</u>	<u>1,223,067</u>	<u>(66,048)</u>	<u>3,975,186</u>
Total expenditures	<u>1,157,019</u>	<u>1,223,067</u>	<u>(66,048)</u>	<u>3,975,186</u>
Excess (deficiency) of revenues over expenditures	<u>(1,152,240)</u>	<u>(1,217,941)</u>	<u>(65,701)</u>	<u>(3,946,315)</u>
<b>Other financing sources (uses)</b>				
Transfer among funds	-	-	-	4,730,519
Total other financing sources (uses)	-	-	-	4,730,519
Net change in fund balance	<u>\$ (1,152,240)</u>	<u>(1,217,941)</u>	<u>\$ (65,701)</u>	784,204
Fund balance, beginning of year		<u>1,258,635</u>		<u>474,431</u>
Fund balance, end of year		<u>\$ 40,694</u>		<u>\$ 1,258,635</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65****FIRE PREVENTION AND LIFE SAFETY FUND**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 100,996	\$ 109,162	\$ 8,166	\$ 78,880
Investment income	<u>236</u>	<u>254</u>	<u>18</u>	<u>1,518</u>
Total local sources	<u>101,232</u>	<u>109,416</u>	<u>8,184</u>	<u>80,398</u>
Total revenues	<u>101,232</u>	<u>109,416</u>	<u>8,184</u>	<u>80,398</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Facilities acquisition and construction service</b>				
Purchased services	25,000	-	25,000	-
Capital outlay	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total	<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>-</u>
<b>Operation and maintenance of plant services</b>				
Purchased services	-	23,186	(23,186)	6,000
Capital outlay	<u>-</u>	<u>98,755</u>	<u>(98,755)</u>	<u>116,819</u>
Total	<u>-</u>	<u>121,941</u>	<u>(121,941)</u>	<u>122,819</u>
Total business	<u>125,000</u>	<u>121,941</u>	<u>3,059</u>	<u>122,819</u>
Total support services	<u>125,000</u>	<u>121,941</u>	<u>3,059</u>	<u>122,819</u>
Total expenditures	<u>125,000</u>	<u>121,941</u>	<u>3,059</u>	<u>122,819</u>
Net change in fund balance	<u>\$ (23,768)</u>	(12,525)	<u>\$ 11,243</u>	(42,421)
Fund balance, beginning of year		<u>50,354</u>		<u>92,775</u>
Fund balance, end of year		<u>\$ 37,829</u>		<u>\$ 50,354</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65****GENERAL FUND**

COMBINING BALANCE SHEET - MODIFIED CASH BASIS

AS OF JUNE 30, 2021

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Assets</b>				
Cash and investments	\$ 30,343,491	\$ 2,489,873	\$ 13,258,806	\$ 46,092,170
Student activity cash	629,655	-	-	629,655
Receivables (net allowance for uncollectibles):				
Intergovernmental	197,180	-	-	197,180
Total assets	<u>\$ 31,170,326</u>	<u>\$ 2,489,873</u>	<u>\$ 13,258,806</u>	<u>\$ 46,919,005</u>
<b>Liabilities and fund balance</b>				
<b>Liabilities</b>				
Other current liabilities	\$ 97,910	\$ -	\$ -	\$ 97,910
Payroll deductions payable	112,606	-	-	112,606
Total liabilities	<u>210,516</u>	<u>-</u>	<u>-</u>	<u>210,516</u>
<b>Fund balance</b>				
Restricted	2,600,222	2,489,873	-	5,090,095
Assigned	629,655	-	-	629,655
Unassigned	27,729,933	-	13,258,806	40,988,739
Total fund balance	<u>30,959,810</u>	<u>2,489,873</u>	<u>13,258,806</u>	<u>46,708,489</u>
Total liabilities and fund balance	<u>\$ 31,170,326</u>	<u>\$ 2,489,873</u>	<u>\$ 13,258,806</u>	<u>\$ 46,919,005</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65****GENERAL FUND**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2021

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Revenues</b>				
Property taxes	\$ 91,107,426	\$ 1,095,513	\$ -	\$ 92,202,939
Corporate personal property replacement taxes	1,780,433	334,540	-	2,114,973
State aid	47,825,857	-	-	47,825,857
Federal aid	10,135,568	-	-	10,135,568
Investment income	288,809	28,950	187,046	504,805
Student activities	250,706	-	-	250,706
Other	806,445	-	-	806,445
Total revenues	<u>152,195,244</u>	<u>1,459,003</u>	<u>187,046</u>	<u>153,841,293</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	49,281,199	-	-	49,281,199
Special programs	18,459,257	-	-	18,459,257
Other instructional programs	4,691,907	-	-	4,691,907
Student activities	241,800	-	-	241,800
State retirement contributions	35,492,419	-	-	35,492,419
Support Services:				
Pupils	9,960,965	-	-	9,960,965
Instructional staff	6,245,158	-	-	6,245,158
General administration	4,197,222	323,353	-	4,520,575
School administration	6,631,387	-	-	6,631,387
Business	2,745,094	-	-	2,745,094
Central	7,425,189	-	-	7,425,189
Other supporting services	2,485,832	-	-	2,485,832
Community services	5,609,053	-	-	5,609,053
Payments to other districts and gov't units	1,810,957	-	-	1,810,957
Capital outlay	166,577	60,625	-	227,202
Total expenditures	<u>155,444,016</u>	<u>383,978</u>	<u>-</u>	<u>155,827,994</u>
Net change in fund balance	(3,248,772)	1,075,025	187,046	(1,986,701)
Fund balance, beginning of year (as restated)	<u>34,208,582</u>	<u>1,414,848</u>	<u>13,071,760</u>	<u>48,695,190</u>
Fund balance, end of year	<u>\$ 30,959,810</u>	<u>\$ 2,489,873</u>	<u>\$ 13,258,806</u>	<u>\$ 46,708,489</u>

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 88,806,989	\$ 87,296,307	\$ (1,510,682)	\$ 88,540,671
Special education levy	3,410,876	3,811,119	400,243	3,324,117
Corporate personal property replacement taxes	1,122,950	1,780,433	657,483	1,403,687
Regular tuition from pupils or parents (in state)	83,752	19,673	(64,079)	56,234
Investment income	270,100	288,809	18,709	360,144
Sales to pupils - lunch	184,163	725	(183,438)	260,976
Sales to pupils - breakfast	5,261	-	(5,261)	12,726
Sales to pupils - a la carte	97,694	-	(97,694)	128,162
Sales to adults	43,956	-	(43,956)	80,086
Fees	1,610,540	447,087	(1,163,453)	1,396,751
Student activities	339,636	250,706	(88,930)	-
Contributions and donations from private sources	238,738	100,072	(138,666)	277,227
Refund of prior years' expenditures	-	-	-	35,044
Other	405,709	238,888	(166,821)	257,778
Total local sources	<u>96,620,364</u>	<u>94,233,819</u>	<u>(2,386,545)</u>	<u>96,133,603</u>
<b>Flow-through revenue from one LEA to another LEA</b>				
Flow-through revenue from state sources	150,000	-	(150,000)	-
Flow-through revenue from federal sources	150,000	-	(150,000)	-
Total flow-through	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
<b>State sources</b>				
Evidence based funding	7,885,820	7,898,714	12,894	7,898,534
Special education - private facility tuition	846,397	920,151	73,754	852,747
Special education - orphanage - individual	1,450,528	1,570,222	119,694	1,450,528
Special education - orphanage - summer	55,670	77,506	21,836	55,670
State free lunch & breakfast	13,229	5,617	(7,612)	13,229
Learning improvement - change grants	4,500	-	(4,500)	-
Truant alternative/optional education	60,000	72,792	12,792	66,581
Early childhood - block grant	1,646,463	1,754,693	108,230	1,646,463
State charter schools	-	11,052	11,052	-
Other restricted revenue from state sources	73,381	22,691	(50,690)	71,587
Total state sources	<u>12,035,988</u>	<u>12,333,438</u>	<u>297,450</u>	<u>12,055,339</u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2021  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Federal sources</b>				
Head start	\$ 2,712,249	\$ 3,609,930	\$ 897,681	\$ 2,712,251
Breakfast start-up	89,009	-	(89,009)	-
National school lunch program	794,817	2,357	(792,460)	794,819
School breakfast program	-	1,472	1,472	89,010
Summer food service admin/program	-	1,644,273	1,644,273	-
Child care commodity/SFS 13-adult day care	62,070	85,930	23,860	154,693
Food service - other	-	177,686	177,686	178,504
Title I - Low income	916,969	961,775	44,806	997,776
Title I - Low income - neglected, private	25,041	24,142	(899)	39,618
Title I - Other	50,000	7,312	(42,688)	142,050
Title IV - Other	375,810	-	(375,810)	-
Federal - special education - preschool flow-through	56,720	60,044	3,324	57,285
Federal - special education - IDEA - flow-through	2,040,247	1,864,616	(175,631)	1,984,937
Federal - special education - IDEA - room & board	447,519	283,656	(163,863)	448,394
Build America bond interest reimbursements	215,250	203,074	(12,176)	-
Other ARRA funds - XI	800,000	-	(800,000)	-
Emergency immigrant assistance	150,591	-	(150,591)	-
Title III - English language acquisition	-	91,959	91,959	150,591
Title II - Teacher quality	160,174	206,698	46,524	216,163
Medicaid matching funds - administrative outreach	384,187	516,845	132,658	296,552
Medicaid matching funds - fee-for-service program	952,881	102,424	(850,457)	1,024,415
Other restricted revenue from federal sources	-	291,375	291,375	334,712
<b>Total federal sources</b>	<b>10,233,534</b>	<b>10,135,568</b>	<b>(97,966)</b>	<b>9,621,770</b>
<b>Total revenues</b>	<b>119,189,886</b>	<b>116,702,825</b>	<b>(2,487,061)</b>	<b>117,810,712</b>
<b>Expenditures</b>				
<b>Instruction</b>				
<b>Regular programs</b>				
Salaries	43,268,385	42,301,540	966,845	41,166,195
Employee benefits	4,463,642	4,788,824	(325,182)	4,174,959
Purchased services	1,223,240	880,783	342,457	1,269,109
Supplies and materials	1,870,692	1,309,782	560,910	1,440,165
Capital outlay	46,500	24,714	21,786	32,228
Other objects	600	270	330	1,151
<b>Total</b>	<b>50,873,059</b>	<b>49,305,913</b>	<b>1,567,146</b>	<b>48,083,807</b>

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65

## EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Pre-K programs</b>				
Salaries	\$ 719,748	\$ 683,111	\$ 36,637	\$ 716,235
Employee benefits	124,479	138,333	(13,854)	116,882
Purchased services	18,583	9,219	9,364	14,570
Supplies and materials	<u>10,000</u>	<u>149,518</u>	<u>(139,518)</u>	<u>195,087</u>
Total	<u>872,810</u>	<u>980,181</u>	<u>(107,371)</u>	<u>1,042,774</u>
<b>Special education programs</b>				
Salaries	11,319,108	11,797,735	(478,627)	10,705,783
Employee benefits	1,444,741	1,488,557	(43,816)	1,331,415
Purchased services	550,541	725,836	(175,295)	699,720
Supplies and materials	50,500	21,551	28,949	68,768
Capital outlay	4,000	-	4,000	-
Other objects	<u>967,040</u>	<u>-</u>	<u>967,040</u>	<u>-</u>
Total	<u>14,335,930</u>	<u>14,033,679</u>	<u>302,251</u>	<u>12,805,686</u>
<b>Special education programs Pre-K</b>				
Salaries	880,486	885,707	(5,221)	896,365
Employee benefits	121,807	127,031	(5,224)	114,373
Purchased services	19,289	24,824	(5,535)	100,852
Supplies and materials	<u>6,050</u>	<u>13,765</u>	<u>(7,715)</u>	<u>12,963</u>
Total	<u>1,027,632</u>	<u>1,051,327</u>	<u>(23,695)</u>	<u>1,124,553</u>
<b>Remedial and supplemental programs K - 12</b>				
Salaries	791,086	656,384	134,702	756,555
Employee benefits	160,106	142,748	17,358	107,055
Purchased services	-	12,262	(12,262)	5,925
Supplies and materials	<u>81,000</u>	<u>40,984</u>	<u>40,016</u>	<u>85,460</u>
Total	<u>1,032,192</u>	<u>852,378</u>	<u>179,814</u>	<u>954,995</u>
<b>Interscholastic programs</b>				
Salaries	50,000	9,573	40,427	140,435
Purchased services	-	-	-	13,635
Supplies and materials	<u>5,000</u>	<u>4,494</u>	<u>506</u>	<u>6,290</u>
Total	<u>55,000</u>	<u>14,067</u>	<u>40,933</u>	<u>160,360</u>
<b>Summer school programs</b>				
Salaries	368,979	276,118	92,861	379,084
Purchased services	140,000	55,837	84,163	117,000
Supplies and materials	<u>41,500</u>	<u>727</u>	<u>40,773</u>	<u>11,064</u>
Total	<u>550,479</u>	<u>332,682</u>	<u>217,797</u>	<u>507,148</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**  
**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2021  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Gifted programs</b>				
Salaries	\$ 31,903	\$ 10,100	\$ 21,803	\$ 27,280
Purchased services	-	10,500	(10,500)	4,746
Other objects	-	-	-	9,875
Total	<u>31,903</u>	<u>20,600</u>	<u>11,303</u>	<u>41,901</u>
<b>Bilingual programs</b>				
Salaries	2,830,756	2,930,709	(99,953)	2,627,073
Employee benefits	288,480	348,426	(59,946)	272,485
Purchased services	7,000	40,394	(33,394)	49,171
Supplies and materials	<u>30,000</u>	<u>24,848</u>	<u>5,152</u>	<u>60,124</u>
Total	<u>3,156,236</u>	<u>3,344,377</u>	<u>(188,141)</u>	<u>3,008,853</u>
<b>Special education programs K -12 - private tuition</b>				
Other objects	<u>3,005,720</u>	<u>2,521,873</u>	<u>483,847</u>	<u>2,882,752</u>
Total	<u>3,005,720</u>	<u>2,521,873</u>	<u>483,847</u>	<u>2,882,752</u>
<b>Student activities</b>				
Other objects	<u>560,892</u>	<u>241,800</u>	<u>319,092</u>	<u>-</u>
Total	<u>560,892</u>	<u>241,800</u>	<u>319,092</u>	<u>-</u>
Total instruction	<u>75,501,853</u>	<u>72,698,877</u>	<u>2,802,976</u>	<u>70,612,829</u>
<b>Support services</b>				
<b>Pupils</b>				
<b>Attendance and social work services</b>				
Salaries	2,969,400	2,846,656	122,744	2,919,107
Employee benefits	330,229	327,706	2,523	310,075
Purchased services	219,500	141,469	78,031	164
Supplies and materials	<u>99,450</u>	<u>4,604</u>	<u>94,846</u>	<u>6,853</u>
Total	<u>3,618,579</u>	<u>3,320,435</u>	<u>298,144</u>	<u>3,236,199</u>
<b>Health services</b>				
Salaries	873,933	806,426	67,507	860,126
Employee benefits	159,271	182,067	(22,796)	149,550
Purchased services	11,320	2,874	8,446	12,867
Supplies and materials	9,000	5,641	3,359	17,749
Capital outlay	<u>7,250</u>	<u>6,534</u>	<u>716</u>	<u>4,479</u>
Total	<u>1,060,774</u>	<u>1,003,542</u>	<u>57,232</u>	<u>1,044,771</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Psychological services</b>				
Salaries	\$ 1,331,240	\$ 1,349,620	\$ (18,380)	\$ 1,201,696
Employee benefits	84,142	91,482	(7,340)	79,007
Purchased services	-	18,601	(18,601)	20,501
Supplies and materials	-	11,138	(11,138)	11,476
Total	<u>1,415,382</u>	<u>1,470,841</u>	<u>(55,459)</u>	<u>1,312,680</u>
<b>Speech pathology and audiology services</b>				
Salaries	1,711,128	1,789,401	(78,273)	1,635,264
Employee benefits	160,351	186,856	(26,505)	150,566
Purchased services	12,000	-	12,000	-
Supplies and materials	12,000	1,696	10,304	13,558
Total	<u>1,895,479</u>	<u>1,977,953</u>	<u>(82,474)</u>	<u>1,799,388</u>
<b>Other support services - pupils</b>				
Salaries	1,569,905	1,565,827	4,078	1,450,769
Employee benefits	73,181	93,438	(20,257)	80,265
Purchased services	90,550	535,463	(444,913)	3,245
Supplies and materials	140,000	-	140,000	-
Capital outlay	14	-	14	-
Total	<u>1,873,650</u>	<u>2,194,728</u>	<u>(321,078)</u>	<u>1,534,279</u>
Total pupils	<u>9,863,864</u>	<u>9,967,499</u>	<u>(103,635)</u>	<u>8,927,317</u>
<b>Instructional staff</b>				
<b>Improvement of instructional services</b>				
Salaries	3,079,598	2,907,878	171,720	3,081,800
Employee benefits	311,844	307,672	4,172	307,048
Purchased services	986,296	836,270	150,026	1,062,603
Supplies and materials	88,834	303,722	(214,888)	91,241
Other objects	74,430	18,339	56,091	45,972
Total	<u>4,541,002</u>	<u>4,373,881</u>	<u>167,121</u>	<u>4,588,664</u>
<b>Educational media services</b>				
Salaries	1,438,909	1,439,329	(420)	1,372,368
Employee benefits	158,941	158,900	41	149,240
Purchased services	8,000	5,346	2,654	5,716
Supplies and materials	48,587	39,866	8,721	41,098
Total	<u>1,654,437</u>	<u>1,643,441</u>	<u>10,996</u>	<u>1,568,422</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Assessment and testing</b>				
Salaries	\$ 98,418	\$ 104,475	\$ (6,057)	\$ 99,931
Purchased services	52,000	27,636	24,364	19,810
Supplies and materials	115,300	95,725	19,575	-
Total	265,718	227,836	37,882	119,741
Total instructional staff	6,461,157	6,245,158	215,999	6,276,827
<b>General administration</b>				
<b>Board of education services</b>				
Salaries	101,769	84,143	17,626	64,320
Employee benefits	22,669	23,234	(565)	21,285
Purchased services	66,418	105,663	(39,245)	64,572
Supplies and materials	10,500	3,580	6,920	6,245
Capital outlay	-	4,010	(4,010)	-
Other objects	50,000	18,500	31,500	44,817
Total	251,356	239,130	12,226	201,239
<b>Executive administration services</b>				
Salaries	504,539	515,175	(10,636)	414,337
Employee benefits	63,617	85,033	(21,416)	16,617
Purchased services	16,500	14,547	1,953	6,978
Supplies and materials	10,250	11,307	(1,057)	7,349
Capital outlay	1,000	-	1,000	-
Total	595,906	626,062	(30,156)	445,281
<b>Special area administration services</b>				
Salaries	2,311,051	2,356,032	(44,981)	2,245,618
Employee benefits	188,441	346,532	(158,091)	282,359
Purchased services	37,000	30,565	6,435	22,176
Supplies and materials	5,000	3,555	1,445	4,202
Capital outlay	500	-	500	-
Total	2,541,992	2,736,684	(194,692)	2,554,355
<b>Tort immunity services</b>				
Purchased services	-	599,356	(599,356)	659,112
Total	-	599,356	(599,356)	659,112
Total general administration	3,389,254	4,201,232	(811,978)	3,859,987

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65  
EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>School administration</b>				
<b>Office of the principal services</b>				
Salaries	\$ 5,828,693	\$ 5,854,495	\$ (25,802)	\$ 4,576,210
Employee benefits	650,324	652,416	(2,092)	490,728
Purchased services	<u>148,000</u>	<u>82,746</u>	<u>65,254</u>	<u>108,920</u>
Total	<u>6,627,017</u>	<u>6,589,657</u>	<u>37,360</u>	<u>5,175,858</u>
<b>Other support services - school administration</b>				
Salaries	<u>53,500</u>	<u>41,730</u>	<u>11,770</u>	<u>51,356</u>
Total	<u>53,500</u>	<u>41,730</u>	<u>11,770</u>	<u>51,356</u>
Total school administration	<u>6,680,517</u>	<u>6,631,387</u>	<u>49,130</u>	<u>5,227,214</u>
<b>Business</b>				
<b>Direction of business support services</b>				
Salaries	397,482	374,622	22,860	372,314
Employee benefits	46,879	46,797	82	44,017
Purchased services	12,500	7,749	4,751	8,000
Supplies and materials	2,000	2,114	(114)	2,611
Capital outlay	<u>500</u>	<u>-</u>	<u>500</u>	<u>1,000</u>
Total	<u>459,361</u>	<u>431,282</u>	<u>28,079</u>	<u>427,942</u>
<b>Fiscal services</b>				
Salaries	449,257	444,872	4,385	439,306
Employee benefits	80,058	79,956	102	75,172
Purchased services	32,000	23,353	8,647	33,287
Supplies and materials	2,500	2,271	229	2,000
Capital outlay	<u>500</u>	<u>1,456</u>	<u>(956)</u>	<u>749</u>
Total	<u>564,315</u>	<u>551,908</u>	<u>12,407</u>	<u>550,514</u>
<b>Food services</b>				
Salaries	954,508	869,621	84,887	868,332
Employee benefits	138,505	132,083	6,422	130,052
Purchased services	81,200	27,153	54,047	65,641
Supplies and materials	1,129,000	734,503	394,497	1,018,855
Capital outlay	<u>12,000</u>	<u>23,324</u>	<u>(11,324)</u>	<u>2,018</u>
Total	<u>2,315,213</u>	<u>1,786,684</u>	<u>528,529</u>	<u>2,084,898</u>
Total business	<u>3,338,889</u>	<u>2,769,874</u>	<u>569,015</u>	<u>3,063,354</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65  
EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Central</b>				
<b>Planning, research, development and evaluation services</b>				
Salaries	\$ 431,826	\$ 425,028	\$ 6,798	\$ 658,355
Employee benefits	38,533	53,558	(15,025)	68,106
Purchased services	31,500	888	30,612	7,376
Supplies and materials	<u>2,800</u>	<u>1,722</u>	<u>1,078</u>	<u>797</u>
Total	<u>504,659</u>	<u>481,196</u>	<u>23,463</u>	<u>734,634</u>
<b>Information services</b>				
Salaries	188,215	183,895	4,320	112,336
Employee benefits	7,200	32,860	(25,660)	-
Purchased services	21,200	31,454	(10,254)	25,078
Supplies and materials	<u>2,300</u>	<u>2,156</u>	<u>144</u>	<u>69</u>
Total	<u>218,915</u>	<u>250,365</u>	<u>(31,450)</u>	<u>137,483</u>
<b>Staff services</b>				
Salaries	680,677	650,306	30,371	643,996
Employee benefits	187,566	173,645	13,921	175,080
Purchased services	132,500	101,412	31,088	124,065
Supplies and materials	9,500	1,996	7,504	5,713
Capital outlay	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>1,010,743</u>	<u>927,359</u>	<u>83,384</u>	<u>948,854</u>
<b>Data processing services</b>				
Salaries	1,083,879	1,051,309	32,570	1,144,949
Employee benefits	154,621	177,162	(22,541)	160,383
Purchased services	3,034,575	3,968,287	(933,712)	2,930,416
Supplies and materials	796,492	569,511	226,981	697,600
Capital outlay	-	87,721	(87,721)	507,547
Other objects	<u>449,278</u>	<u>-</u>	<u>449,278</u>	<u>-</u>
Total	<u>5,518,845</u>	<u>5,853,990</u>	<u>(335,145)</u>	<u>5,440,895</u>
Total central	<u>7,253,162</u>	<u>7,512,910</u>	<u>(259,748)</u>	<u>7,261,866</u>
<b>Other supporting services</b>				
Salaries	202,909	227,799	(24,890)	-
Employee benefits	1,749,288	1,656,566	92,722	1,564,458
Purchased services	314,100	394,297	(80,197)	224,780
Supplies and materials	2,000	1,968	32	-
Termination benefits	<u>98,232</u>	<u>205,202</u>	<u>(106,970)</u>	<u>77,514</u>
Total	<u>2,366,529</u>	<u>2,485,832</u>	<u>(119,303)</u>	<u>1,866,752</u>
Total support services	<u>39,353,372</u>	<u>39,813,892</u>	<u>(460,520)</u>	<u>36,483,317</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65  
EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<b>Community services</b>				
Salaries	\$ 4,125,295	\$ 3,776,594	\$ 348,701	\$ 4,017,350
Employee benefits	695,429	657,014	38,415	628,197
Purchased services	1,039,385	1,013,601	25,784	805,647
Supplies and materials	184,177	133,677	50,500	105,531
Capital outlay	-	18,818	(18,818)	9,475
Other objects	8,000	28,167	(20,167)	11,253
Total community services	<u>6,052,286</u>	<u>5,627,871</u>	<u>424,415</u>	<u>5,577,453</u>
<b>Payments to other districts and governmental units</b>				
<b>Payments for special education programs - tuition</b>				
Other objects	<u>392,140</u>	<u>1,810,957</u>	<u>(1,418,817)</u>	<u>1,595,831</u>
Total	<u>392,140</u>	<u>1,810,957</u>	<u>(1,418,817)</u>	<u>1,595,831</u>
Total payments to other districts and governmental units	<u>392,140</u>	<u>1,810,957</u>	<u>(1,418,817)</u>	<u>1,595,831</u>
Total expenditures	<u>121,299,651</u>	<u>119,951,597</u>	<u>1,348,054</u>	<u>114,269,430</u>
Excess (deficiency) of revenues over expenditures	<u>(2,109,765)</u>	<u>(3,248,772)</u>	<u>(1,139,007)</u>	<u>3,541,282</u>
Net change in fund balance	<u>\$ (2,109,765)</u>	<u>(3,248,772)</u>	<u>\$ (1,139,007)</u>	<u>3,541,282</u>
Fund balance, beginning of year (as restated)		<u>34,208,582</u>		<u>30,046,551</u>
Fund balance, end of year		<u>\$ 30,959,810</u>		<u>\$ 33,587,833</u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**

**TORT IMMUNITY AND JUDGMENT ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Revenues</b>				
<b>Local sources</b>				
Tort immunity levy	\$ 1,013,947	\$ 1,095,513	\$ 81,566	\$ 1,564,372
Corporate personal property replacement taxes	211,000	334,540	123,540	263,750
Investment income	<u>26,993</u>	<u>28,950</u>	<u>1,957</u>	<u>35,989</u>
Total local sources	<u>1,251,940</u>	<u>1,459,003</u>	<u>207,063</u>	<u>1,864,111</u>
Total revenues	<u>1,251,940</u>	<u>1,459,003</u>	<u>207,063</u>	<u>1,864,111</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>General administration</b>				
<b>Claims paid from self insurance fund</b>				
Purchased services	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
<b>Risk management and claims service payments</b>				
Salaries	10,000	-	10,000	5,006
Purchased services	290,250	309,959	(19,709)	2,296,374
Supplies and materials	100,000	13,394	86,606	21,795
Capital outlay	<u>60,625</u>	<u>60,625</u>	<u>-</u>	<u>-</u>
Total	460,875	383,978	76,897	2,323,175
Total general administration	<u>560,875</u>	<u>383,978</u>	<u>176,897</u>	<u>2,323,175</u>
Total support services	<u>560,875</u>	<u>383,978</u>	<u>176,897</u>	<u>2,323,175</u>
Total expenditures	<u>560,875</u>	<u>383,978</u>	<u>176,897</u>	<u>2,323,175</u>
Net change in fund balance	<u>\$ 691,065</u>	1,075,025	<u>\$ 383,960</u>	(459,064)
Fund balance, beginning of year		<u>1,414,848</u>		<u>1,873,912</u>
Fund balance, end of year		<u>\$ 2,489,873</u>		<u>\$ 1,414,848</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 65**  
**WORKING CASH ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2021  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		VARIANCE WITH FINAL BUDGET	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Revenues</b>				
<b>Local sources</b>				
Investment income	\$ 174,407	\$ 187,046	\$ 12,639	\$ 232,543
Total local sources	<u>174,407</u>	<u>187,046</u>	<u>12,639</u>	<u>232,543</u>
Total revenues	<u>174,407</u>	<u>187,046</u>	<u>12,639</u>	<u>232,543</u>
<b>Expenditures</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>174,407</u>	<u>187,046</u>	<u>12,639</u>	<u>232,543</u>
<b>Other financing sources (uses)</b>				
Principal on bonds sold	-	-	-	4,730,519
Transfer among funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,730,519)</u>
Net change in fund balance	<u>\$ 174,407</u>	187,046	<u>\$ 12,639</u>	232,543
Fund balance, beginning of year		<u>13,071,760</u>		<u>12,839,217</u>
Fund balance, end of year		<u>\$ 13,258,806</u>		<u>\$ 13,071,760</u>

**Community Consolidated School District No. 65**

**Schedule of Assessed Valuations, Tax Rates, Extension & Collections**

	Tax year		
	2020	2019	2018
Assessed Valuations	\$ 3,777,859,861	\$ 3,746,975,853	\$ 3,006,428,290
Tax Rates:			
General Fund:			
Educational Account	2.3826	2.3803	2.9412
Tort Immunity Account	0.0315	0.0300	0.0343
Special Education Account	0.1109	0.0989	0.1131
Operations & Maintenance Fund	0.3146	0.2727	0.3118
Transportation Fund	0.1159	0.1079	0.1233
Municipal Retirement/Social Security Fund:			
Illinois Municipal Retirement Fund	0.0787	0.0749	0.0856
Social Security	0.0567	0.0539	0.0617
Debt Service Fund	0.1639	0.1628	0.2165
Fire Prevention and Life Safety Fund	0.0031	0.0030	0.0034
<b>Total</b>	<b>3.2579</b>	<b>3.1844</b>	<b>3.8909</b>
<b>Extended tax rate</b>	<b>3.258</b>	<b>3.185</b>	<b>3.891</b>
Tax Extensions:			
General Fund:			
Educational Account	\$ 90,013,150	\$ 89,190,702	\$ 88,425,693
Tort Immunity Account	1,189,706	1,122,830	1,030,000
Special Education Account	4,187,892	3,705,336	3,399,000
Operations & Maintenance Fund	11,885,168	10,217,746	9,373,000
Transportation Fund	4,376,670	4,042,186	3,708,000
Municipal Retirement/Social Security Fund:			
Illinois Municipal Retirement Fund	2,974,263	2,807,073	2,575,000
Social Security	2,141,470	2,021,093	1,854,000
Debt Service Fund	6,190,301	6,100,413	6,508,608
Fire Prevention and Life Safety Fund	118,970	112,283	103,000
<b>Total</b>	<b>123,077,590</b>	<b>119,319,662</b>	<b>116,976,301</b>
Tax Collections:			
Through June 30	\$ 62,517,139	\$ 61,621,362	\$ 59,672,090
Subsequent collections	-	56,182,401	54,885,831
<b>Total</b>	<b>62,517,139</b>	<b>117,803,763</b>	<b>114,557,921</b>
	50.79%	98.73%	97.93%

**Community Consolidated School District No. 65**

**Schedule of Debt Service Requirements  
June 30, 2021**

	Year Ending June 30,	Principal	Interest	Total
Total general obligation bonds				
	2022	\$ 3,890,000	\$ 1,954,675	\$ 5,844,675
	2023	4,130,000	1,804,050	5,934,050
	2024	4,337,202	1,694,498	6,031,700
	2025	4,560,402	1,541,348	6,101,750
	2026	4,870,000	1,316,625	6,186,625
	2027	5,155,000	1,108,175	6,263,175
	2028	5,299,792	1,053,083	6,352,875
	2029	5,632,024	826,826	6,458,850
	2030	5,862,758	695,917	6,558,675
	2031	4,793,623	1,683,027	6,476,650
	2032	4,150,164	2,636,974	6,787,138
	2033	3,575,221	3,358,854	6,934,075
	2034	2,883,506	4,216,494	7,100,000
	2035	2,692,410	3,712,590	6,405,000
	2036	3,054,065	4,020,935	7,075,000
		<u>\$ 64,886,167</u>	<u>\$ 31,624,071</u>	<u>\$ 96,510,238</u>
Accumulated Accreted Interest		5,180,077	(5,180,077)	-
		<u>\$ 70,066,244</u>	<u>\$ 26,443,994</u>	<u>\$ 96,510,238</u>
General Obligation Bonds				
Series 2010B				
Dated November 4, 2010				
	2022	\$ -	\$ 557,800	\$ 557,800
	2023	1,000,000	537,300	1,537,300
	2024	1,000,000	496,300	1,496,300
	2025	1,250,000	450,175	1,700,175
	2026	1,600,000	391,750	1,991,750
	2027	1,650,000	316,875	1,966,875
	2028	1,700,000	231,450	1,931,450
	2029	1,800,000	141,300	1,941,300
	2030	1,800,000	47,250	1,847,250
		<u>\$ 11,800,000</u>	<u>\$ 3,170,200</u>	<u>\$ 14,970,200</u>
General Obligation Bonds				
Series 2010C				
Dated November 4, 2010				
	2022	\$ 1,000,000	\$ 19,750	\$ 1,019,750
		<u>\$ 1,000,000</u>	<u>\$ 19,750</u>	<u>\$ 1,019,750</u>

Community Consolidated School District No. 65

Schedule of Debt Service Requirements  
June 30, 2021

	Year Ending June 30,	Principal	Interest	Total
<b>General Obligation Bonds</b>				
Series 2012				
Dated June 4, 2012				
2022	\$	600,000	\$ 228,500	\$ 828,500
2023		700,000	214,625	914,625
2024		700,000	198,875	898,875
2025		600,000	183,500	783,500
2026		700,000	167,250	867,250
2027		700,000	149,750	849,750
2028		1,000,000	128,000	1,128,000
2029		1,000,000	101,250	1,101,250
2030		1,000,000	73,750	1,073,750
2031		1,000,000	45,000	1,045,000
2032		1,000,000	15,000	1,015,000
		<u>\$ 9,000,000</u>	<u>\$ 1,505,500</u>	<u>\$ 10,505,500</u>
<b>General Obligation Bonds</b>				
Series 2013				
Dated May 7, 2013				
2022	\$	1,255,000	\$ 533,875	\$ 1,788,875
2023		1,310,000	489,125	1,799,125
2024		1,330,000	449,525	1,779,525
2025		1,400,000	408,575	1,808,575
2026		1,430,000	366,125	1,796,125
2027		1,505,000	307,050	1,812,050
2028		1,020,000	243,925	1,263,925
2029		1,145,000	189,800	1,334,800
2030		1,200,000	140,175	1,340,175
2031		1,230,000	97,650	1,327,650
2032		1,085,000	57,138	1,142,138
2033		1,090,000	19,075	1,109,075
		<u>\$ 15,000,000</u>	<u>\$ 3,302,038</u>	<u>\$ 18,302,038</u>
<b>General Obligation Bonds</b>				
Series 2014				
Dated April 28, 2014				
2028	\$	219,792	\$ 180,208	\$ 400,000
2029		207,024	192,976	400,000
2030		292,758	307,242	600,000
2031		1,080,328	1,249,672	2,330,000
2032		1,672,140	2,157,860	3,830,000
2033		1,693,106	2,431,894	4,125,000
2034		1,733,760	2,766,240	4,500,000
		<u>\$ 6,898,908</u>	<u>\$ 9,286,092</u>	<u>\$ 16,185,000</u>
Accumulated Accreted Interest		2,741,875	(2,741,875)	-
		<u>\$ 9,640,783</u>	<u>\$ 6,544,217</u>	<u>\$ 16,185,000</u>

**Community Consolidated School District No. 65**

**Schedule of Debt Service Requirements  
June 30, 2021**

	Year Ending June 30,	Principal	Interest	Total
<b>General Obligation Bonds</b>				
Series 2015				
Dated March 17, 2015	2031	\$ 258,295	\$ 241,705	\$ 500,000
	2032	393,024	406,976	800,000
	2033	792,115	907,885	1,700,000
	2034	1,149,746	1,450,254	2,600,000
	2035	2,405,282	3,364,718	5,770,000
		<u>\$ 4,998,462</u>	<u>\$ 6,371,538</u>	<u>\$ 11,370,000</u>
Accumulated Accreted Interest		1,559,401	(1,559,401)	-
		<u>\$ 6,557,863</u>	<u>\$ 4,812,137</u>	<u>\$ 11,370,000</u>
<b>General Obligation Bonds</b>				
Series 2016				
Dated April 5, 2016	2024	\$ 157,202	\$ 42,798	\$ 200,000
	2025	150,402	49,598	200,000
	2035	287,128	347,872	635,000
	2036	3,054,065	4,020,935	7,075,000
		<u>\$ 3,648,797</u>	<u>\$ 4,461,203</u>	<u>\$ 8,110,000</u>
Accumulated Accreted Interest		878,801	(878,801)	-
		<u>\$ 4,527,598</u>	<u>\$ 3,582,402</u>	<u>\$ 8,110,000</u>
<b>General Obligation Bonds</b>				
Series 2019				
Dated October 8, 2019	2022	\$ 1,035,000	\$ 614,750	\$ 1,649,750
	2023	1,120,000	563,000.00	1,683,000
	2024	1,150,000	507,000.00	1,657,000
	2025	1,160,000	449,500.00	1,609,500
	2026	1,140,000	391,500.00	1,531,500
	2027	1,300,000	334,500	1,634,500
	2028	1,360,000	269,500	1,629,500
	2029	1,480,000	201,500	1,681,500
	2030	1,570,000	127,500	1,697,500
	2031	1,225,000	49,000	1,274,000
		<u>\$ 12,540,000</u>	<u>\$ 3,507,750</u>	<u>\$ 16,047,750</u>

**APPENDIX B**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

Community Consolidated School District Number 65  
Cook County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of Community Consolidated School District Number 65, Cook County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered 5.00% General Obligation Lease Certificates (Limited Tax), Series 2022 (the “*Certificates*”), to the amount of \$38,315,000, dated April 19, 2022, due serially on December 1 of the years and in the amounts as follows:

2024	\$1,345,000
2025	1,415,000
2026	1,485,000
2027	1,565,000
2028	1,645,000
2029	1,730,000
2030	1,815,000
2031	1,910,000
2032	2,010,000
2033	2,110,000
2034	2,220,000
2035	2,330,000
2036	2,450,000
2037	2,580,000
2038	2,710,000
2039	2,850,000
2040	2,995,000
2041	3,150,000

the Certificates due on or after December 1, 2032, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Certificates of a single maturity to be selected by the Certificate Registrar), on December 1, 2031, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of certificate prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and the Certificates are payable from any funds of the District legally available for such purpose, except that the rights of the owners of the Certificates and the enforceability of the Certificates may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. There is no statutory authority for the levy of a separate tax in addition to other District taxes or the levy of a special tax unlimited as to rate or amount to pay the principal and interest due on the Certificates. We express no opinion as to (a) the ability or the likelihood of the District to make such payments when due or (b) the validity or feasibility of any future financings that the District may undertake in order to provide funds to make such payments.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Certificates is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such District covenants could cause interest on the Certificates to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates. Ownership of the Certificates may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Certificates.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Certificates.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.



## APPENDIX C

### PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by Community Consolidated School District Number 65, Cook County, Illinois (the “*District*”), in connection with the issuance of \$38,315,000 General Obligation Lease Certificates (Limited Tax), Series 2022 (the “*Certificates*”). The Certificates are being issued pursuant to a resolution adopted by the Board of Education of the District on the 14th day of March, 2022 (as supplemented by a notification of sale, the “*Resolution*”).

In consideration of the issuance of the Certificates by the District and the purchase of such Certificates by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Certificates and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Certificates at the time the Certificates are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Certificates.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

- Direct General Obligation Bonds (Principal Only)
- Direct General Obligation Bonds (Principal and Interest)
- Lease Certificates (Principal Only)
- Selected Financial Information (only as it relates to direct debt)
- Composition of EAV
- Trend of EAV
- Taxes Extended and Collected
- School District Tax Rates by Purpose

WORKING CASH FUND—Working Cash Fund Summary

Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit B—Budget

Exhibit C—General Fund Revenue Sources

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated March 29, 2022, and relating to the Certificates.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Certificates.

*Reportable Event* means the occurrence of any of the Events with respect to the Certificates set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Certificates are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Certificates are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Certificates as a result of such refunding, to the extent the District remains legally liable for the payment of such Certificates; provided, however, that the District will not be required to make such filings under new CUSIP Numbers unless the District has been notified in writing by the Participating Underwriter or the District's financial advisor that new CUSIP Numbers have been assigned to the Certificates. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Certificates after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Certificates as a result of a holder of the Certificates obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Certificates in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Certificates or defeasance of any Certificates need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Certificateholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Certificate may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Certificates, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Certificates under the Resolution.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to

comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Certificates, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT  
NUMBER 65, COOK COUNTY, ILLINOIS

By: \_\_\_\_\_  
President, Board of Education

Date: April 19, 2022

## **EXHIBIT I**

### **ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS**

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ending June 30, 2022. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles mandated by the Illinois State Board of Education.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE CERTIFICATES FOR WHICH**  
**REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District\*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**EXHIBIT III  
CUSIP NUMBERS**

YEAR OF MATURITY	CUSIP NUMBER (213687)
2024	PN0
2025	PP5
2026	PQ3
2027	PR1
2028	PS9
2029	PT7
2030	PU4
2031	PV2
2032	PW0
2033	PX8
2034	PY6
2035	PZ3
2036	QA7
2037	QB5
2038	QC3
2039	QD1
2040	QE9
2041	QF6