

Annual Budget

Fiscal Year 2020-21 (FY21)



Waukegan Community Unit School District 60

Theresa Plascencia, Superintendent

1201 North Sheridan Road

Waukegan, IL 60085

Lake County

www.wps60.org



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

This Meritorious Budget Award is presented to

**WAUKEGAN COMMUNITY UNIT SCHOOL
DISTRICT 60**

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2019–2020.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink that reads 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director

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Executive Summary Section



This picture represents the District's administration office; Lincoln Center for Educational Services located at 1201 N. Sheridan Road in Waukegan, Illinois.

Board of Education

Waukegan Community Unit School District 60

FY21



Mr. Brandon Ewing

President



Mr. Edgar Castellanos

Member



Ms. Anita M. Hanna

Member



Mr. Jeff McBride

Member



Ms. Charlotte Callahan Wozniak

Member



Mr. Rick Riddle

Member



Ms. Lucy Leguizamo

Member

Administration

Waukegan Community Unit School District 60
FY21

Ms. Theresa Plascencia
Superintendent of Schools

Eduardo Cesario
Chief Academic Officer

LeBaron Moten
Chief Operations Officer

Nicholas Alajakis
Chief of Staff/Director of Communications

Jason Nault
Associate Superintendent of Equity, Innovation and Accountability

Amanda Patti
Area Superintendent of School Support

Shanie Keelean
Area Superintendent of School Support

Josue Cuevas
Associate Superintendent of Information Technology Services

Angel Figueroa
Associate Superintendent of Human Resources and Employee Relations

Gwendolyn Polk
Associate Superintendent of Business and Financial Services

Tom Morris
General Counsel

Maria La Cour
Administrative Associate to the Superintendent and Board Operations

Buildings and Locations

Early Childhood:

1. Robbie M. Lightfoot Early Learning Center, 1721 N. McAree Road, Waukegan, IL 60085

Elementary Schools:

2. Carman-Buckner Elementary School, 520 Helmholtz Street, Waukegan, IL 60085
3. John S. Clark Elementary School, 601 Blanchard Road, Waukegan, IL 60087
4. Clearview Elementary School, 1700 Delaware Road, Waukegan, IL 60085
5. Andrew Cooke Magnet School, 522 Belvidere Road, Waukegan, IL 60085
6. Glen Flora Elementary School, 1110 Chestnut Street, Waukegan, IL 60085
7. Glenwood Elementary School, 2500 Northmoor Avenue, Waukegan, IL 60085
8. Greenwood Elementary School, 1919 North Avenue, Waukegan, IL 60087
9. Hyde Park Elementary School, 1525 Hyde Park Avenue, Waukegan, IL 60085
10. Little Fort Elementary School, 1775 Blanchard Road, Waukegan, IL 60087
11. Lyon Magnet School, 800 S. Elmwood Avenue, Waukegan, IL 60085
12. H. R. McCall Elementary School, 3215 McAree Road, Waukegan, IL 60087
13. North Elementary School, 410 Franklin Street, Waukegan, IL 60085
14. Oakdale Elementary School, 2230 McAree Road, Waukegan, IL 60087
15. Washington Elementary School, 110 S. Orchard Avenue, Waukegan, IL 60085
16. Whittier Elementary School, 901 N. Lewis Avenue, Waukegan, IL 60085

Middle Schools:

17. Robert Abbott Middle School, 1319 Washington Street, Waukegan, IL 60085
18. Jack Benny Middle School, 1401 Montesano Avenue, Waukegan, IL 60087
19. Thomas Jefferson Middle School, 600 S. Lewis Avenue, Waukegan, IL 60085
20. Miguel Juarez Middle School, 201 N. Butrick Street, Waukegan, IL 60085
21. Daniel Webster Middle School, 930 New York Street, Waukegan, IL 60085

High Schools:

22. WHS-Washington Campus, 1011 Washington Street, Waukegan, IL 60085
23. WHS-Brookside Campus, 2325 Brookside Avenue, Waukegan, IL 60085
24. Alternative/Optional Education Center, 1020 Glen Rock Avenue, Waukegan, IL 60085



Waukegan Public Schools

Community Unit School District No. 60, Lake County, Illinois

Ms. Theresa Plascencia
Superintendent

March 31, 2020

Dear Board of Education Members:

Introduction

The Waukegan Community Unit School District 60 (the "District") is pleased to present, for both internal and public review, the 2020-2021 budget. This budget presents financial and operational plans for the upcoming year as well as projections for the future years. The discussion below is an executive summary of the budget document.

Budget Presentation

The budget includes the operating, debt service, capital projects funds of the district. The District Superintendent and Associate Superintendent of Business and Financial Services assume responsibility for the data, accuracy, and completeness of this budget. The budget presents the District's finance and operations plan, and all necessary disclosures, and reflects the financial support of the goals and objectives of the District.

The budget document is the primary vehicle to present the financial plan and the result of operations of Waukegan Community Unit School District 60.

The budget document is presented in four main sections:

Executive Summary Section – provides an executive summary of the sections that are to follow.

Organizational Section – includes a discussion of the major goals and objectives of the school district, an organizational chart, and a review of the budget process.

Financial Section – presents the annual budget of revenues and expenditures for all funds, including budget comparisons with the previous year.

Information Section – presents important information of high public interest, such as tax rates. A glossary is provided at the end of this section.

We are proud to publish and disseminate this budget information to the Board of Education and to our community. We welcome the opportunity to present and discuss operational plans and related financial impact with all interested parties.

Very Truly Yours,

Gwendolyn Polk

Gwendolyn Polk

Associate Superintendent of Business and Financial Services

Major Goals and Objectives

In FY17, the District's Strategic Planning process began with the "Listening and Learning" tour throughout the Waukegan Community by Ms. Plascencia, the District's Superintendent. The information and data collected during this process helped guide and create the District 5-year Strategic Plan through FY22. This plan is designed to gain understanding and assess the organization's efficacy.

The implementation of the District's Strategic Plan begins with the leadership of the Superintendent followed by each school, as they annually develop and deploy school improvement plans that are aligned with the Board's main goals. The Strategic Plan will guide the administration and staff of each school throughout the system in their work with students, parents and the community as a whole.

The Strategic Plan is divided into three distinct sections: Section 1: Learning and Schools (Academic Supports and Programs and Operations, Safety and Facilities); Section 2: Leadership Development (School Leadership); and Section 3: Related Services (Student Services & Strategy and Accountability). Learning and Schools speaks to what our students will know and be able to do academically. Leadership Development involves how the District functions to support Learning and Schools. Related Services focuses more on the physical and psychological aspect of our school buildings – as this is where our students spend most of their time.

Superintendent's Initiatives and tenets to the three distinct sections of the Strategic Plan:

- I. Student Achievement: To focus organizational improvement and align District resources to ensure all students receive a world-class education that eliminates the achievement gap in the future.
- II. Community Engagement: to ensure that all stakeholders are engaged, and have a voice in the instructional institution of the District, which promotes transparency, trust, and collaborative relationships.
- III. Organizational Effectiveness: To focus organizational efforts and align resources to support District schools and student achievement.
- IV. Institutional Access: To ensure that all students and staff are empowered and have access to a world-class educational system.
- V. Supportive Climate: to establish a positive and effective climate that cultivates a drive for excellence that promotes student achievement and fosters a premier District that is committed to the success of all students.

(1) Learning and Schools Department Strategies and Goals

A. Academic Supports and Programs

- i. Academic Supports and Programs will provide all students a challenging and well-rounded education through programmatic and curricular offerings with the goal of one hundred percent graduation.
- ii. Academic Supports and Programs will provide all stakeholders opportunities to attain essential information, awareness, and skills to support and engage them as partners in education.
- iii. Academic Supports and Programs will celebrate the diverse needs of the staff and students and ensure the professional, social and academic uniqueness of each individual in each stakeholder group.

B. Operations, Safety and Facilities

- i. Operations, Safety and Facilities will provide facilities that are conducive to learning by removing physical, health and aesthetic barriers to student achievement.
- ii. Operations, Safety and Facilities will create relationships and partnerships with schools and community organizations that promote safe school environments at all District facilities.
- iii. Operations, Safety and Facilities will devise planning measures and benchmarks that ensure appropriate resources are best used and projects are timely.
- iv. Operations, Safety and Facilities will enhance the building environment to promote 21st century learning.
- v. Operations, Safety and Facilities will provide facilities that exhibit the importance of health, safety, and cleanliness.

(2) School Leadership Department Strategies and Goals

- i. School Leadership will develop school leaders to recognize school and student needs so that all students realize academic progress.
- ii. School Leadership will improve schools and school leader's efficacy in community outreach and in reach.
- iii. School Leadership will expand the ability of school leaders and administrators to purport instructional leadership.
- iv. School Leadership will ensure equity among all schools and create opportunities for shared leadership.

- v. School Leadership will enact the cycle of continuous improvement as a methodology to ever-increase student achievement and professional development.

(3) Student Services Department Strategies and Goals

A. Student Services

- i. Student Services will ensure all students receive services that so they are able to fully participate in a high quality educational environment.
- ii. Student Services will establish processes for the inclusion of all stakeholders input on an ongoing basis.
- iii. Student Services will assert innovative thinking and approaches to improve district-wide support for student outcomes.
- iv. Student Services will provide district-wide platforms for all stakeholders.
- v. Student Services will devise programs and training for District staff that continually improves the practices of each department within the division.

B. Strategy and Accountability

- i. Will empower District and school leadership to make decisions that equate to the highest and best use of public resources towards students' success.
- ii. Will enhance stakeholder engagement, information sharing and communication by and between departments, schools and community organizations.
- iii. Will implement new and more efficient processes that fully leverage technological investments across all Strategy and Accountability departments.
- iv. Will improve district-wide ability to analyze and enhance existing data, so resources can be better redirected towards projects and improvements that support world-class education.
- v. Will apprise all stakeholder groups of its organizational health through the development of various platforms.

Budget Process and Timeline

As with any major requirement, rules and laws govern certain aspects of the process. The budgeting process in the State of Illinois is no exception. The (23) Illinois Administrative Code – Part 100 establish the legal basis for school district budget development. This budget document meets these standards.

Illinois law requires certain procedures a school board must follow to adopt (approve) an annual budget. These actions include:

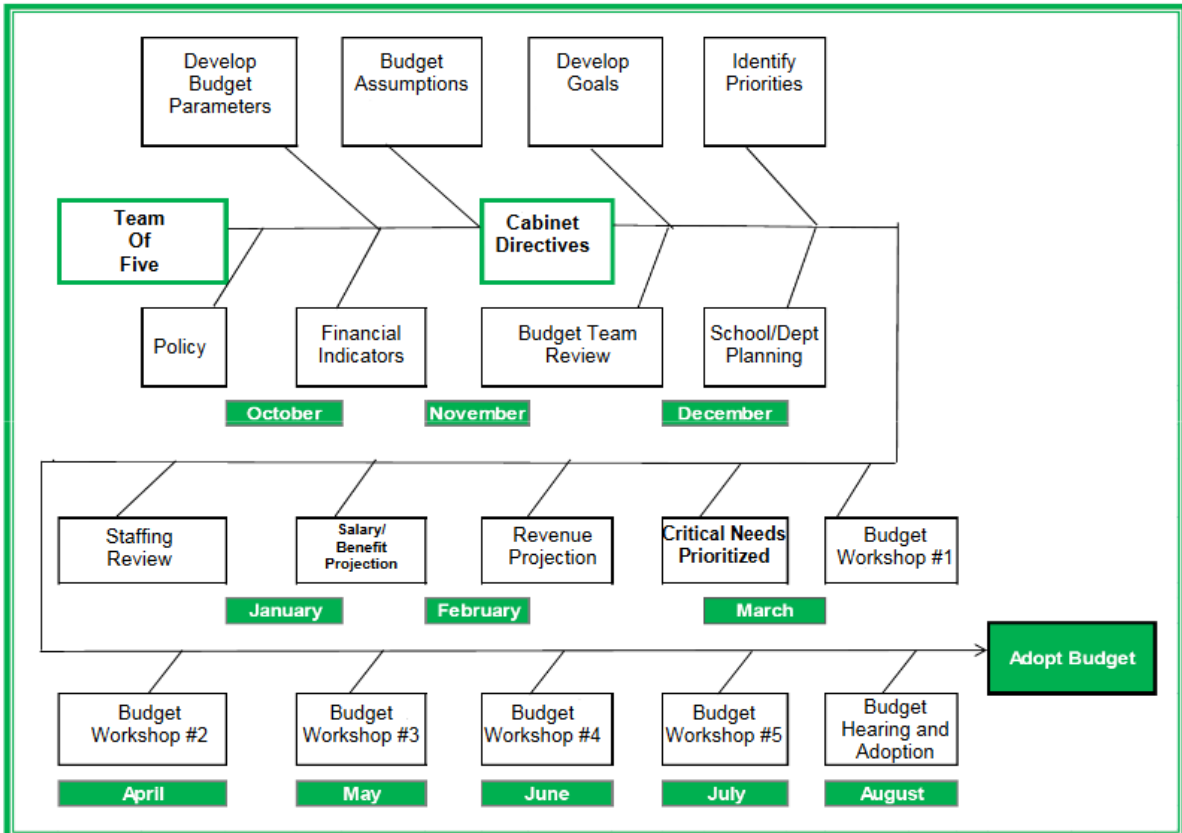
- The designation of an individual(s) to develop the budget in tentative form. The tentative budget includes revenues and expenditures that are anticipated during the fiscal year and contains a statement of the estimated cash expected to be on hand at the beginning and end of the fiscal year.
- The secretary of the school board publishes a notice of where, when and during what hours the tentative budget will be on display for public inspection and where, when and what time the budget hearing will be held. The tentative budget must be on display for at least 30 days prior to the budget hearing. It shall be the duty of the secretary of the district board to make the tentative budget available for public inspection and arrange for the budget hearing.
- Prior to taking final action on the budget, the school board must hold at least one budget hearing. The details of the tentative budget are explained during the hearing and the public may ask questions or provide input on the tentative budget.
- The budget is voted on and adopted (or rejected) by the school board at a public meeting held after the budget hearing.
- The school district budget must be adopted by the end of the first quarter of the fiscal year (September 30).

Budget Calendar

The District follows these procedures in establishing the budgetary data reflected in the 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 October 1, the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.

4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.



Financial Overview

Allocation of Resources to Achieve Goals and Objectives

The District allocates 86.24%, or \$220.0 million of the \$255.1 million operating funds budget, to the educational fund. This \$220.0 million is further allocated to instructional, support services, and non-programmed charges. The district spends 59.3%, or \$130.5 million, of the \$220.0 million educational fund budget on instructional program expenditures.

The goals of the District are for all learners to achieve excellence and build leadership capacity. The District provides bilingual, gifted, at-risk, special education and regular education programs to meet individual student needs. The District spends 38.6%, or \$84.9 million, of its \$220.0 million educational fund budget on support services. Support services provide professional assistance to students who need help from District social workers, guidance counselors, health, psychological or speech pathology providers.

Services provided by the District for the community as a whole or some segment of the community are spent through Community Services, totaling \$2.6 million, or 1.2% of the \$220.0 million of the educational fund budget. The District spends the remaining 0.9%, or \$2.0 million of its \$220.0 million educational fund budget in payments to other local education agencies (including a \$1,760,000 contingency for unforeseen placements) on programs and residential placements for students who have needs that cannot be served in the district.

The District also uses review techniques to evaluate the effectiveness of resource distribution across the entire spectrum of educational programs. Each individual program is evaluated by the number of students impacted, cost per student, and alignment with the educational goals of the District. In times of budget constriction, proper techniques allow the school board and administrative team to proactively redistribute resources to maximize student impact in support of educational goals. This judicious allocation of financial resources, and demonstrated focus on delivering the optimal mix of instructional and support services, clearly illustrates the District's priority to inspire all students to reach their full potential and to achieve excellence.

Fund Balances

The Superintendent or his/her designee(s) shall maintain fund balances adequate to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenses. The Superintendent or his/her designee(s) shall recommend fund transfers to the Board, when Board action is needed, whenever necessary for educational reasons and inform the Board when it should discuss drawing upon its reserves or borrowing money.

The District seeks to maintain year-end fund balances no less than 25% of the annual expenditures in each fund.

Any short-falls in fund balances are covered by a loan or transfer from the existing fund balance in the Working Cash Fund.

Budget Summary

Governmental Funds

The Governmental Funds Summary is the highest level financial summary for the district, and presents revenues and expenditures for the aggregate of all financial funds for the FY21 budget. The combined managerial efforts of the Board of Education and Administration resulted in an overall negative budget of (\$28,097,247). The District has budgeted expenditures of \$12,969,019 for construction and improvement projects (capital projects and life safety funds); additionally, there is \$4,011,741 of capital outlay budgeted out of the operating funds.

Governmental Fund Summary and Balances – FY21 Budget

Fund	Beginning Balance	Revenue	Expenditure	Excess (Deficit)	Other Financing Sources (Uses)	Ending Balance
Education	\$ 42,683,443	\$ 201,064,745	\$ 220,000,253	\$ (18,935,508)	\$ -	\$ 23,747,935
Op. and Maint.	1,620,616	15,418,885	11,303,639	4,115,246	-	5,735,862
Debt Service	831,547	9,920,326	10,221,919	(301,593)	-	529,954
Transportation	1,921,808	11,061,905	12,983,713	(1,921,808)	-	-
Muni. Retirement	852,143	7,002,361	7,500,247	(497,886)	-	354,257
Capital Projects	(209,086)	1,557,975	11,664,130	(10,106,155)	-	(10,315,241)
Working Cash	27,128,856	79,199	-	79,199	-	27,208,055
Tort	274,325	3,259,210	3,356,403	(97,193)	-	177,132
Fire Prev. & Safety	1,111,213	873,340	1,304,889	(431,549)	-	679,664
Totals	\$ 76,214,865	\$ 250,237,946	\$ 278,335,193	\$ (28,097,247)	\$ -	\$ 48,117,618

Overview of Revenues and Expenditures for Governmental Funds

Governmental Funds – Revenues

Fund	FY 2020 ACTUAL	FY 2021 BUDGET	%Δ
Education	\$ 203,623,146	\$ 201,064,745	-1.26%
Operations and Maintenance	6,562,269	15,418,885	134.96%
Debt Service	9,084,629	9,920,326	9.20%
Transportation	9,420,372	11,061,905	17.43%
Municipal Retirement	7,014,424	7,002,361	-0.17%
Capital Projects	20,204	1,557,975	7611.22%
Working Cash	142,875	79,199	-44.57%
Tort	3,772,024	3,259,210	-13.60%
Fire Prevention & Safety	734,283	873,340	18.94%
Totals	\$ 240,374,226	\$ 250,237,946	4.10%

A significant revenue change from the preceding year is the 7,611.22% increase of Capital Projects Fund due to the anticipated increase of unrestricted grants in evidence based funding formula. The decrease of the Education Fund revenue by 1.26% is due to the anticipated decrease of unrestricted state grants. Another significant revenue change is the 134.96% increase of Operations and Maintenance Fund revenue due to the anticipated increase of unrestricted grants in evidence based funding formula.

Governmental Funds – Expenditures

Fund	FY 2020 ACTUAL	FY 2021 BUDGET	%Δ
Education	\$ 184,941,847	\$ 220,000,253	18.96%
Operations and Maintenance	8,259,713	11,303,639	36.85%
Debt Service	9,846,920	10,221,919	3.81%
Transportation	12,373,900	12,983,713	4.93%
Municipal Retirement	7,500,246	7,500,247	0.00%
Capital Projects	8,061,570	11,664,130	44.69%
Tort	3,687,053	3,356,403	-8.97%
Fire Prevention & Safety	327,982	1,304,889	297.85%
Totals	\$ 234,999,231	\$ 278,335,193	18.44%

Significant expenditure changes include a 18.96% increase in Education Fund expenditures due to increase in both instructional and support services. The 36.85% increase in the Operations and Maintenance Fund is due to an increase in capital outlay and purchased services of both facilities and construction services and operation and maintenance of plant services. The 297.85% increase in the Fire Prevention & Safety Fund is due to the increases in purchased services going from 76,000 in 2020 to over a million in FY21.

Governmental Funds – Revenues by Source and Expenditures by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021
REVENUES					
Local Sources	\$ 68,127,082	\$ 67,980,829	\$ 68,839,054	\$ 65,721,934	\$ 65,744,966
State Sources	112,103,434	143,685,868	140,759,509	153,142,689	153,380,157
Federal Sources	18,955,307	20,920,916	19,164,717	21,509,603	31,112,823
TOTAL REVENUES	199,185,823	232,587,613	228,763,280	240,374,226	250,237,946
EXPENDITURES					
Salary	118,295,588	120,003,644	126,224,087	131,817,464	138,407,047
Employee Benefits	29,033,666	25,357,770	30,078,506	31,571,654	41,407,857
Purchased Services	30,089,347	32,380,724	35,779,241	33,309,966	47,149,286
Supplies and Materials	8,196,415	9,181,807	10,836,223	11,234,432	20,509,213
Capital Outlay	6,507,014	4,625,140	7,988,323	10,018,032	4,011,741
Other Objects	14,903,368	16,040,590	15,194,025	15,704,113	17,262,810
Non-Capitalized Equipment	877,453	454,747	2,220,480	1,343,570	7,830,122
Provisions for Contingencies	-	-	-	-	1,757,117
TOTAL EXPENDITURES	207,902,851	208,044,422	228,320,885	234,999,231	278,335,193
SURPLUS/(DEFICIT)	(8,717,028)	24,543,191	442,395	5,374,995	(28,097,247)
OTHER FINANCING SOURCES/(USES)					
Other Financing Sources	11,103,776	22,977,995	212,863	21,417,940	-
Other Financing Uses	(4,824,403)	(22,977,995)	(212,863)	(21,416,940)	-
TOTAL OTHER FINANCING SOURCES/(USES)	6,279,373	-	-	1,000	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(2,437,655)	24,543,191	442,395	5,375,995	(28,097,247)
BEGINNING FUND BALANCE	48,710,127	46,272,472	70,815,663	71,758,058	76,214,865
ENDING FUND BALANCE	\$ 46,272,472	\$ 70,815,663	\$ 71,258,058	\$ 77,134,053	\$ 48,117,618

Fiduciary Funds

The agency funds (student activity funds) are not included within this report. Agency funds are not budgeted for, nor audited, so they are not included within this report.

Significant Trends, Events, and Initiatives

Budgets and financial projections are snapshots using the latest available information. School finance, however, is conducted in a dynamic environment rather than a vacuum. Financial planning and management are affected by internal and external events. Some of these factors are listed below:

- Future state budget deficit affecting state aid and other factors
- Interest rates
- Changing demographics and personnel required to accommodate the students
- Special education services needed for educationally or physically challenged students
- Consumer Price Index
- Medical insurance costs
- Property tax variables

State Budget Deficit

With the State of Illinois' recent billion-dollar budget deficit, there is still uncertainty in both the level and timing for all state sources of funds. In FY21, the district anticipates a 100% proration of evidence-based funding, a potential reduction in transportation funding, and significantly delayed payment schedules. Unfortunately, the district relies on state funding for 63.83% of its operational revenue in FY21.

Interest Rates

Lowering short-term and long-term interest rates over the years has substantially reduced investment income. In FY09, the District budgeted investment income at \$12,300, where for FY21 \$122,232 is anticipated in revenue.

Enrollment and Demographics

Located in a formerly high-growth area with ample buildable land, the district is experiencing stabilization in its student population as a direct result of the stalled housing market. Total enrollment in FY15 was 17,042, where is has recently been at 15,332 in FY20. Enrollment is forecasted at 14,664 students in FY21, with a slight increase in student count over the next several years as the housing market recovers. Low-income rates dropped from 73.2% in FY15 to 64% in FY20. The district has higher rates of limited English proficiency rates (primarily Spanish speaking), where the state's average for FY20 was 12.5% and the District's is 38.9%.

Consumer Price Index

The Consumer Price Index (CPI) is used in the property tax formula that determines 30.1% of district revenue. With the CPI for 2020 at 1.4%, local tax revenues will increase by 1.4% for this year, plus a small percentage increase from new property valuation within the district. Labor, benefit, supply and energy costs increases all significantly outpace the 2020 CPI.

Special Education Services

Special education services are mandated by State and Federal laws, with the level of services based on student need and qualification. The district employs a certified Special Education Director, Assistant/Associate Principals providing Student Services Coordinator support, special education teachers, contractors in a variety of specialties, and classroom instructional assistants. The demand for early childhood and English language learner services continue to rise. Staffing levels in this domain fluctuate annually based on service needs identified in a student's Individual Education Plan (IEP).

Medical Insurance

The district incurred a favorable experience factor in FY20, allowing for an FY21 annual renewal with Blue Cross/Blue Shield at a negotiated 3.0% rate increase over the previous year. This rate increase also includes the effects of the health insurer and reinsurance fees required by the Affordable Care Act (ACA). In an effort to keep the insurance experience factor low, the district publicized wellness initiatives (reduced gym membership fees, flu shots, etc) in the Superintendent's bulletin.

Property Taxes

State law and the School Code of Illinois govern the policies and procedures of school finance in relation to local property taxes. Over the last several years, declining EAV forced increases in the district levy tax rate to maintain stable funding. In FY21, this debilitating trend reversed for the fourth year in a row, with an 5.5% aggregate increase in EAV. The district monitors property tax legislation and assessment appeals, and works in consortium with professional associations, neighboring districts, and legislators to minimize tax revenue base impact.

Cost Mitigation Efforts

The District Board of Education works diligently to live within its financial means, and to provide a quality educational setting for the community at a responsible cost. In today's challenging fiscal environment, the district employed a number of cost mitigation techniques. The district strives to keep cost reductions away from the classroom and maintain favorable staff/student ratios.

Cost mitigation techniques for FY21 include:

- Evaluate needs and eliminate unjustified positions
- Partial contracts or purchased services vs. full-time employees
- Fee support for technology upgrades
- Outsource when able – unusual specialties
- Insource when smart – skilled trades, mechanics, grounds
- Reductions in utility expenditures with efficient boilers/ lighting, cooperative energy purchasing
- Employee wellness programs – reduce insurance experience factors
- Retire at the top, hire at the bottom

In addition to its immediate cost reduction efforts, the district is working to strategically position itself for success in light of a number of other macro level financial and societal trends:

- Expenditure increases outpacing revenue growth
- Increase in the number of students requiring special education supports
- Increase in the number of non-English speaking students
- Increase in technology demands
- Unfunded mandates in the areas of ELL and Early Childhood
- Significant state funding delays
- State pension reform
- State funding shift
- Affordable Care Act mandates
- Increasing taxpayer weariness and unwillingness to support tax increases
- Charter School state aid reductions
- Labor expectations relative to continual increases in salary and benefits

In light of this challenging environment, the District annually examines the relevance and financial efficiency of its current educational offerings, methodically examines and prioritizes requests for additional resources, and continually works to find creative solutions to do more with less.

Student Enrollment Trends and Forecast

Waukegan Public Schools District 60 continues to respond to changes within the District. Several schools within the District recently completed expansion projects due to space issues. Growth in the number of students means growth in special sub-population groups such as bilingual students or special education students. Classroom space is impacted by these groups and the addition of regular education students. Enrollment provides the basis for staffing. However, the ADA is the basis for computing state aid. The correlation between the two is very important.

The methodology used for projected student enrollment is the cohort-component model.

Historic, Current, and Projected Student Enrollment

School	Grade	Fiscal Year										
		15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Elementary	PK	707	642	539	612	608	461	650	650	650	650	650
	K	1,150	1,127	1,110	997	1,007	915	1,000	1,000	1,000	1,000	1,000
	1	1,287	1,180	1,142	1,114	1,013	968	975	1,000	1,000	1,000	1,000
	2	1,300	1,281	1,167	1,107	1,083	956	975	975	990	990	990
Intermediate	3	1,330	1,268	1,268	1,156	1,114	1,046	960	975	975	980	990
	4	1,341	1,306	1,268	1,188	1,167	1,072	1,050	960	970	975	980
	5	1,328	1,340	1,298	1,251	1,204	1,158	1,075	1,050	955	965	975
Middle	6	1,246	1,270	1,303	1,203	1,181	1,165	1,150	1,065	1,040	955	965
	7	1,214	1,225	1,249	1,287	1,186	1,168	1,170	1,150	1,065	1,040	955
	8	1,220	1,208	1,216	1,253	1,251	1,197	1,170	1,170	1,140	1,065	1,040
High	9	1,224	1,181	1,182	1,178	1,161	1,210	1,200	1,180	1,175	1,150	1,075
	10	1,148	1,375	1,179	1,162	1,142	1,185	1,210	1,200	1,180	1,175	1,150
	11	1,137	993	1,313	1,168	1,082	1,090	1,175	1,200	1,180	1,170	1,165
	12	1,053	1,069	1,041	1,196	1,133	1,073	1,070	1,150	1,180	1,160	1,150
District 60 Total		16,685	16,465	16,275	15,872	15,332	14,664	14,830	14,725	14,500	14,275	14,085

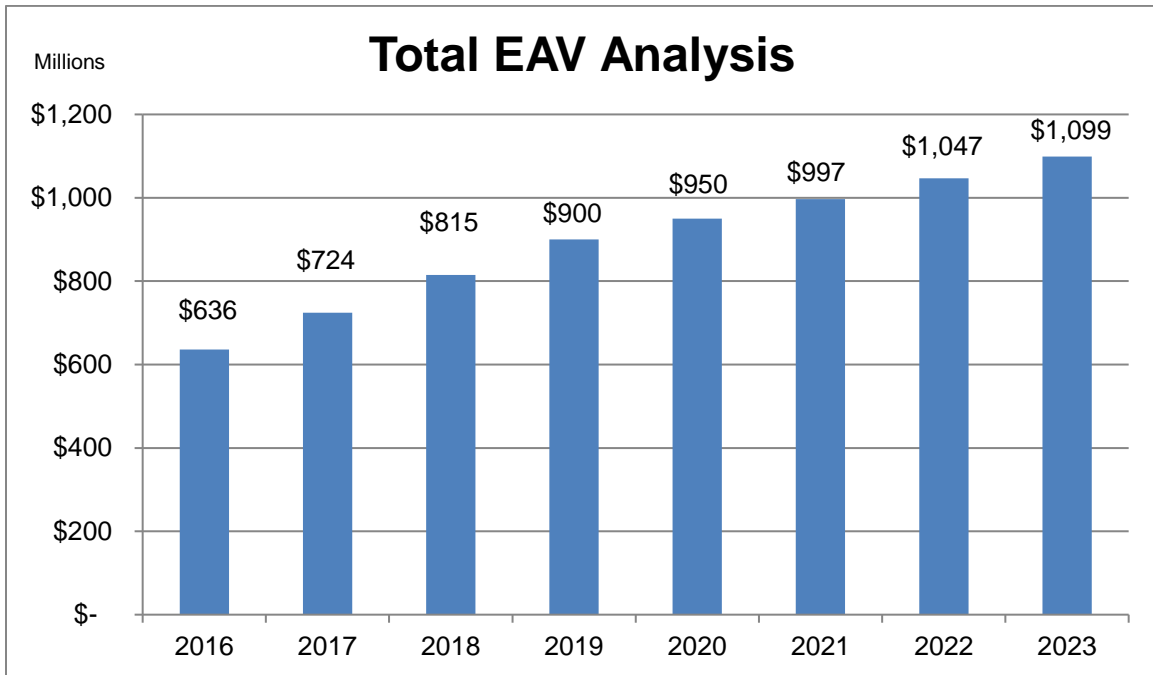
The District projects decreasing enrollment for the next few years. This trend will cause the District to carefully monitor and plan future operating and capital budgets. Potential EAV adjustments, coupled with low CPI increases, will have an impact on the District's budgets and tax rates for the next several years. The administration and Board of Education are dedicated to approving balanced budgets and to managing the District's tax rate by abating principal and interest payments during the years in which the EAV decline causes the tax rate to increase substantially.

Tax Base and Rate Trends

Equalized Assessed Value (EAV)

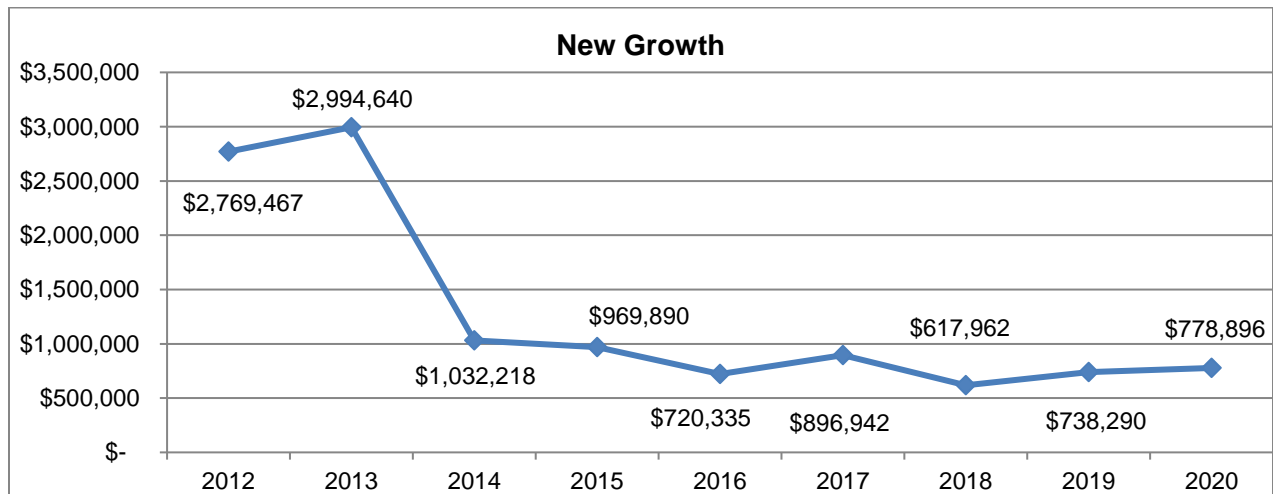
After hitting a low of \$568M in 2015, the District's Equalized Assessed Valuation has seen a steady increase in the last four years growing to \$900M in 2019. The District's estimates also show that the trend will continue and the EAV will keep growing through 2023.

EAV Trends



New Growth

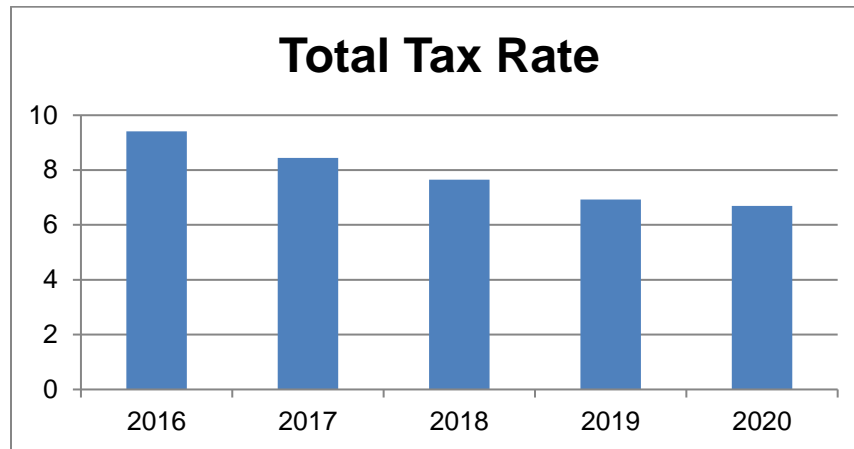
For many years, new growth, which can be added to the tax rolls above the mandates of PTELL, allowed area districts to receive revenue increases above the CPI. Due to the housing crisis, new growth has fallen off in the last few years, lowering overall revenue growth.



Property Tax Rates

As both EAV and new growth decline, tax rates must increase to net the same tax extension as the preceding year + the PTELL allowable CPI increase. After bottoming out at 5.639 in 2007, tax rates climbed consistently to 10.136 in levy year 2012. As EAV recovers, tax rates are beginning to fall for the fifth year in a row, to an anticipated rate of 6.6942 with the 2020 levy. The inverse relationship of EAV and tax rates (not tax bills) is a public relations issue that is carefully managed.

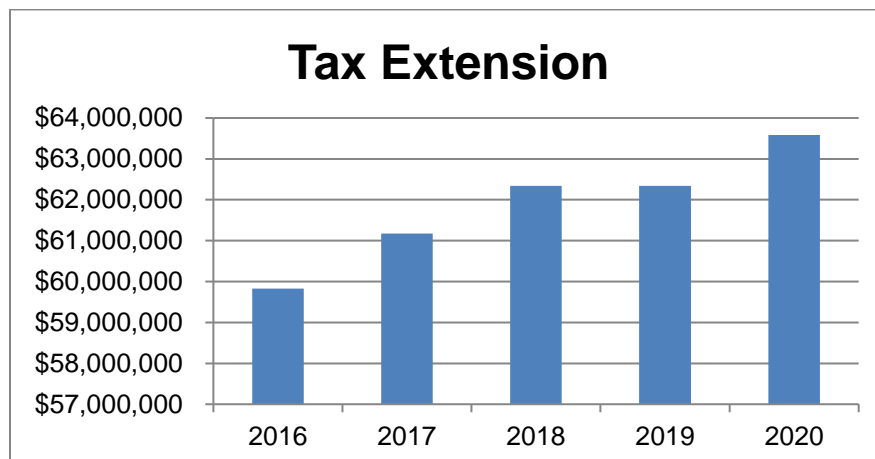
District Tax Rate Trends per \$100 of Assessed Valuation



Property Tax Yields

As new growth declines, increases in property tax extensions (which are regulated by PTELL) are slowing. After benefiting several years of new growth, increases in tax extensions are leveling off to near CPI levels. The FY21 budget year contains tax revenues spanning two calendar years - the second half of the 2019 levy year collected in the fall of 2020, and the first half of the 2020 levy year collected in the spring of 2021.

District Tax Extensions



Summary of Assessed Valuations, Tax Rates, Extensions, and Collections

	LEVY YEAR			
	2016	2017	2018	2019
ASSESSED VALUATION	<u>\$ 635,716,516</u>	<u>\$ 724,260,971</u>	<u>\$ 814,534,583</u>	<u>\$ 900,350,757</u>
TAX RATES				
Bonds & Interest	1.5166	1.3635	1.2181	1.1018
Educational	3.8605	3.4591	3.1828	2.7709
Fire Prevention & Safety	0.1000	0.0918	0.0927	0.1000
IMRF	0.5244	0.4929	0.4788	0.4178
Operations & Maintenance	0.7500	0.7241	0.7151	0.7093
Social Security	0.5244	0.4929	0.4788	0.4178
Special Education	0.8000	0.7724	0.7612	0.6891
Tort & Liability Insurance	0.2720	0.2549	0.3683	0.3732
Transportation	1.0428	0.7763	0.3558	0.3242
Working Cash	0.0200	0.0188	0.0019	0.0197
Total	<u>9.4107</u>	<u>8.4467</u>	<u>7.6535</u>	<u>6.923859</u>
TAX EXTENSION				
Bonds & Interest	\$ 9,641,461	\$ 9,875,581	\$ 9,921,740	\$ 9,920,326
Educational	24,541,950	25,052,781	25,925,007	24,948,044
Fire Prevention & Safety	635,717	665,118	755,204	900,351
IMRF	3,333,653	3,569,687	3,900,008	3,761,873
Operations & Maintenance	4,767,874	5,244,663	5,825,006	6,385,954
Social Security	3,333,653	3,569,687	3,900,008	3,761,881
Special Education	5,085,732	5,594,308	6,200,001	6,204,020
Tort & Liability Insurance	1,729,352	1,846,387	3,000,004	3,360,010
Transportation	6,629,106	5,622,786	2,898,130	2,919,297
Working Cash	127,143	136,168	15,321	177,261
Total	<u>\$ 59,825,641</u>	<u>\$ 61,177,166</u>	<u>\$ 62,340,429</u>	<u>\$ 62,339,017</u>
Amounts Collected as of June 30, 2020	<u>\$ 59,634,940</u>	<u>\$ 61,024,317</u>	<u>\$ 62,035,663</u>	<u>\$ 25,664,142</u>
Percentage Collected	<u>99.68%</u>	<u>99.75%</u>	<u>99.51%</u>	<u>41.17%</u>

Personnel Resource Changes

The district has had staff fluctuations over the last several years to address the respective student population and to increase test scores. In FY 21 many new positions were opened to try and impact the students test scores, while making appropriate changes to try and better the school district.

FY21 Summary of Personnel Changes

Losses			Gains		
Description	Amount	No.	Description	Amount	No.
Retirements:			Hires:		
Teachers	\$ 3,603,887	37	Teachers	\$2,220,000	37
Custodial/Maintenance	226,659	4	Custodial/Maintenance	162,968	4
Secretaries	115,962	2	Secretaries	75,810	2
Paraprofessionals	38,672	1	Paraprofessionals	21,197	1
Administration	558,076	7	Psychologists	60,000	1
Food Services	107,117	1	Administration	437,665	5
Sub-Totals	4,650,373	52	Replacement Cost	2,977,640	50
Other Reductions:			New Positions:		
Glazier	-	-	Culture & Climate Specialists	110,000	2
Utility	-	-	Psychologists	180,000	3
Asbestos Supervisor	-	-	Psychologist Intern	15,000	1
Assistant Principal	-	-	Family Manager	40,000	1
Sub-Totals	-	-	K-12 Science Coordinator	76,923	1
			Director of Equity	137,362	1
			Specialist-Family Support	40,000	1
			Coordinators K-12	230,769	3
			Counselor	60,000	1
			Speech language Pathologist	60,000	1
			SLP Assistive Tech	60,000	1
			VI Teacher	60,000	1
			ESL Teachers	1,320,000	22
			LT sub teacher	43,000	1
			Co-Teacher	60,000	1
			Emotional Disability Teachers	300,000	5
			Language Tutors (Paras)	741,909	35
			Paraprofessionals-Attendance	21,197	1
			Paraprofessionals-Emotional Dis.	211,974	10
			SLP paraprofessional	21,197	1
			Paraprofessional Bil-Drivers Ed	21,197	1
			Paraprofessionals	63,592	3
			Paraprofessionals	21,197	1
			Paraprofessionals - Bilingual	21,197	1
			Instructional Coaches	180,000	3
			Instructional Coaches K-12	180,000	3
			Instructional Support Teacher	120,000	2
			Instructional Coaches	240,000	4
			Total New Positions	4,636,516	111
TOTAL LOSSES	\$ 4,650,373	52	TOTAL GAINS	\$7,614,156	161

There is an increased budgeted change of \$2,963,783.

Changes in Debt of the School Entity

The District has 8 bond issues outstanding:

2001A General Obligation Bonds =	2,433,389	(Payments through November of 2021)
2010A General Obligation Bonds =	4,777,061	(Payments through December of 2024)
2010B General Obligation Bonds =	8,140,000	(Payments through December of 2021)
2015A General Obligation Bonds =	7,825,000	(Payments through January of 2028)
2015B General Obligation Bonds =	1,000,000	(Payments through January of 2026)
2016 General Obligation Bonds =	7,000,000	(Payments through January of 2032)
2017A General Obligation Bonds =	1,225,000	(Payments through January of 2029)
2017B General Obligation Bonds =	5,740,000	(Payments through January of 2030)
Total Outstanding Bond Debt	<u>\$ 38,140,450</u>	(as of June 30, 2020)

This budget services \$3,451,507 of principal reduction and \$6,764,606 of interest expense. The District cannot issue more debt than the statutory limitation of 13.8% of the District's EAV. The District's outstanding debt is well below the statutory limit as shown in the calculation below:

2019 EAV of \$900,350,757 x state limit of 13.8%	\$ 124,248,405	Statutory Debt Limit
Outstanding Long-term Debt =	<u>38,140,450</u>	(includes capital lease principal)
Debt Margin	<u>\$ 86,107,955</u>	

Since EAV is used as a factor in calculating statutory debt limits, debt capacity declines as EAV declines. In the several years prior to FY21, District debt capacity decreased annually, as declining EAV caused a decrease in the statutory debt limit that outpaced principal retirement. In contrast, as EAV continues to recover in FY21, debt capacity will increase, while the District will retire \$6.7M in principal.

In FY20, the District did not issue any debt.

Organizational Section



This picture represents the different age groups Waukegan Public School District 60 provides education too from Pre-K all the way up to High School.

About Waukegan School District

Waukegan Community Unit School District 60 has a long and rich history. Waukegan residents began a school system for their children in the mid-1800s. North School is the oldest school building in the District, dating back to the year 1856. The Waukegan Historical Society has yearbooks from Waukegan High School dating as early as 1898.

As the Waukegan community grew, more schools were built. Many of these historical schools have been remodeled/expanded and are still in use by today's students.

The Carman-Buckner school was built in 1903. Robert Abbott School was built in 1905. Andrew Cooke school building followed in 1907.

Glen Flora School opened its doors to students in September 1921. Its attendance area was made up of territory originally assigned to North and Central students. Greenwood school was built in 1925 as a two-room school. Washington school was built in 1926 to replace the old frame Dady School that was on Keller Avenue. Old Dady, consisting of two rooms and one portable was sold for \$150 which went toward the \$29,940 it took to build the four-room new brick building known today as Washington Elementary School. Whittier school was built in 1927.

Many more schools were built in in the Waukegan School District during the 1950's and 1960's, including: Lyon (1952), Hyde Park (1953), Clearview (1955), Webster (1956), Jefferson (1957), Glenwood (1958), Little Fort (1958), Oakdale (1958), Benny (1961), Clark (1962), and McCall (1962).

The Waukegan High School building (now the Washington Campus) first opened its doors in 1920. Waukegan High School served the town and its ever-growing population through the early 1970s. In 1974 the decision was made to create a second high school in Waukegan. Waukegan High School was renamed Waukegan East High School. The second high school was named Waukegan West High School (currently the Brookside Campus). Waukegan West High School and Waukegan East High School served the families of Waukegan for 15 years. In 1990, Waukegan recombined the schools into one high school. All students remained at what is now known as the Brookside Campus until 1999, when the Washington Campus was opened as the Ninth Grade Center. From 1999 to 2009, the Washington Campus site served freshmen, while the Brookside Campus served students in grades 10, 11 and 12. Today, the two sites serve high school students in all grades, through nine different Houses. Houses 1, 3, 5, 7 and 9 are at the Brookside Campus, while Houses 2, 4, 6 and 8 are at the Washington Campus.

Miguel Juarez Middle School is the youngest and newest school in Waukegan. It was built in 1999.

Waukegan School District has a history of excellence in education, educational leaders and successful students. Mr. John E. Baggett, a noted educator who worked at North School from 1888 to 1904. Mr. Baggett was both the classroom teacher of pupils in grades six, seven, and eight (70 students in all), and was also the building principal.

In a day when classrooms were bleak and barren, Mr. Baggett lined his classroom with live plants, art reproductions, pictures of famous people, statuary, and Latin inscriptions. He took seven pupils per week on ten successive Saturdays to see the wonders of the 1893 World's Fair. He obtained the first X-ray pictures to ever reach this country in order to show his students the miracles of this new medium.

Mr. Baggett taught his students "live history" (his terminology) by posting important news and news pictures on the door of his classroom and leading discussions, answering questions, and administering "pop quizzes" about these details. He also set up a projector to show his students motion pictures of Waukegan trains and a Genesee Street circus parade because of his familiarity with the inventor of the first movie projector (who happened to live in Waukegan).

Waukegan School District has many famous and successful graduates. Jack Benny Middle School is the namesake for Waukegan native Jack Benny a 1907 graduate of Waukegan's South School, then located on Liberty Street between Utica and Oak. Through the years Jack Benny Middle School has been a part of celebrating the legacy of this world-renowned comedian and performer.

Waukegan School District 60 serves nearly 17,000 students in preschool through grade twelve. Our district is located on Lake Michigan just south of the Wisconsin border. The district has fifteen elementary schools, five middle schools, and a high school program divided between three buildings. We also operate preschool programs at three partnership sites. The student body of the district is rich in diversity with most of our students being Hispanic, African-American, or Caucasian.

Today Waukegan Community Unit School District 60 is proud of its heritage, its current students and staff, and its future potential as it strives to build on its rich history and follows its motto:

A New Day...A New Way in Waukegan Schools...students first!

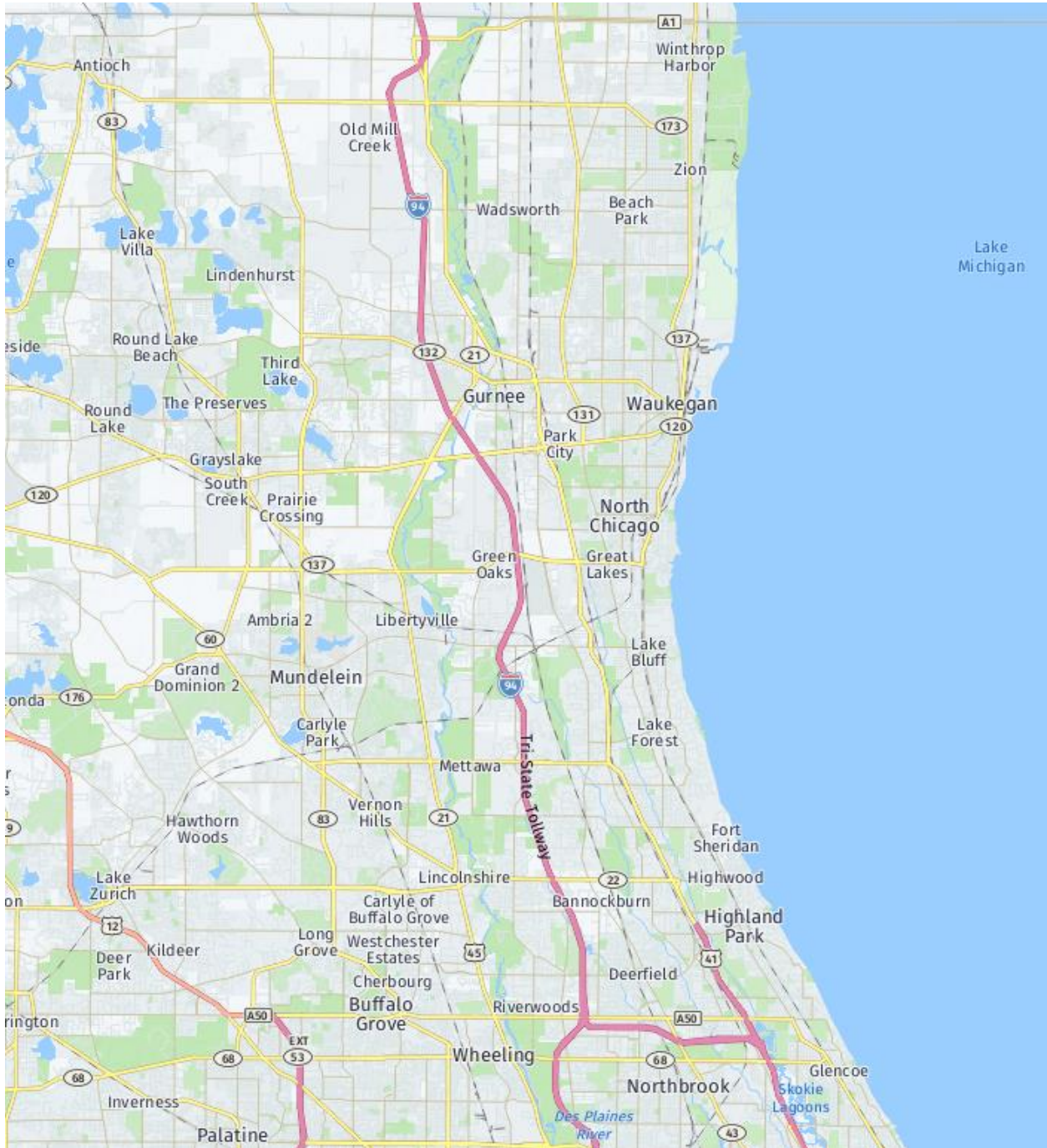
Mission Statement

Educating students for the world of tomorrow is our top priority. Through mobilization of the entire community, we will challenge, teach and inspire our students. We will provide the resources to serve each of our students, expecting excellence from all involved. We will deliver an exciting education in a safe learning environment that celebrates our diversity and similarities in a spirit of unity and respect.

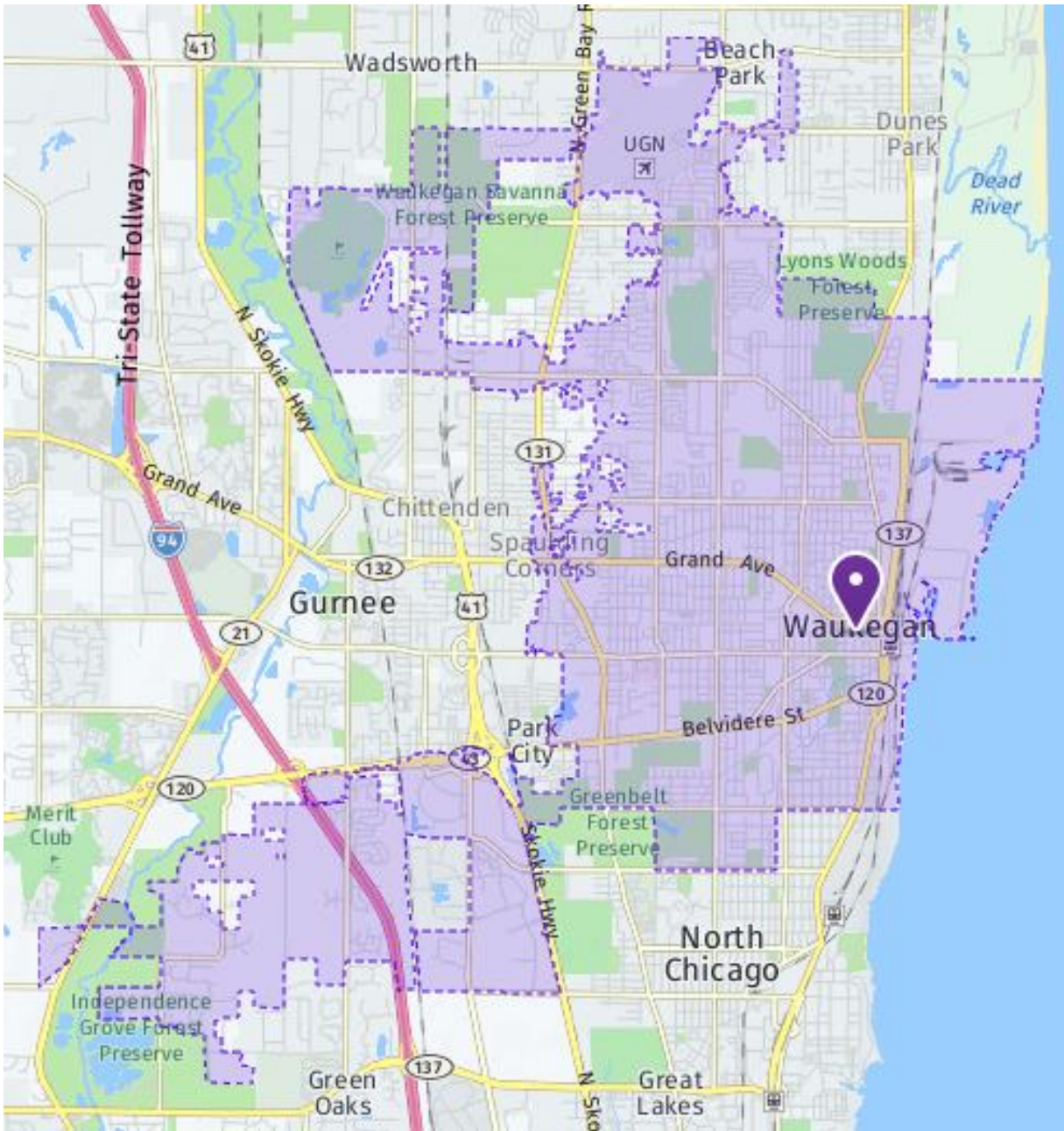
Vision

Waukegan Community Unit School District 60 is a diverse, world-class educational institution that engages, equips and empowers all children to be successful change-agents in an ever-changing global society.

Regional Location
Lake County, Illinois
Northern Chicago Suburb
Suburban / Rural Fringe



Waukegan District 60 Boundaries



Board of Education and Administration

Board of Education

Mr. Brandon Ewing – President

Mr. Edgar Castellanos - Member

Ms. Anita M. Hanna – Member

Mr. Jeff McBride – Member

Ms. Charlotte Callahan Wozniak – Member

Mr. Rick Riddle – Member

Ms. Lucy Leguizamo – Member

Administration

Ms. Theresa Plascencia – Superintendent of Schools

Eduardo Cesario – Deputy Superintendent of Academic Supports and Programs

LeBaron Moten – Deputy of Facilities and Support Services

Nicholas Alajakis – Chief of Staff/Director of Communications

Jason Nault – Associate Superintendent of Equity, Innovation and Accountability

Amanda Patti – Area Superintendent of School Support

Shanie Keelean – Area Superintendent of School Support

Josue Cuevas – Associate Superintendent of Information Technology Services

Angel Figueroa – Associate Superintendent of Human Resources and Employee Relations

Gwendolyn K. Polk – Associate Superintendent of Business and Financial Services

Thomas Morris, Jr. – General Counsel

Maria LaCour – Administrative Associate to the Superintendent and Board Operations

Legal Structure

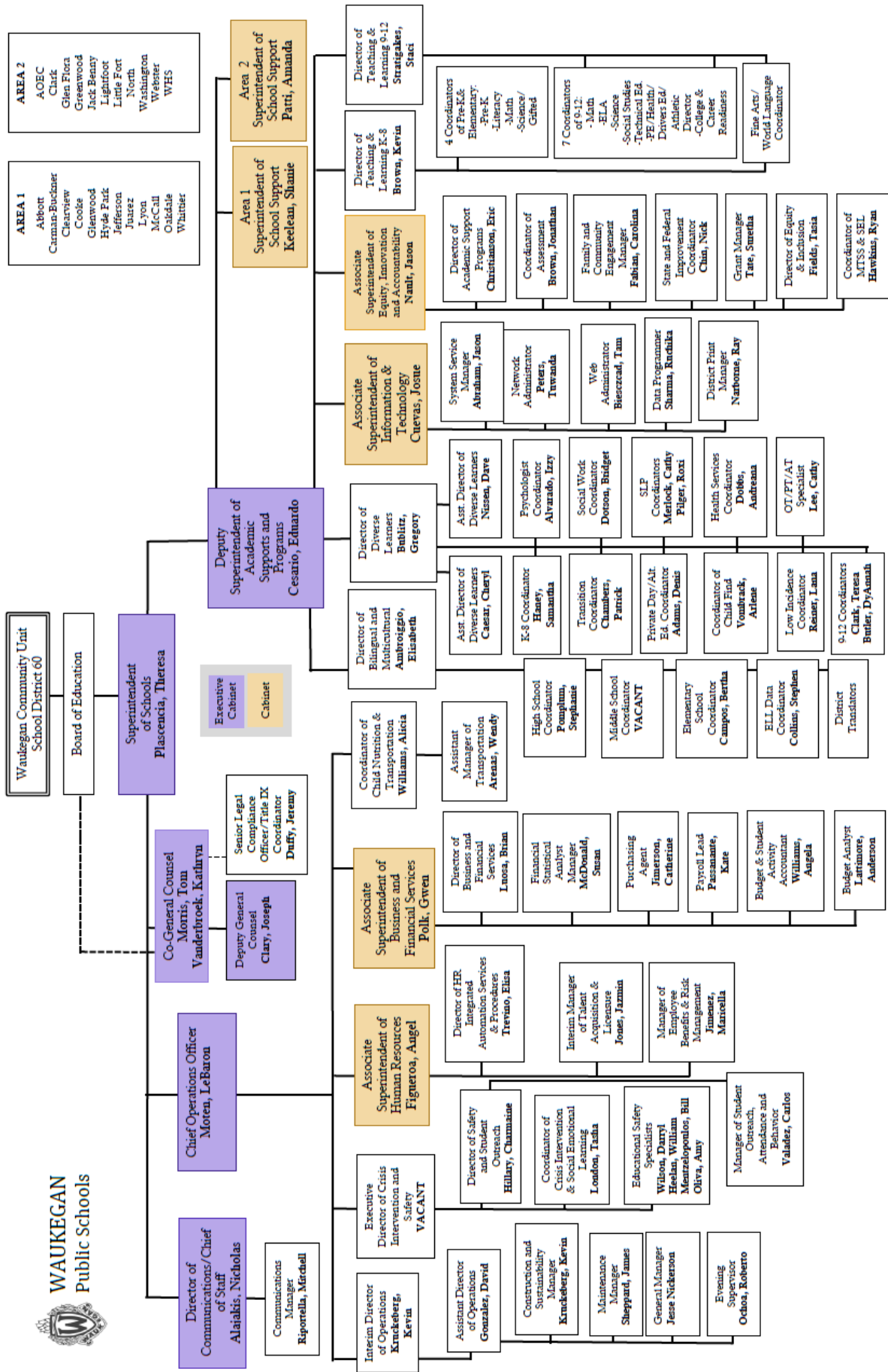
The official name of the district shall be WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT 60. It shall be the responsibility of the District to provide quality education for children residing within its boundaries in grades kindergarten through grade eight and in pre-kindergarten programs.

The legal status for the operation of this District is derived from Article X entitled, "Education in the Constitution of the State of Illinois". The Constitution of Illinois holds the legislators responsible by stating:

"The State shall provide for an efficient system of high-quality educational institutions and services. Education in public School through the secondary level shall be free. There may be such other free education as the General Assembly provides by law. The State has the primary responsibility for financing the system of public education."

The General Assembly has implemented this constitutional mandate through the creation of school districts of various types. Waukegan Community Unit School District 60, Waukegan, Illinois, Lake County, is governed by the laws set forth for elementary districts having a population of not fewer than 1,000 and not more than 500,000.

The Waukegan Community School District 60 is a municipal corporation governed by a Board of Education comprising of 7 Board Members, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The District has the statutory authority to adopt its own budget, levy taxes, and issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease, or mortgage property in its own name. Based on these criteria, the District is considered a primary government and there are no other organizations or agencies whose budgets should be combined and presented with this budget.



District Financial Structure

Financial Fund Structure

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The District maintains individual funds required by the Illinois State Board of Education (ISBE). Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are no proprietary funds within the District.

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District, is considered by the District as major, or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

Governmental funds include the following funds, all of which are considered major by the District:

General Fund – The Education fund is the primary operating fund of the District and is always classified as a major fund. It is used for most of the instructional and administrative aspects of the District's operations. The revenue consists primarily of state aid and local property taxes.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the debt service fund, capital projects funds or fiduciary funds) that are legally restricted to expenditures for specified purposes.

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

Operations and Maintenance Fund – accounts for expenditures made for repair and maintenance of District property. Revenue consists primarily of local property taxes.

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

Municipal Retirement Fund – accounts for the District’s portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare for certified employees 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.

Working Cash Fund – accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements.

Capital Projects Funds – accounts for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities. This fund is also used to account for construction projects and renovations financed through serial bond issues.

Fire Prevention and Life Safety Fund – accounts for State-approved life safety projects financed through serial bond issues.

Debt Service Fund – accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

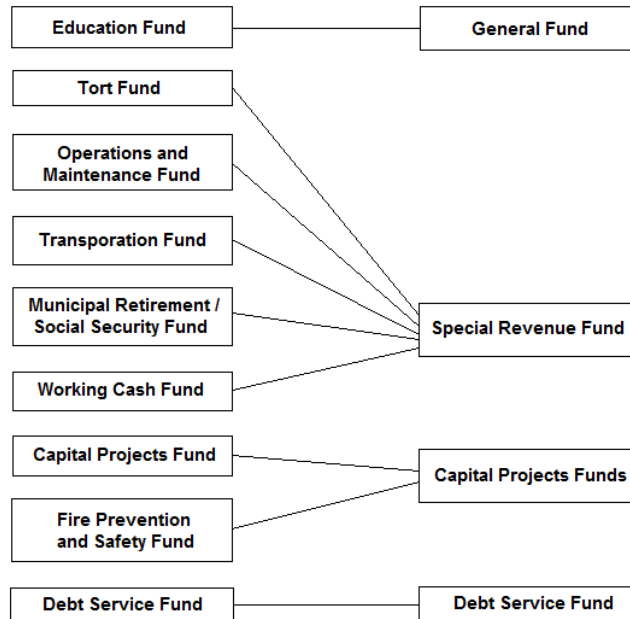
Fiduciary Funds – Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Funds – The agency funds include student activity funds and other agency funds. These funds are custodial in nature and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds.

Student activity funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes.

Separate financial statements are provided for all governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

Governmental Fund Structure



Financial Account Structure

Revenues of the District are classified by fund and source. The three primary sources of revenue are Local, State, and Federal:

- Local – property taxes, corporate personal property replacement taxes (CPPRT), student fees, interest
- State – general state aid, special education aid and transportation reimbursement
- Federal – Title I low income, IDEA special education

Expenditures of the District are classified by fund, function, object, and location.

- Fund – describes the financial fund from which the expenditure is drawn
- Function – describes the program area where the money is spent
- Object – describes what the money is spent on
- Location – describes the location of where the money is spent

All account codes are developed in compliance with the Illinois Program Account Manual (IPAM).

Revenue Account Structure

Revenue	Format	Area	Account	Code	Description
	XX-XXXX	Fund	XX-XXXX	10	Education
				20	Operations and Maintenance
				30	Debt Service
				40	Transportation
				50	Municipal Retirement
				60	Capital Projects
				70	Working Cash
				80	Tort
				90	Fire Prevention and Safety
				98	General Fixed Asset Account Group
				99	General Long-Term Debt Account Group
		Source	XX-XXXX	1000	Local Revenue
				2000	Flow Through Revenue
				3000	State Revenue
				4000	Federal Revenue
				7000	Other Financing Sources

Expenditure Account Structure

Expenditure	Format	Area	Account	Code	Description
	XX-XXXX-XXX-XX	Fund	XX-XXXX-XXX-XX	10	Education
				20	Operations and Maintenance
				30	Debt Service
				40	Transportation
				50	Municipal Retirement
				60	Capital Projects
				70	Working Cash
				80	Tort
				90	Fire Prevention and Safety
				98	General Fixed Asset Account Group
				99	General Long-Term Debt Account Group
		Function	XX-XXXX-XXX-XX	1000	Intruction
				2000	Support Services
				3000	Community Services
				4000	Payments to Other Districts and Govt Units
				5000	Debt Services
				6000	Provision for Contingencies
		Object	XX-XXXX-XXX-XX	100	Salaries
				200	Employee Benefits
				300	Purchased Services
				400	Supplies and Materials
				500	Capital Outlay
				600	Other Objects
				700	Non-Capitalized Equipment
				800	Termination Benefits

Expenditure Account Structure Continued

Expenditure	Format	Area	Account	Code	Description
	XX-XXXX-XXX-XX	Location	XX-XXXX-XXX-XX	00	District Wide
				10	Administrative Offices
				11	Special Education Offices
				13	Warehouse
				14	Main Shop
				18	Cafeteria
				19	Apprentice
				20	Alternative Education
				21	Brookside Campus H.S.
				25	Washington Campus H.S.
				26	Credit Recovery
				27	SAT Enrichment
				28	Pre-School
				30	Carman
				31	Clark
				32	Clearview
				33	Cooke
				34	Glen Flora
				35	Glenwood
				36	Greenwood
				37	Hyde Park
				39	Little Fort
				40	Lyon
				41	McCall
				42	North
				43	Oakdale
				44	Washington
				45	Abbott
				46	Whittier
				47	Kinder thru 5th Grade
				49	Juarez
				50	Jack Benny
				51	Jefferson
				52	Webster
				53	Middle School
				54	Kinder thru 8th Grade
				55	Kinder thru 12th Grade
				57	Pre-School
				60	Teaching Academy
				64	Ombudsman
				80	Welcome Center

Basis of Accounting

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting, which is in conformity with the Illinois Program Accounting Manual for Local Education Agencies. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they are both “measurable and available”. Measurable means that the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payment to be made in the following year.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the district; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Those revenues susceptible to accrual are property taxes, replacement taxes, certain state and federal aid, and interest on investments. Grant funds are considered earned to the extent of expenditures made under grant provisions. Charges for services and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Amounts reported as program revenues include: 1) charges for services (i.e. student and parental fees as well as payments from other governments for services rendered), 2) operating grants and contributions (i.e. state and federal grant monies received for specific programs), and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 fair value. Changes in fair value of investments are recorded as investment income.

Receivables

In government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends. In fund financial statements, material receivables in governmental funds include revenue accruals that are both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the fund financial statements in accordance with the accrual basis.

Property Tax Revenues

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The Lake County Assessor is responsible for the assessment of all taxable real property within Lake County except for certain railroad property which is assessed directly by the State. The County is reassessed every four years by the Assessor.

The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the Lake County Collector/Treasurer who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on or about June 1 and September 1 during the following year. Substantial collections are received by the District in June and September.

In the governmental-wide financial statements revenue is recognized based on the period that the levy is intended to finance. Based upon collection histories, the District has provided an allowance for uncollectible real property taxes equal to 1.0% of the current extension. All property taxes receivable over one year old have been written off.

Corporate Personal Property Replacement Taxes

Corporate personal property replacement taxes are first allocated to funds where taxes were automatically abated by the county clerk and to the Municipal Retirement Fund, with the balance allocated to the remaining funds at the discretion of the district.

Budget Policies, Procedures and Regulations

State Budget Requirements

[Section 105 Illinois Compiled Statutes 5/17-1]

Annual Budget. The board of education of each school district under 500,000 inhabitants shall, within or before the first quarter of each fiscal year, adopt an annual budget which it deems necessary to defray all necessary expenses and liabilities of the district, and in such annual budget shall specify the objects and purposes of each item and amount needed for each object and purpose.

The budget shall be entered upon a School District Budget form prepared and provided by the State Board of Education and therein shall contain a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such fiscal year. The estimate of taxes to be received may be based upon the amount of actual cash receipts that may reasonably be expected by the district during such fiscal year, estimated from the experience of the district in prior years and with due regard for other circumstances that may substantially affect such receipts. Nothing in this section shall be construed as requiring any district to change or preventing any district from changing from a cash basis of financing to a surplus or deficit basis of financing; or as requiring any district to change or preventing any district from changing its system of accounting.

The board of education of each district shall fix a fiscal year. If the beginning of the fiscal year of a district is subsequent to the time that the tax levy for such fiscal year shall be made, then such annual budget shall be adopted prior to the time such tax levy shall be made.

Such budget shall be prepared in tentative form by some person or persons designated by the board, and in such tentative form shall be made conveniently available to public inspection for at least 30 days before final action thereon. At least one public hearing shall be held as to such budget prior to final action thereon. Notice of availability for public inspection and of such public hearing shall be given by publication in a newspaper published in such district, at least 30 days prior to the time of such hearing. If there is no newspaper published in such district, notice of such public hearing shall be given by posting notices thereof in five of the most public places in such district. It shall be the duty of the secretary of such board to make such tentative budget available to public inspection, and to arrange for such public hearing. The board may from time to time make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget. The board may from time to time amend such budget by the same procedure as is herein provided for its original adoption.

Budget Development Process

The budgeting process is comprised of three major phases: planning, preparation and evaluation. The budgetary process begins with sound planning. Planning defines the goals and objectives of schools; the school district develops programs to attain those goals and objectives. Once these programs and plans have been established, budgetary resource allocations are made to support them. Budgetary resource allocations are the preparation phase of budgeting. The allocation cannot be made, however, until plans and programs have been established.

The budget is evaluated for its effectiveness in attaining goals and objectives. Evaluation typically involves an examination of how funds were expended, what outcomes resulted from the expenditure of funds, and to what degree these outcomes achieved the objectives stated during the planning phase. This evaluation phase is important in determining the following year's budgetary allocations. In summary, budget preparation is not a one-time exercise to determine how a school district will allocate funds. Rather, school district budget preparation is part of a continuous cycle of planning and evaluation to achieve district goals.

The budget process emphasizes accountability. As a general rule, the budget manager who has been given the authority to initiate expenditure decisions is the one who should budget for the expenditure.

The District's business office staff prepares preliminary revenue estimates by January of each year. Based on these revenue assumptions, the schools receive allotments per student differentiated between secondary and elementary levels. These allotments are multiplied by the projected enrollments to generate a budget sum for each school. The allotment is designed to cover non-payroll related expenses.

Staffing requests and salary and benefit increases are calculated at the central office level by January of each year. The review process for new staff is contingent upon projected enrollment growth and/or student educational needs. Since payroll-related costs comprise a significant amount of the District's operational budget, careful consideration is given to each request for both instructional and non-instructional positions.

The Chief Operations Officer is responsible for compiling all pertinent budget data and projections. This includes estimates of state funding, taxable values, tax rates and projected utility costs.

Capital improvements are budgeted on a project basis spanning multiple years. Bond proceeds and related interest are accounted for in separate funds for the construction and equipping of school facilities, to purchase school sites and to renovate or repair existing facilities.

Each major construction contract is approved based on existing availability of bond proceeds. However, the impact of capital project fund budgets must be considered during the annual budgets for all other funds. Future operating costs (staffing, utilities, custodial services, etc) associated with capital improvements and new facilities must be projected and included in the Education or Operations and Maintenance Funds. Repayment of bond issued for capital projects must be included in the debt service fund projections.

Budget Adoption and Publication

The district will prepare and present a tentative budget to the Board of Education in August. The board approves the tentative budget to be placed on display for a period of 30 days. The board sets the date and time for the required public hearing on the official budget. After the public hearing, the official budget is approved at the September board meeting. The Board of Education approves the official budget no later than the end of the first quarter of the fiscal year, as mandated by Illinois School Code.

Budget Administration and Management

The district relies on a site-based budget administration process throughout the year. Budget holders are charged with the responsibility of achieving the strategic goals in their area, empowered to spend the funds under their control, expected to operate within the bounds of their budget, and held accountable for their actions. Autonomy, empowerment, and accountability are all highly valued.

Budget holders receive multiple layers of support in executing their budgets. Monthly transaction reports, including both monthly expenditures and encumbrances, are provided in a paper format. Customized electronic reports are created with the district's financial software to provide web-based real-time access to budget information. The Director of Business Services reviews all transactions, and provides detailed monthly expenditure reports to the board for final review. Discrepancies discovered during monthly review are investigated and corrected in a timely manner.

The Director of Business Services, the Superintendent, and the Board of Education all review financial results compared to budget on a monthly basis. The board is very cognizant of the budget's sensitivity to salaries, CPI, increased cost of supplies, and delayed and prorated state and federal revenues.

Budget Procedures and Timeline

As with any major requirement, rules and laws govern certain aspects of the process. The budgeting process in the State of Illinois is no exception. The (23) Illinois Administrative Code – Part 100 establish the legal basis for school district budget development. This budget document meets these standards.

Illinois law requires certain procedures a school board must follow to adopt (approve) an annual budget. These actions include:

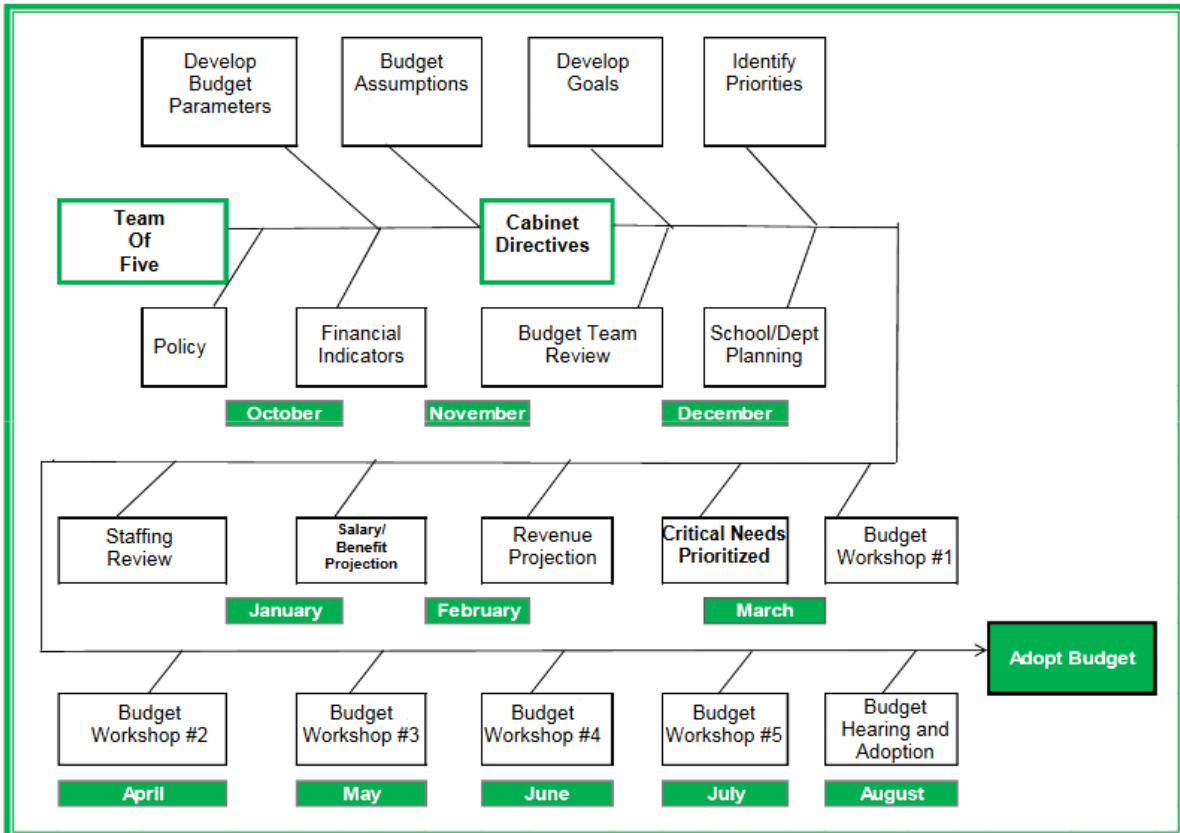
- The designation of an individual(s) to develop the budget in tentative form. The tentative budget includes revenues and expenditures that are anticipated during the fiscal year and contains a statement of the estimated cash expected to be on hand at the beginning and end of the fiscal year.
- The secretary of the school board publishes a notice of where, when and during what hours the tentative budget will be on display for public inspection and where, when and what time the budget hearing will be held. The tentative budget must be on display for at least 30 days prior to the budget hearing. It shall be the duty of the secretary of the district board to make the tentative budget available for public inspection and arrange for the budget hearing.
- Prior to taking final action on the budget, the school board must hold at least one budget hearing. The details of the tentative budget are explained during the hearing and the public may ask questions or provide input on the tentative budget.
- The budget is voted on and adopted (or rejected) by the school board at a public meeting held after the budget hearing.
- The school district budget must be adopted by the end of the first quarter of the fiscal year (September 30).

Budget Calendar

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

7. 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.
8. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
9. Prior to October 1, the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.

10. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
11. Formal budgetary integration is employed as a management control device during the year for all funds.
12. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.



Financial Policies

Cash Management

Developing an effective cash management program can provide a district with additional revenues to fund essential programs and operations. Ensuring the safety and liquidity of investments while maximizing the return on investment has become a high priority. Effective cash management programs:

- Provide competitive rates of return through the use of various investment instruments.
- Are based on a comprehensive investment policy approved by the board.
- Allow personnel to become skilled in investment procedures and techniques and stay abreast of current money markets.

Cash balances are monitored daily to minimize bank balances by only transferring into the accounts the sum of funds necessary to cover disbursements anticipated within one month.

Monthly reports are provided to the Board of Education on investment activity. The appropriate District staff will provide the Board of Education a comprehensive investment report.

Special emphasis is placed on improving cash management controls. Mandatory training is required for all employees who handle any form of cash.

The following list reflects the cash management expectations that are covered in training:

- Adhere to board policies regarding school and student activity funds, cash management and purchasing.
- Use careful judgment in handling funds – both cash and checks.
- Exercise adequate physical control over cash to ensure protection.
- Deliver or deposit cash to the next level of responsibility normally within one business day.
- Transfer cash to the next level of responsibility with proper documentation.
- Refrain from any intermingling of personal and district funds.
- Participate in prescribed training on proper cash management procedures and responsibilities.

Debt Policy

The District recognizes that the foundation of any well managed debt program is a comprehensive debt policy. While the issuance of debt can be an appropriate method of financing for capital projects, careful and consistent monitoring of such debt issuance is required to preserve the District's credit strength, budget, and financial flexibility. This policy will serve the District in determining the appropriate uses for debt financing and debt structures as well as establishing prudent debt management goals.

The purpose of the policy is to provide a functional tool for debt management and to enhance the District's ability to manage its debt in a conservative and prudent manner. The policy will establish standards regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt and structural features that may be incorporated. These standards constitute realistic goals that the District can expect to meet, and will guide, but not bind, debt management decisions. In following this policy, the District shall adhere to the following goals:

The purpose for which debt can be issued shall be in accordance with applicable State of Illinois and Federal statutes. The District shall not issue debt in excess of the statutory limit and shall avoid issuing Debt Service Extension Based Bonds with a greater than five year maturity.

The Board of Education will avoid issuing debt for payment of operating expenses unless needed to meet short-term cash flow needs.

The District shall endeavor to attain the highest possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting

capital funding requirements. The District shall structure new bonds so that the aggregate bonded debt is consistent with a level debt service payment structure.

The District shall consider all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.

The District shall remain mindful of debt limits in relation to assessed value growth within the school district and the tax burden needed to meet long-term capital requirements.

Reserve Policies

Operating Funds – A recognized sign of fiscal health for a school district is an appropriate undesignated unreserved fund balance in the Operating Funds (Education, Operations and Maintenance, Transportation, Municipal Retirement, Working Cash, and Tort Funds). An appropriate fund balance level is one of the measurements for the Illinois State Board of Education’s School District Financial Profile program required for all school districts in the state.

The district’s current goal is to bring the fund balance of the Operating Funds up at least 2% each year. The value of having an appropriate fund balance level can be expressed as follows:

- Contingency fund for unexpected costs
- Cushion of operational resources at the beginning of the year prior to the tax collection season.
- Viewed as sign of fiscal stability and health by bond rating agencies.

Risk Management

The District’s risk management program encompasses various means of protecting the District against loss. Property, casualty and liability insurance are provided by the risk pool Suburban School Cooperative Insurance Pool. In addition, workers’ compensation risks are self-funded with Employer’s Claim Service acting as a third party administrator and include stop loss insurance policies for claims exceeding a specific limit. The District’s health coverage program is also self-funded with Blue Cross/Blue Shield as a third party administrator.

Independent Audit and Financial Reporting

The Illinois School Code requires that school districts are audited annually. The audit is made on an organization-wide basis and involves all fund types and account groups of the school district. The audit is also designed to meet the requirements for Federal awards (Uniform Guidance), which was officially implemented in December, 2014.

Upon completion, the annual financial report is submitted to the Illinois State Board of Education for review. The financial report is designed to meet specific monitoring needs of the Illinois State Board of Education.

Financial Section



This picture represents Superintendent Theresa Plascencia interacting with some of the district's students.

Financial Section Introduction

Financial Section Roadmap

The financial section presents detailed revenue and expenditure information for the FY21 budget. Information is presented in a pyramid approach, with overall budget summaries presented first, followed by a detailed breakdown of the revenue and expenditure of each fund.

Fund information is presented with a four-year history, the FY21 budget, and a three-year projection. When data is available or meaningful for presentation, fund information is presented in terms of revenue by source, expenditure by function, and expenditure by object.

The individual fund schedules provide historic, current, and future projected fund data on a single schedule to make it easier for readers to follow funds from historic activity to future revenue and expenditure expectations.

The information used to develop the budget forecasts are aligned with the District's five year forecast (governmental), district-wide improvements, bond repayment schedules and administrative goals and objectives.

Budget Forecast

The District's budgeting process is more than just funding the next fiscal year's operations. The Board of Education and District Administration anticipate major budget concerns two to five years into the future. A list of these budget considerations is shown below:

- Salary and benefit costs will continue to escalate due to competition for staff between neighboring school districts coupled with estimated spikes in health and benefit costs.
- The District enrollment will require new staff increases both for direct instructional positions and support positions.
- Revenue limitations from the State will significantly impact future revenue growth.

The District considers hundreds of other variables to comprehensively model its revenues and expenses to produce a five year financial forecast. While forecast revenues seem to be relatively in balance with foreseen expenditures over the next several years, the District must aggressively seek alternative revenue sources and carefully review all additional expenditures, because the District will quickly slide into deficit spending unless action is taken against rapidly accelerating labor, benefit, and material costs. Uncertain, reduced and delayed payments from the State further degrade the financial picture.

The methodology used for the budget forecast is one of Zero-base budgeting. A zero-base budget involves determining what outcomes management wants, and developing a package of expenditures that will support each outcome. By combining the various outcome-expenditure packages, a budget is derived that should result in a specific set of outcomes for the entire business.

Aggregate Governmental Funds Summary

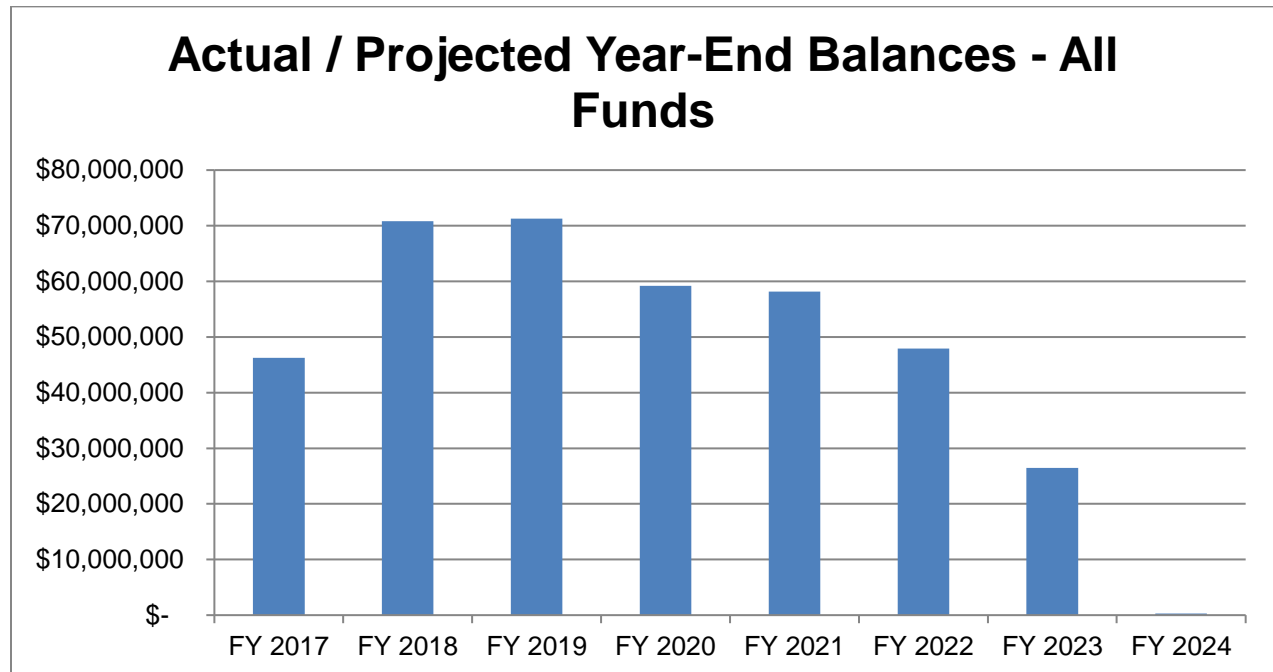
Governmental Funds

The Governmental Funds Summary is the highest-level financial summary for the district, and presents revenues and expenditures for the aggregate of all financial funds for the FY21 budget. The combined managerial efforts of the Board of Education and Administration resulted in an overall negative balance of (\$28,097,247) budgeted in FY21. Fund Balance continues to decline, as the District projects approximately \$10M is needed for capital improvement projects (in years 1, 2 and 3 started in 2020) per the District's ten-year life-safety study, which estimates \$122 million in total costs.

Budget Summary of All Funds

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 68,127,082	\$ 67,980,829	\$ 68,839,054	\$ 65,721,934	\$ 65,744,966	\$ 72,480,942	\$ 73,014,592	\$ 74,148,271
Intergovernmental - State Sources	112,103,434	143,685,868	140,759,509	153,142,689	153,380,157	119,856,660	121,008,186	123,317,232
Intergovernmental - Federal Sources	18,955,307	20,920,916	19,164,717	21,509,603	31,112,823	20,495,100	20,700,051	21,114,052
TOTAL REVENUES	199,185,823	232,587,613	228,763,280	240,374,226	250,237,946	212,832,702	214,722,829	218,579,555
EXPENDITURES								
Salary	118,295,588	120,003,644	126,224,087	131,817,464	138,407,047	126,440,455	133,007,809	138,218,075
Employee Benefits	29,033,666	25,357,770	30,078,506	31,571,654	41,407,857	31,355,341	32,729,082	33,871,572
Purchased Services	30,089,347	32,380,724	35,779,241	33,309,966	47,149,286	36,431,621	39,071,387	40,534,016
Supplies and Materials	8,196,415	9,181,807	10,836,223	11,234,432	20,509,213	11,131,172	12,597,513	13,037,067
Capital Outlay	6,507,014	4,625,140	7,988,323	10,018,032	4,011,741	2,383,743	3,173,920	3,231,579
Other Objects	14,903,368	16,040,590	15,194,025	15,704,113	17,262,810	14,902,181	15,109,323	15,324,729
Non-Capitalized Equipment	877,453	454,747	2,220,480	1,343,570	7,830,122	459,026	477,386	496,482
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	1,757,117	-	-	-
TOTAL EXPENDITURES	207,902,851	208,044,422	228,320,885	234,999,231	278,335,193	223,103,539	236,166,420	244,713,520
SURPLUS/(DEFICIT)	(8,717,028)	24,543,191	442,395	5,374,995	(28,097,247)	(10,270,837)	(21,443,591)	(26,133,965)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	11,103,776	22,977,995	212,863	21,417,940	-	-	-	-
Other Financing Uses	(4,824,403)	(22,977,995)	(212,863)	(21,416,940)	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	6,279,373	-	-	1,000	-	-	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(2,437,655)	24,543,191	442,395	5,375,995	(28,097,247)	(10,270,837)	(21,443,591)	(26,133,965)
BEGINNING FUND BALANCE	48,710,127	46,272,472	70,815,663	71,758,058	76,214,865	58,167,647	47,896,810	26,453,219
ENDING FUND BALANCE	\$ 46,272,472	\$ 70,815,663	\$ 71,258,058	\$ 77,134,053	\$ 48,117,618	\$ 47,896,810	\$ 26,453,219	\$ 319,254
FUND BALANCE AS % OF EXPENDITURES	22.26%	34.04%	31.21%	32.82%	17.29%	21.47%	11.20%	0.13%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	2.67	4.08	3.75	3.94	2.07	2.58	1.34	0.02

Aggregate Governmental Funds – Projected Year-End Balances – All Funds



Fund Balance Summary

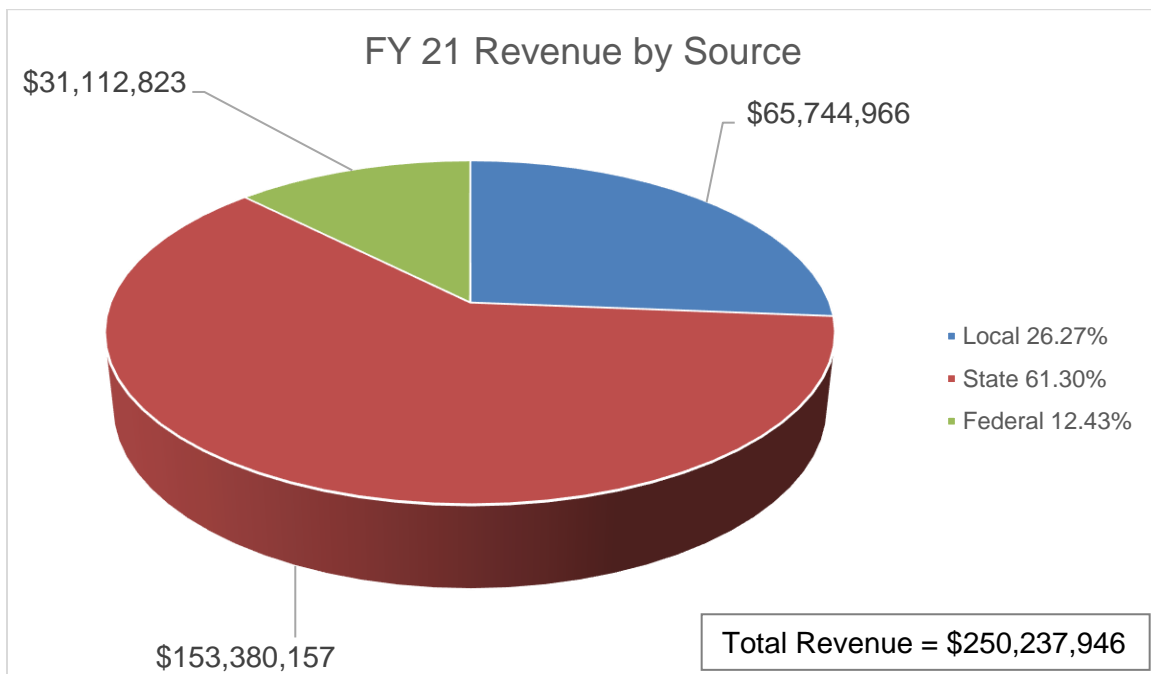
The Fund Balance Summary presents fund balances for the aggregate of all financial funds for the FY 21 budget. The district projects fund balances in the governmental funds of \$48,117,618. This is a significant decline from prior years fund balance of \$77,134,053. The reason for this decline is from increased teaching costs, while funding has declined. Also, the decline is from a 10-year capital improvement plan estimated at \$122 million, with \$10,000,000 committed annually for years 1, 2 and 3 started in 2020. The District's fund balance is projected to decline through fiscal year 2022. The District is aware of this situation and is in the planning stages to correct this either through cost cutting or an additional bond issue. The District can also utilize the Working Cash Fund to borrow and/or transfer to other funds as needed to cover the deficit.

Revenue Summary

The Aggregate Governmental Funds Revenue Summary is the highest level of revenue summary for the district, and presents revenues for the aggregate of all financial funds for the FY21 budget. The district projects revenues in the governmental funds of \$250,237,946 for FY21. Revenues are classified by local, state, and federal sources.

Description	Acct #	(10) Education	(20) Op. and Maint.	(30) Debt Service	(40) Trans.	(50) Muni. Retire. / Soc. Sec.	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prev. & Safety	Total
RECEIPTS/REVENUES FROM LOCAL SOURCES											
Ad Valorem Taxes Levied by District	1100	29,017,760	6,000,000	9,920,326	2,919,297	7,002,361	-	79,199	3,259,210	873,340	59,071,493
Payments in Lieu of Taxes	1200	6,310,086	-	-	-	-	-	-	-	-	6,310,086
Tuition	1300	-	-	-	-	-	-	-	-	-	-
Transportation Fees	1400	-	-	-	-	-	-	-	-	-	-
Earnings on Investments	1500	102,028	-	-	-	-	20,204	-	-	-	122,232
Food Service	1600	-	-	-	-	-	-	-	-	-	-
District/School Activity Income	1700	18,1576	-	-	-	-	-	-	-	-	18,1576
Textbooks	1800	-	-	-	-	-	-	-	-	-	-
Other Revenue from Local Sources	1900	-	18,709	-	40,870	-	-	-	-	-	59,579
Total Receipts/Revenues from Local Sources	1000	35,611,450	6,018,709	9,920,326	2,960,167	7,002,361	20,204	79,199	3,259,210	873,340	65,744,966
RECEIPTS/REVENUES FROM STATE SOURCES											
Unrestricted Grants-In-Aid	3001	127,647,493	8,650,176	-	1,388,119	-	1,537,771	-	-	-	139,223,569
Special Education	3100	2,462,525	-	-	-	-	-	-	-	-	2,462,525
Other State Grants	3200	161,084	-	-	-	-	-	-	-	-	161,084
Transportation	3500	-	-	-	6,713,619	-	-	-	-	-	6,713,619
Composite Block Grants	3705	4,038,976	-	-	-	-	-	-	-	-	4,038,976
Other Restricted Revenue From State Sources	3999	30,394	750,000	-	-	-	-	-	-	-	780,394
Total Receipts/Revenues from State Sources	3000	134,340,472	9,400,176	-	8,101,738	-	1,537,771	-	-	-	153,380,157
RECEIPTS/REVENUES FROM FEDERAL SOURCES											
Food Service	4200	8,370,535	-	-	-	-	-	-	-	-	8,370,535
Title I	4300	8,667,018	-	-	-	-	-	-	-	-	8,667,018
Title IV	4400	434,518	-	-	-	-	-	-	-	-	434,518
Federal Special Education	4625	5,864,679	-	-	-	-	-	-	-	-	5,864,679
Career and Technical Education - Perkins	4770	56,822	-	-	-	-	-	-	-	-	56,822
McKinney Education for Homeless Children	4920	-	-	-	-	-	-	-	-	-	-
Title III - English Language Acquisition	4909	720,083	-	-	-	-	-	-	-	-	720,083
Title II - Teacher Quality	4930	558,171	-	-	-	-	-	-	-	-	558,171
Medicaid Matching Funds - Administrative Outreach	4991	408,729	-	-	-	-	-	-	-	-	408,729
Medicaid Matching Funds - Service Program Fee	4992	347,793	-	-	-	-	-	-	-	-	347,793
Other Restricted Revenue From Federal Sources	4999	5,684,475	-	-	-	-	-	-	-	-	5,684,475
Total Receipts/Revenues from Federal Sources	4000	31,112,823	-	-	-	-	-	-	-	-	31,112,823
TOTAL DIRECT RECEIPTS/REVENUES		201,064,745	15,418,885	9,920,326	11,061,905	7,002,361	1,557,975	79,199	3,259,210	873,340	250,237,946

Aggregate Governmental Funds Revenue Summary



Property Taxes

Property taxes revenues represent 23.61% of total revenue, or \$59,071,493 for FY21. The total property tax budget decreased for FY21 by 1.59% after considering actual collections for the 2019 and 2020 tax extension and factoring the debt service levy which is exempt from the tax cap.

Other Local Revenue

Other local revenues represent 2.67% of total revenue, or \$6,673,473 for FY21. These funds are generated primarily from corporate taxes, student fees, investment earnings, facility rentals, summer school tuition, and shared service fees.

Unrestricted State Aid

The assumption for state funding for FY21 is based on the Evidence Based Funding Formula. Evidence based funding for Student Success Act was enacted in August 31, 2017. This law enacts evidence-based funding (EBF) and comprehensively changed the way that school districts receive the bulk of state funds. EBF sends more resources to Illinois' most under-resourced students. EBF takes the necessary first steps toward ensuring all schools have the resources they need to provide a safe, rigorous, and well-rounded learning environment for all students. EBF demonstrates new mindsets for understanding the relationship between equity, adequacy, and student outcomes.

EBF represents \$139,223,559 of total revenue, or 55.64% for FY21. This was an increase of \$869,246 in comparison to FY20. The high increase is explained above, as the District is in a low-income area.

Restricted State Aid

Restricted state aid is distributed to school districts through categorical grants. Categorical funding is secured on a reimbursement basis and is designed to support specific programs such as special education and transportation. Additional grant programs fund items such as early childhood, bilingual, reading and school safety.

Restricted state aid is provided to all school districts within the state regardless of local property wealth. For FY21, the district's state categorical grant budget is \$14,156,598 (\$2,462,525 in special education, \$4,980,454 in other grants, and \$6,713,619 in transportation funding) representing 5.65% of total revenue. Due to the State's poor financial health, however, these funds are subject to no-notice pro-rations and delays, making their receipt unreliable. Accordingly, these revenues were budgeted conservatively.

Federal Revenue

Federal revenues represent 12.43% of total revenue, or \$31,112,823 for FY21. Federal funds are used primarily for special education, low-income assistance, and English language acquisition programs.

Significant Revenue Enhancement Efforts

The combined managerial efforts of the Board of Education and Administration resulted in the following revenue enhancements in FY21:

Tuition Based Pre-School – The district, in FY21, continues to offer a half day pre-school program which is tuition free. WPS60 budgeted \$4,095,018 in revenue for regular pre-school programming (\$4,038,976 through state funding (prior year reimbursement) and \$56,042 through federal (IDEA) funding. Expenditures are budgeted at \$3,551,498 through state grants and \$95,282 through the IDEA federal grant. The revenue is not budgeted at 100% because state reimbursements have been delayed over the past few years from the state. There are approximately 755 students serviced by this program.

Medicaid Matching Funds – with the assistance of a commission-based provider, the district has been filing for Medicaid reimbursements for services provided to low-income students, estimated conservatively to provide an additional \$756,522 in revenue in FY21.

Technology – the District continues to expand its 1:1 Chromebook initiative by expanding technology to middle schools. The cost of this expansion is estimated to cost approximately \$500,000. Existing chrome books still have a life-cycle and are therefore not eligible for the District's technology equipment replacement cycle; therefore, the district did not budget to receive technology equipment salvage proceeds in FY21. Also, a technology fee of \$50 per student is assessed to students and as a result, \$74,613 is budgeted as actual receipts in FY21 (not all students pay the fee in the year of assessment). This fee was designed to provide a permanent funding stream to offset repair costs for the Districtwide 1:1 Chromebook initiative.

Accounting Recognition of Unused Flexible Spending Proceeds – In the past, the district maintained an off-the-books, zero-balance account to manage its flexible spending account (FSA) program. This program, now maintained formally on the district's books, is budgeted to capture unused FSA proceeds contractually forfeited by employees in FY21.

Operations and Maintenance – The District's Operations and Maintenance Department plans to secure energy savings grants. These grant proceeds will be used to support upgrading district-wide HVAC control systems.

Expenditure Summary

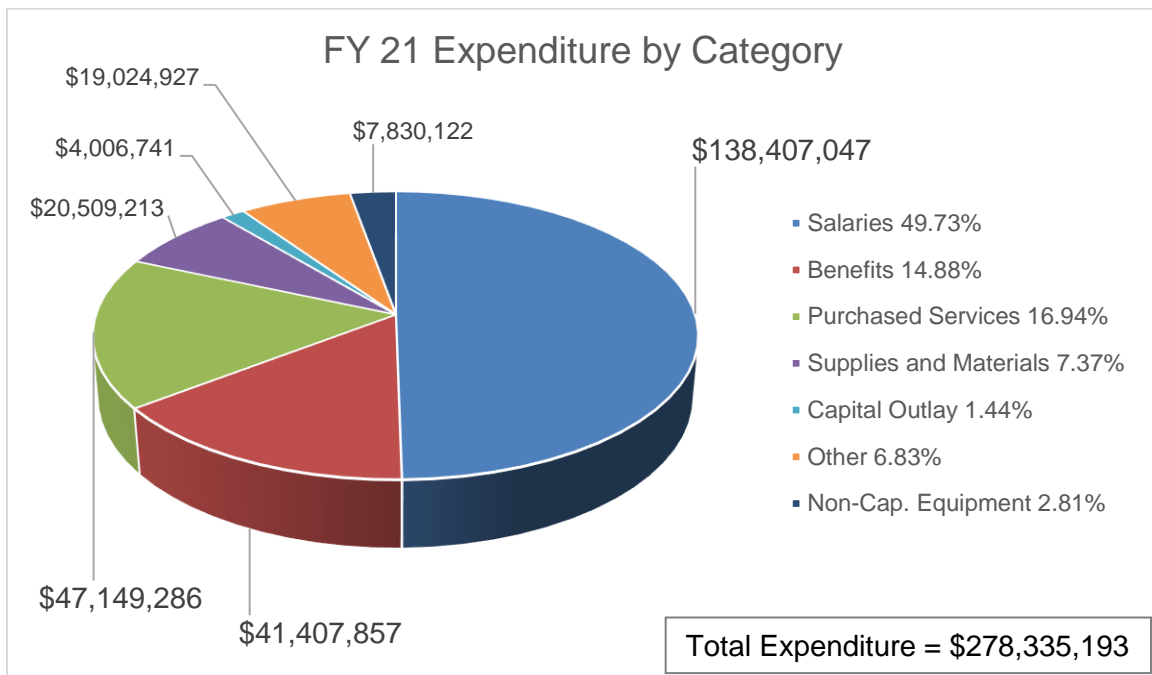
The Aggregate Governmental Funds Expenditure Summary is the highest level of expenditure summary for the district, and presents expenditures for the aggregate of all financial funds for the FY21 budget. The district projects expenditures in the governmental funds of \$278,335,193 for FY21. Expenditures are classified by fund, function, and object.

Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	Total
10 - EDUCATIONAL FUND (ED)										
Instruction	1000	90,661,120	14,616,430	5,610,482	12,241,777	543,311	6,477,724	333,348	-	130,484,192
Support Services	2000	42,244,345	6,824,808	22,643,245	3,230,593	2,168,430	273,081	7,496,774	-	84,881,276
Community Services	3000	942,631	136,163	1,82,862	380,076	-	5,000	-	-	2,646,732
Payments to Other Dist & Govt Units	4000	-	-	106,257	-	-	124,679	-	-	230,936
Provision for Contingencies	6000	-	-	-	-	-	1,757,117	-	-	1,757,117
Total Direct Disbursements/Expenditures		133,848,096	21,577,401	29,542,846	15,852,446	2,711,741	8,637,601	7,830,122	-	220,000,253
20 - OPERATIONS AND MAINTENANCE FUND (O&M)										
Support Services	2000	3,206,739	441,345	1,656,288	4,604,267	1,295,000	100,000	-	-	11,303,639
Provision for Contingencies	6000	-	-	-	-	-	-	-	-	-
Total Direct Disbursements/Expenditures		3,206,739	441,345	1,656,288	4,604,267	1,295,000	100,000	-	-	11,303,639
30 - DEBT SERVICE FUND (DS)										
Debt Service	5000	-	-	-	-	-	10,221,919	-	-	10,221,919
Total Direct Disbursements/Expenditures		-	-	-	-	-	10,221,919	-	-	10,221,919
40 - TRANSPORTATION FUND (TR)										
Support Services	2000	197,833	37,985	12,691,395	52,500	-	4,000	-	-	12,983,713
Total Direct Disbursements/Expenditures		197,833	37,985	12,691,395	52,500	-	4,000	-	-	12,983,713
50 - MUNICIPAL RETIREMENT/SOC SEC FUND (M/R/SS)										
Instruction	1000	-	2,883,531	-	-	-	-	-	-	2,883,531
Support Services	2000	-	4,525,864	-	-	-	-	-	-	4,525,864
Community Services	3000	-	90,852	-	-	-	-	-	-	90,852
Total Direct Disbursements/Expenditures		-	7,500,247	-	-	-	-	-	-	7,500,247
60 - CAPITAL PROJECTS (CP)										
Support Services	2000	-	11,664,130	-	-	-	-	-	-	11,664,130
Total Direct Disbursements/Expenditures		-	11,664,130	-	-	-	-	-	-	11,664,130
70 - WORKING CASH FUND (WC)										
Total Direct Disbursements/Expenditures		-	-	-	-	-	-	-	-	-
80 - TORT FUND (TF)										
Support Services	2000	1,154,379	186,749	1,953,868	-	-	61,407	-	-	3,356,403
Total Direct Disbursements/Expenditures		1,154,379	186,749	1,953,868	-	-	61,407	-	-	3,356,403
90 - FIRE PREVENTION & SAFETY FUND (FP&S)										
Support Services	2000	-	-	1,304,889	-	-	-	-	-	1,304,889
Total Direct Disbursements/Expenditures		-	-	1,304,889	-	-	-	-	-	1,304,889
TOTAL DIRECT DISBURSEMENTS/EXPENDITURES		138,407,047	41,407,857	47,149,286	20,509,213	4,006,741	19,024,927	7,830,122	-	278,335,193

Aggregate Governmental Funds Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED 2022	PROJECTED 2023	PROJECTED 2024
EXPENDITURES								
Salary	\$ 118,295,588	\$ 120,003,644	\$ 126,224,087	\$ 131,817,464	\$ 138,407,047	\$ 126,440,455	\$ 133,007,809	\$ 138,218,075
Employee Benefits	29,033,666	25,357,770	30,078,506	31,571,654	41,407,857	31,355,341	32,729,082	33,871,572
Purchased Services	30,089,347	32,380,724	35,779,241	33,309,966	47,149,286	36,431,621	39,071,387	40,534,016
Supplies and Materials	8,196,415	9,181,807	10,836,223	11,234,432	20,509,213	11,131,172	12,597,513	13,037,067
Capital Outlay	6,507,014	4,625,140	7,988,323	10,018,032	4,006,741	2,383,743	3,173,920	3,231,579
Other Objects	14,903,368	16,040,590	15,194,025	15,704,113	17,267,810	14,902,181	15,109,323	15,324,729
Non-Capitalized Equipment	877,453	454,747	2,220,480	1,343,570	7,830,122	459,026	477,386	496,482
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	1,757,117	-	-	-
TOTAL EXPENDITURES	\$ 207,902,851	\$ 208,044,422	\$ 228,320,885	\$ 234,999,231	\$ 278,335,193	\$ 223,103,539	\$ 236,166,420	\$ 244,713,520

Aggregate Governmental Funds Expenditure Summary



Salaries

District salaries are budgeted at \$138,407,047 for FY21, or 49.73% of total expenditures, representing an increase of \$5,727,581 compared to the preceding fiscal year spending budget. Staffing and pay increases contributed to the 4.32% overall increase.

Benefits

District employee health care benefits total \$41,407,857 for FY21, or 14.88% of total expenditures, representing an increase of 44.90% compared to the preceding fiscal year spend. District employees contribute to single coverage health insurance at rates as determined by bargaining union contracts, excluding Teachers, Paraprofessionals, and Psychologists who do not contribute to single coverage. Administrators, Director level and above, are entitled to free family coverage. Other employees contribute to family coverage at a rate as outlined in bargaining union agreements. Employees have the option to select between PPO, HMO, Blue Advantage, High Deductible Plan/Health Savings Account and Flexible Spending Account Plan. Part-time employees are not eligible for health insurance coverage. Health insurance contributions for family coverage will increase each year by an amount equal to thirty-five percent or one-half of the insurance carrier's recommended increase, limiting district exposure to exorbitant increases.

Purchased Services

Purchased services are budgeted at \$47,149,286 for FY21, or 16.94% of total expenditures, representing an increase of \$4,395,225, or 10.28%, compared to the preceding fiscal year spend. This increase is due to the outsourcing of a number of specialized student services, including speech and occupational therapy.

Supplies and Materials

Supplies and materials are budgeted at \$20,509,213 for FY21, or 7.37% of total expenditures, representing an increase of \$4,272,185, or 26.31%, compared to the preceding fiscal year spend. This decrease reflects a return to normal expenditure levels after higher than normal classroom remodeling costs in FY19.

Capital Outlay

Capital outlay is budgeted at \$4,006,741 for FY21, or 1.44% of total expenditures, representing a decrease of \$5,852,097, or 59.36%, compared to the preceding fiscal year spend. This increase is due to the district implementing their 10 year capital improvement plan which is set to begin in 2020.

Other Objects

Other objects are budgeted at \$19,024,927 for FY21, or 6.83% of total expenditures, representing a decrease of \$991,846, or 4.96%, compared to the preceding fiscal year spend. This increase is primarily due to the variations in the bond payment schedule. Other objects include bond payments, contingencies, termination benefits, and retirement payments.

Provisions for Contingencies

Provisions for contingencies are budgeted at \$1,757,117 for FY21, or 0.63% of total expenditures, representing an increase of \$998,088, or 131.50%, compared to the preceding fiscal year spend. A contingency is a budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. This amount was budgeted, like the definition says above, for emergencies or unforeseen expenditures not otherwise budgeted.

Significant Expenditure Reduction Efforts

The combined managerial efforts of the Board of Education and Administration resulted in the following expenditure reductions in FY21:

Salaries – Overall salaries are budgeted to remain relatively stable in FY21 in comparison to FY20. This is due to strategic personnel adjustments and cost savings associated with attrition. Non-teacher (non-union) salary increases were limited to 4.00%. The average increase across union positions is 4%. The FY18-FY21 teacher labor contract forecasted average annual salary increases of 3.46% through the end of FY21. A new teacher labor contract will be negotiated in FY21 with an effective date of July 1, 2021.

Absent Paraprofessionals – The teacher's bargaining agreement dictates that when an assigned paraprofessional is absent, the teacher will receive his/her hourly rate of pay for each paraprofessional that is absent per day. Over the past two or three years, this has cost the District in excess of \$450,000. Efforts were made this year to reduce the number of paraprofessional vacancies by recruiting and hiring paraprofessionals or seeking the assistance of contractual services. It is projected that absent paraprofessional cost will increase slightly, due to a shortage of qualified paraprofessionals across the state. The paraprofessional contract will be negotiated this fiscal year with emphasis on increasing the rate of pay to one that is more competitive with surrounding school districts.

Insource HVAC – Conducting HVAC maintenance and repair with in-house specialists allowed the district to drop HVAC service contracts and increase overall system efficiency, saving approximately \$40K annually.

Buy vs. Finance – The district, based on cost analysis and fund availability, is purchasing capital equipment rather than incurring the costs associated with leasing or financing it. The net effect of this philosophy shift applied to large capital purchases is projected to save approximately \$40K annually.

Lower Utility Consumption – The district retrofitted lighting, boilers, and HVAC controls, steam traps and insulated pipes provides more efficient alternatives. This effort will save approximately \$80K annually in utility consumption costs.

Operating Funds

The operating funds include the District's general fund (Education and Working Cash Funds) and major special revenue funds – Operations and Maintenance, Transportation, Municipal Retirement, and Tort. From a broad perspective, and removing the financial impacts of the other financing sources and uses between funds, the district projects a negative balance of (\$17,257,950) in its operating funds for FY21. The negative balance is covered by the existing ending fund balance within the Working Cash Fund. The Working Cash Fund can borrow and/or transfer to other funds as needed to cover the deficit.

Operating Funds Summary and Balances – Budget FY 2021

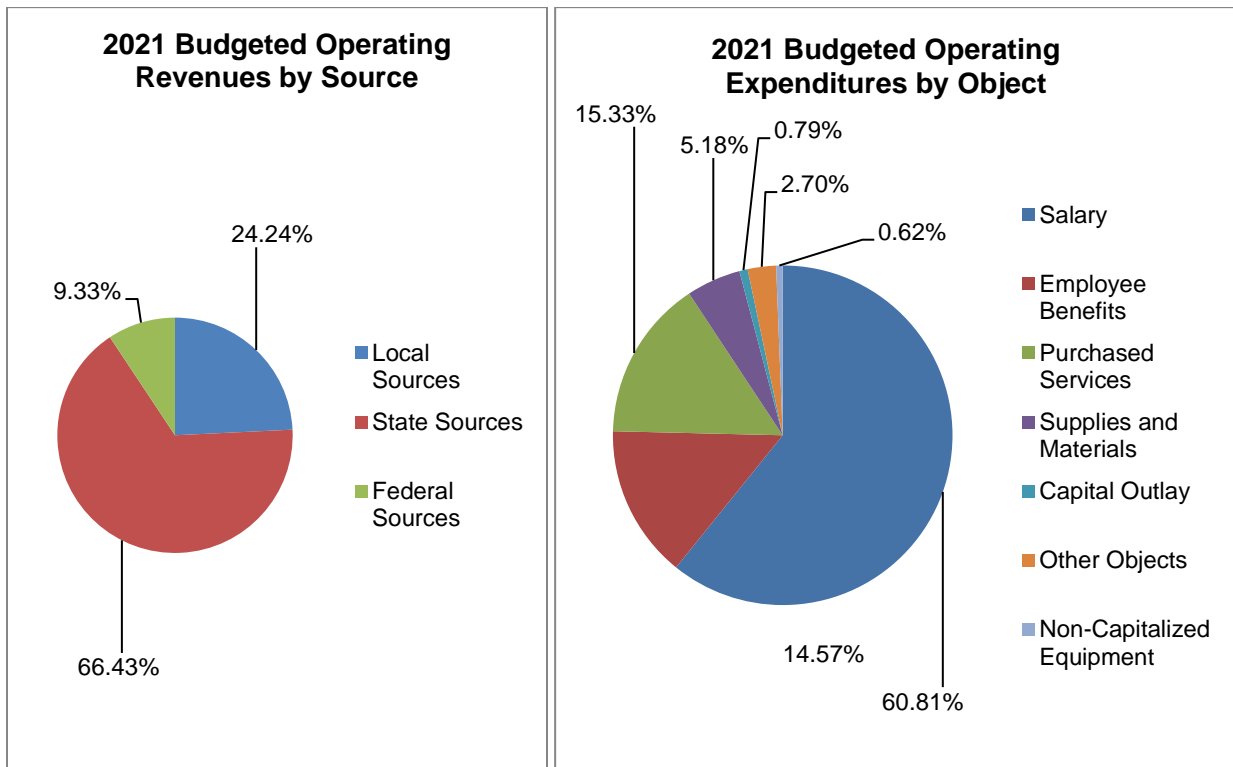
Fund	Beginning Balance	Revenue	Expenditure	Excess (Deficit)	Other Financing Sources (Uses)	Ending Balance
Education	\$ 42,683,443	\$ 201,064,745	\$ 220,000,253	\$ (18,935,508)	\$ -	\$ 23,747,935
Op. and Maint.	1,620,616	15,418,885	11,303,639	4,115,246	-	5,735,862
Transportation	1,921,808	11,061,905	12,983,713	(1,921,808)	-	-
Muni. Retirement	852,143	7,002,361	7,500,247	(497,886)	-	354,257
Working Cash	27,128,856	79,199	-	79,199	-	27,208,055
Tort	274,325	3,259,210	3,356,403	(97,193)	-	177,132
Totals	\$ 74,481,191	\$ 237,886,305	\$ 255,144,255	\$ (17,257,950)	\$ -	\$ 57,223,241

The aggregate deficit amount of \$17,257,950 is covered by the existing ending fund balance within the Working Cash Fund. The Working Cash Fund can borrow and/or transfer to other funds as needed to cover the deficit.

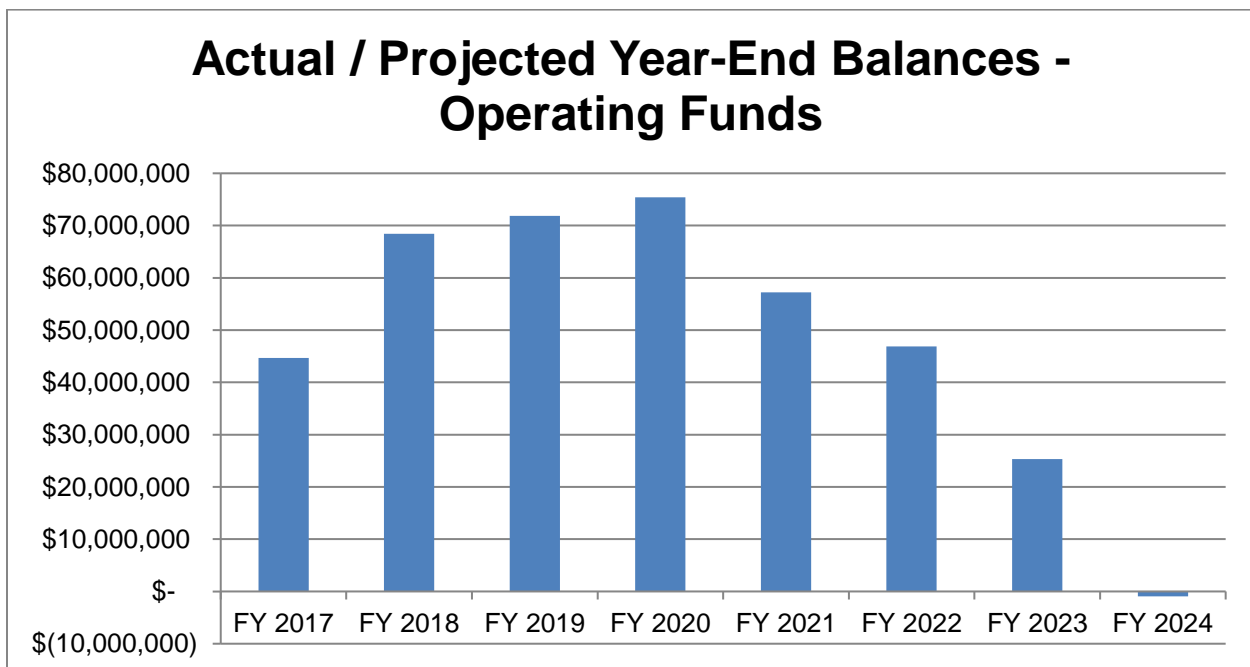
Operating Funds Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 58,023,561	\$ 57,543,882	\$ 58,471,912	\$ 55,882,818	\$ 54,931,096	\$ 62,080,589	\$ 62,614,239	\$ 63,747,918
State Sources	112,103,434	143,392,868	140,759,509	153,142,689	151,842,386	119,856,660	121,008,186	123,317,232
Federal Sources	18,955,307	20,920,916	19,164,717	21,509,603	31,112,823	20,495,100	20,700,051	21,114,052
TOTAL REVENUES	189,082,302	221,857,666	218,396,138	230,535,110	237,886,305	202,432,349	204,322,476	208,179,202
EXPENDITURES								
Salary	118,295,588	120,003,644	126,224,087	131,817,464	138,407,047	126,440,455	133,007,809	138,218,075
Employee Benefits	29,033,666	25,357,770	30,078,506	31,571,654	29,743,727	31,355,341	32,729,082	33,871,572
Purchased Services	29,910,272	31,739,181	35,629,712	33,230,040	45,844,397	36,431,621	39,071,387	40,534,016
Supplies and Materials	8,196,384	9,181,807	10,836,223	11,234,109	20,509,213	11,131,172	12,597,513	13,037,067
Capital Outlay	5,468,608	1,970,581	4,645,168	1,708,729	4,011,741	1,783,743	2,573,920	2,631,579
Other Objects	4,897,308	6,155,550	5,136,627	5,857,193	7,040,891	5,196,881	5,404,023	5,619,429
Non-Capitalized Equipment	877,453	454,747	2,217,626	1,343,570	7,830,122	459,026	477,386	496,482
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	1,757,117	-	-	-
TOTAL EXPENDITURES	196,679,279	194,863,280	214,767,949	216,762,759	255,144,255	212,798,239	225,861,120	234,408,220
SURPLUS/(DEFCIT)	(7,596,977)	26,994,386	3,628,189	13,772,351	(17,257,950)	(10,365,890)	(21,538,644)	(26,229,018)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	9,218,302	13,361,300	-	10,701,000	-	-	-	-
Other Financing Uses	(3,499,492)	(16,577,995)	(212,863)	(21,416,940)	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	5,718,810	(3,216,695)	(212,863)	(10,715,940)	-	-	-	-
SURPLUS/(DEFCIT) WITH OTHER SOURCES/(USES)	(1,878,167)	23,777,691	3,415,326	3,056,411	(17,257,950)	(10,365,890)	(21,538,644)	(26,229,018)
BEGINNING FUND BALANCE	46,524,524	44,646,357	68,424,048	72,339,374	74,481,191	57,223,241	46,857,351	25,318,707
ENDING FUND BALANCE	\$ 44,646,357	\$ 68,424,048	\$ 71,839,374	\$ 75,395,785	\$ 57,223,241	\$ 46,857,351	\$ 25,318,707	\$ (910,311)
FUND BALANCE AS % OF EXPENDITURES	22.70%	35.11%	33.45%	34.78%	22.43%	22.02%	11.21%	-0.39%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	2.72	4.21	4.01	4.17	2.69	2.64	1.35	-0.05

Operating Funds Revenue vs. Expenditure – 2021 Budget



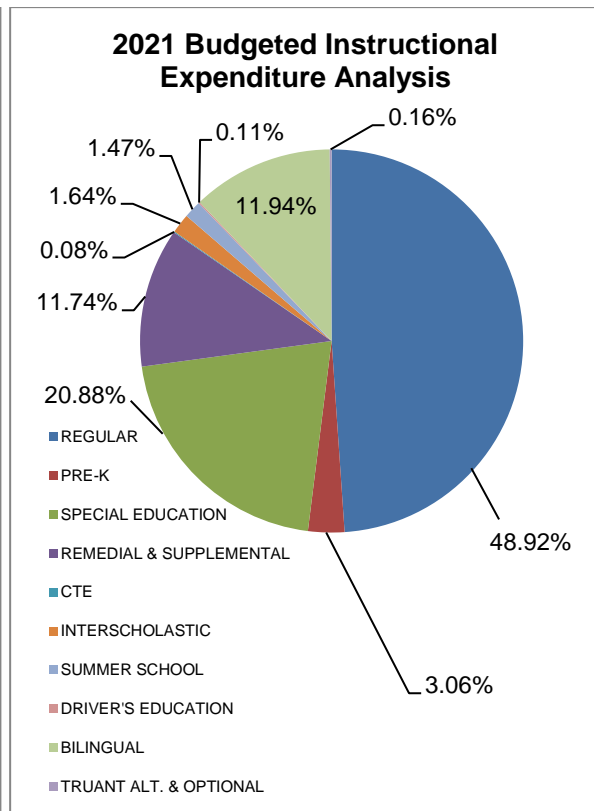
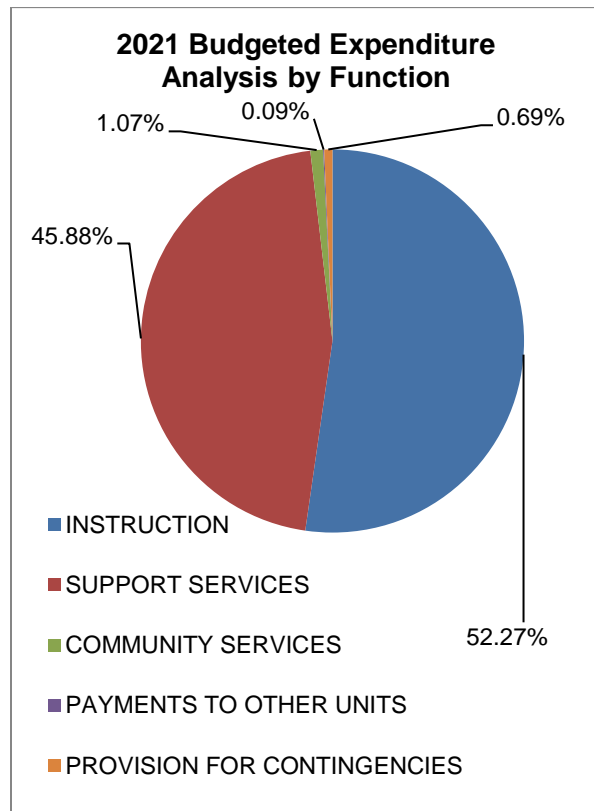
Operating Fund Year-End Balances



Operating Funds Expenditure by Function

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
INSTRUCTION								
Regular Programs	\$ 54,652,919	\$ 56,059,035	\$ 62,467,331	\$ 59,930,092	\$ 65,248,054	\$ 59,883,373	\$ 62,259,699	\$ 64,730,698
Pre-K Programs	2,409,002	2,427,486	2,913,274	3,209,216	4,082,833	2,642,181	2,745,494	2,852,892
Special Education Programs	26,782,312	28,608,321	29,774,010	33,660,855	27,843,332	29,369,451	30,520,903	31,717,947
Remedial & Supplemental Programs	6,275,780	6,148,401	6,044,839	6,627,128	15,653,758	6,876,083	7,149,124	7,433,046
CTE Programs	111,018	105,905	103,640	101,254	105,804	121,577	126,440	131,498
Interscholastic Programs	1,608,819	1,837,716	2,066,079	2,159,774	2,192,217	1,764,195	1,833,381	1,905,307
Summer School Programs	97,566	49,887	22,500	270,489	1,960,180	106,969	111,175	115,549
Gifted Programs	-	4,248	22	-	-	-	-	-
Driver's Education Programs	178,955	149,416	157,141	152,059	149,884	196,051	203,849	211,958
Bilingual Programs	11,549,541	11,600,934	12,649,921	14,177,130	15,924,921	12,654,539	13,156,895	13,679,269
Truant Alt. & Optional Programs	719,651	391,823	201,111	213,706	206,740	788,750	819,918	852,324
TOTAL INSTRUCTION	104,385,563	107,383,172	116,399,868	120,501,703	133,367,723	114,403,169	118,926,878	123,630,488
SUPPORT SERVICES								
Pupils	18,801,970	18,962,626	20,552,919	21,603,365	24,324,313	20,627,950	21,431,009	22,265,751
Instructional Staff	10,955,572	10,710,352	11,851,661	12,491,157	15,111,017	12,014,550	12,485,192	12,974,460
General Administration	4,292,202	4,171,298	4,484,388	5,106,436	4,915,530	5,122,936	5,284,815	5,451,904
School Administration	8,683,520	7,135,485	7,457,402	8,541,728	8,408,331	9,525,901	9,897,293	10,283,349
Business	40,580,190	37,439,183	42,230,298	37,306,175	43,148,996	41,268,868	47,600,735	49,169,801
Central	7,071,415	6,905,801	8,446,791	8,219,754	19,004,071	7,758,769	8,060,471	8,374,068
Other	785,344	1,035,157	2,030,982	1,452,485	2,138,637	843,760	894,252	927,884
TOTAL SUPPORT SERVICES	91,170,213	86,359,902	97,054,441	94,721,100	117,050,895	97,162,734	105,653,767	109,447,217
COMMUNITY SERVICES	922,202	1,056,829	1,286,696	1,407,830	2,737,584	1,011,889	1,051,210	1,092,080
PAYMENTS TO OTHER GOVERNMENTAL UNITS	201,301	63,377	26,944	132,126	230,936	220,447	229,265	238,435
DEBT SERVICES	-	-	-	-	-	-	-	-
PROVISION FOR CONTINGENCIES	-	-	-	-	1,757,117	-	-	-
TOTAL EXPENDITURES	\$ 196,679,279	\$ 194,863,280	\$ 214,767,949	\$ 216,762,759	\$ 255,144,255	\$ 212,798,239	\$ 225,861,120	\$ 234,408,220

Operating Funds Expenditure by Function



General Fund – The General Fund which consists of the legally mandated Educational Account and Working Cash Account is the general operating fund of the District and is always classified as a major fund. It is used to account for revenues and expenditures which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds. Included in the Educational Account is the District's food service operation. The food service operating is a self-supporting activity; however, measurement of profit and loss is not an objective. This method of reporting is required for reports filed with the ISBE.

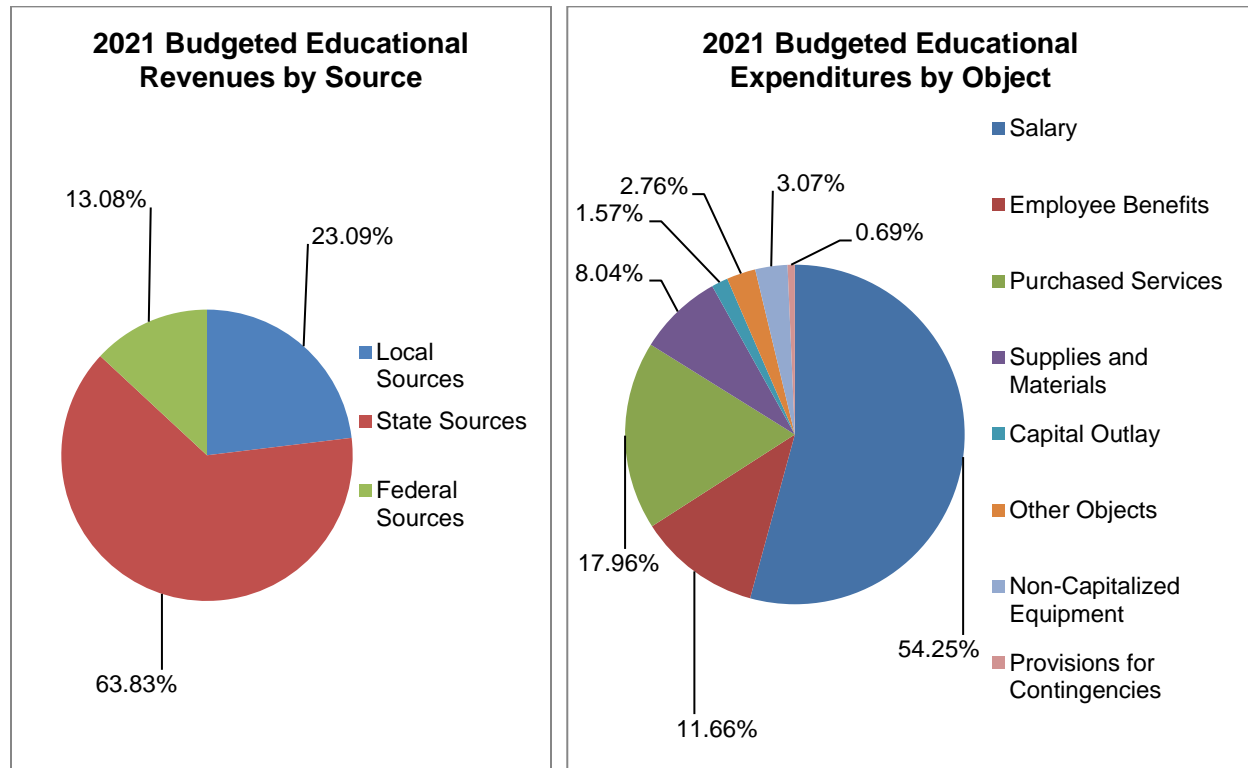
Educational Fund – The educational fund is the District's largest financial fund, accounting for \$220,000,253, or 86.23% of budgeted FY21 operating expenditures. All expenses for educational instruction and support services are paid from this fund, including \$133,848,096 in salaries and \$21,577,401 in benefits to support 20.1 students per classroom teacher ratio, for 1,155 professional certificated support personnel and 913 non-certificated support staff. Expenses for professional purchased services, (\$29,542,846); classroom supplies, (\$15,852,446); other objects, (\$6,875,484); non-capitalized equipment, (\$7,830,122); and capital outlay (\$2,716,741) directly support the educational mission and are also paid from this fund.

Overall, fund revenues decreased by 1.27% compared to the previous year. Overall fund expenditures increased 18.96% compared to the previous year due to staffing additions, certificated labor compensation, technology enhancements, and security measures. The District needs to monitor fund expenditures more closely, because fund balance is projected to decline in the next three years due to \$10,000,000 transfers out of the education fund to capital projects fund because of the Districts 10-year capital improvement plan and that trend is projected to continue through FY23.

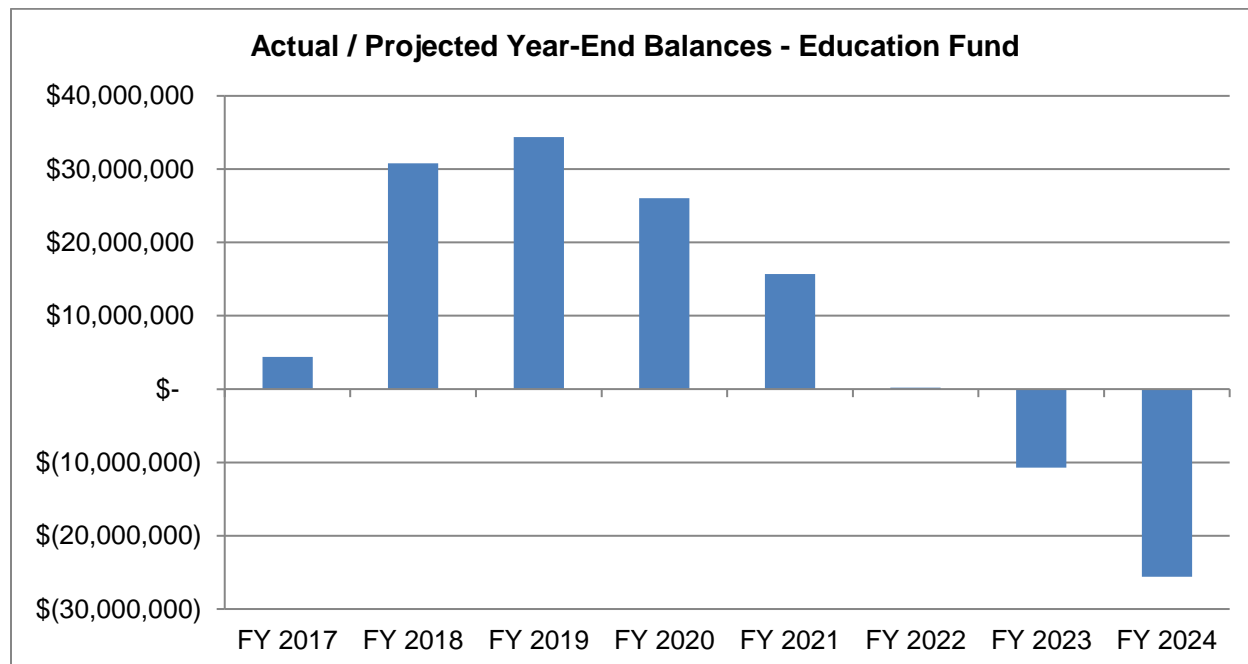
Education Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 37,044,737	\$ 37,466,929	\$ 39,117,779	\$ 37,534,473	\$ 35,611,450	\$ 40,053,984	\$ 40,454,524	\$ 41,263,614
State Sources	104,925,428	133,347,994	124,206,596	144,579,070	134,340,472	113,448,813	114,583,301	116,874,967
Federal Sources	18,955,307	20,920,916	19,164,717	21,509,603	31,112,823	20,495,100	20,700,051	21,114,052
TOTAL REVENUES	160,925,472	191,735,839	182,489,092	203,623,146	201,064,745	173,997,897	175,737,876	179,252,633
EXPENDITURES								
Salary	114,595,410	115,892,942	121,742,020	127,297,975	133,848,096	121,843,685	126,717,432	131,786,129
Employee Benefits	22,012,749	18,147,791	22,674,709	23,405,329	21,577,401	23,323,665	24,256,612	25,226,876
Purchased Services	16,357,753	18,618,467	19,302,574	17,784,269	29,542,846	19,451,005	20,229,045	21,038,207
Supplies and Materials	4,987,151	5,729,191	7,358,926	8,108,850	15,852,446	8,992,583	9,352,286	9,726,377
Capital Outlay	280,415	265,104	419,814	1,269,582	2,716,741	297,114	308,999	321,359
Other Objects	4,835,608	6,059,511	5,130,593	5,791,969	6,875,484	5,123,581	5,328,524	5,541,665
Non-Capitalized Equipment	833,226	418,149	2,193,972	1,283,873	7,830,122	459,026	477,387	496,482
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	1,757,117	-	-	-
TOTAL EXPENDITURES	163,902,312	165,131,155	178,822,608	184,941,847	220,000,253	179,490,659	186,670,285	194,137,095
SURPLUS/(DEFICIT)	(2,976,840)	26,604,684	3,666,484	18,681,299	(18,935,508)	(5,492,762)	(10,932,409)	(14,884,462)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	-	-	-	-	-	-	-	-
Other Financing Uses	(299,051)	(207,035)	(64,183)	(10,000,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	(299,051)	(207,035)	(64,183)	(10,000,000)	-	-	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(3,275,891)	26,397,649	3,602,301	8,681,299	(18,935,508)	(5,492,762)	(10,932,409)	(14,884,462)
BEGINNING FUND BALANCE	7,661,206	4,385,315	30,782,964	34,385,265	42,683,443	15,709,629	216,867	(10,715,542)
ENDING FUND BALANCE	\$ 4,385,315	\$ 30,782,964	\$ 34,385,265	\$ 43,066,564	\$ 23,747,935	\$ 10,216,867	\$ (10,715,542)	\$ (25,600,004)
FUND BALANCE AS % OF EXPENDITURES	2.68%	18.64%	19.23%	23.29%	10.79%	5.69%	-5.74%	-13.19%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	0.32	2.24	2.31	2.79	1.30	0.68	-0.69	-1.58

Education Fund Revenue vs. Expenditure



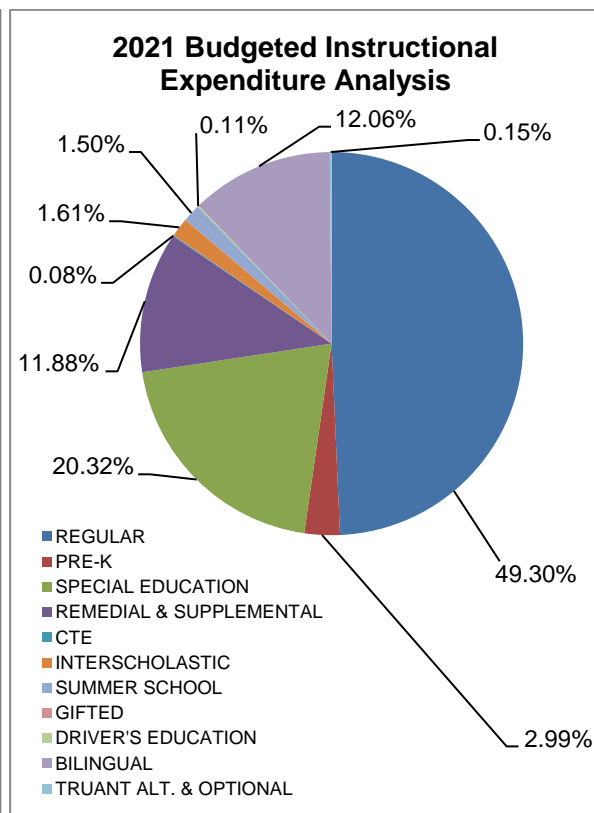
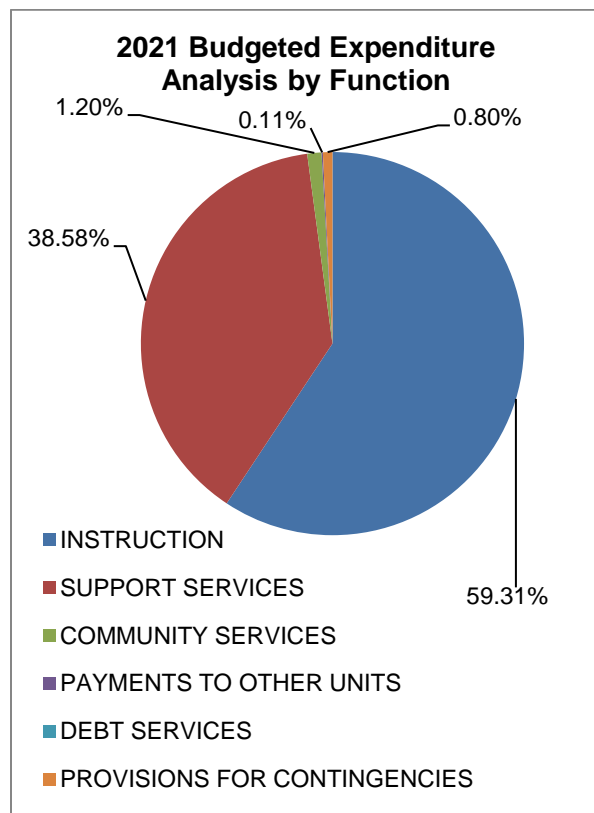
Education Fund Year-End Fund Balance



Education Fund Expenditure by Function

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
INSTRUCTION								
Regular Programs	\$ 53,814,761	\$ 55,160,388	\$ 61,565,010	\$ 59,011,964	\$ 64,330,402	\$ 58,932,952	\$ 61,290,269	\$ 63,741,880
Pre-K Programs	2,304,300	2,309,341	2,783,586	3,050,655	3,899,306	2,523,456	2,624,394	2,729,370
Special Education Programs	25,753,823	27,483,213	28,610,996	32,244,394	26,515,809	28,203,207	29,331,334	30,504,587
Remedial & Supplemental Programs	6,187,475	6,063,527	5,954,593	6,543,725	15,506,328	6,775,950	7,046,988	7,328,868
CTE Programs	111,018	105,905	103,617	101,207	105,699	121,577	126,440	131,498
Interscholastic Programs	1,547,884	1,776,305	1,985,330	2,062,672	2,095,174	1,695,098	1,762,902	1,833,418
Summer School Programs	94,396	48,217	21,719	262,872	1,952,150	103,374	107,509	111,809
Gifted Programs	-	4,189	22	-	-	-	-	-
Driver's Education Programs	176,983	147,695	155,440	150,346	148,171	193,815	201,568	209,631
Bilingual Programs	11,380,877	11,437,392	12,426,781	13,988,580	15,736,371	12,463,284	12,961,815	13,480,288
Truant Alt. & Optional Programs	702,795	378,997	189,602	201,749	194,782	769,636	800,422	832,438
TOTAL INSTRUCTION	102,074,312	104,915,169	113,796,696	117,618,164	130,484,192	111,782,349	116,253,642	120,903,787
SUPPORT SERVICES								
Pupils	17,829,332	17,919,013	19,508,197	20,382,829	23,103,802	19,525,036	20,306,037	21,118,279
Instructional Staff	10,517,268	10,286,916	11,368,492	12,013,205	14,622,160	11,517,539	11,978,241	12,457,370
General Administration	871,192	859,869	1,069,099	1,231,718	1,371,460	954,049	992,211	1,031,900
School Administration	8,258,295	6,730,787	7,062,521	8,105,597	7,972,200	9,043,721	9,405,470	9,781,689
Business	15,898,033	15,832,368	15,230,625	14,976,394	17,165,477	17,410,057	18,106,458	18,830,716
Central	6,690,042	6,546,303	8,081,382	7,839,824	18,601,298	7,326,315	7,619,368	7,924,143
Other	691,291	968,420	1,464,751	1,347,855	2,044,879	757,038	787,319	818,812
TOTAL SUPPORT SERVICES	60,755,453	59,144,676	63,785,067	65,897,422	84,881,276	66,533,755	69,195,105	71,962,909
COMMUNITY SERVICES	871,246	1,007,933	1,213,901	1,294,135	2,646,732	954,108	992,273	1,031,964
PAYMENTS TO OTHER GOVERNMENTAL UNITS	201,301	63,377	26,944	132,126	230,936	220,447	229,265	238,435
DEBT SERVICES	-	-	-	-	-	-	-	-
PROVISION FOR CONTINGENCIES	-	-	-	-	1,757,117	-	-	-
TOTAL EXPENDITURES	\$ 163,902,312	\$ 165,131,155	\$ 178,822,608	\$ 184,941,847	\$ 220,000,253	\$ 179,490,659	\$ 186,670,285	\$ 194,137,095

Education Fund Expenditure by Function



Working Cash Fund – The working cash fund accumulates tax and interest revenues to address financial needs arising in any of the other financial funds. The working cash fund also serves as a temporary holding fund for dollars to be distributed to other funds. Working cash funds are reserved to meet unanticipated needs, or to provide liquidity into other funds during periods of limited resources.

At the end of FY17, working cash fund balances accumulated from a 2017 working cash general obligation/refunding bond issue of \$6.965M. The District expects a budgeted ending fund balance of \$27,208,055 at the end of FY21.

Working Cash Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 204,210	\$ 132,083	\$ 73,376	\$ 142,875	\$ 79,199	\$ 293,478	\$ 293,478	\$ 293,478
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Flow-Through	-	-	-	-	-	-	-	-
TOTAL REVENUES	204,210	132,083	73,376	142,875	79,199	293,478	293,478	293,478
EXPENDITURES								
Salary	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Non-Capitalized Equipment	-	-	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-	-
SURPLUS/(DEFICIT)	204,210	132,083	73,376	142,875	79,199	293,478	293,478	293,478
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	6,218,302	-	-	-	-	-	-	-
Other Financing Uses	-	(6,000,000)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	6,218,302	(6,000,000)	-	-	-	-	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	6,422,512	(5,867,917)	73,376	142,875	79,199	293,478	293,478	293,478
BEGINNING FUND BALANCE	26,421,686	32,844,198	26,976,281	27,049,657	27,128,856	27,208,055	27,501,533	27,795,011
ENDING FUND BALANCE	\$ 32,844,198	\$ 26,976,281	\$ 27,049,657	\$ 27,192,532	\$ 27,208,055	\$ 27,501,533	\$ 27,795,011	\$ 28,088,489

Special Revenue Funds – Special Revenue Funds, which includes the Operations and Maintenance Fund, the Transportation Fund, the Municipal Retirement Fund and the Tort Fund, are used to account for the proceeds of specified revenue sources (other than those accounted for in the Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes.

Operations and Maintenance Fund – The Operations and Maintenance Department consists of 129 full-time employees with 5 administrators overseeing 88 building custodians, 34 maintenance personnel, and 2 office staff. Custodians perform daily cleaning functions and minor preventative maintenance work for 28 district buildings whereas the maintenance staff perform skilled work such as electrical, HVAC maintenance, plumbing, painting, window glazing, carpentry, locksmith, and auto/truck mechanical repairs. Other maintenance employees operate our District warehouse, deliver mail and packages to school sites, and landscaping.

This staff has been heavily involved with outside contractors in many beautification projects by getting these old buildings to look eye appealing. Landscaping, tuck pointing, painting of cyclone fences outside and painting of walls inside has been done so that the students and community approaching and entering the building see a warm and pleasing area where they feel welcome and will be willing to learn in a beautifully pleasing atmosphere.

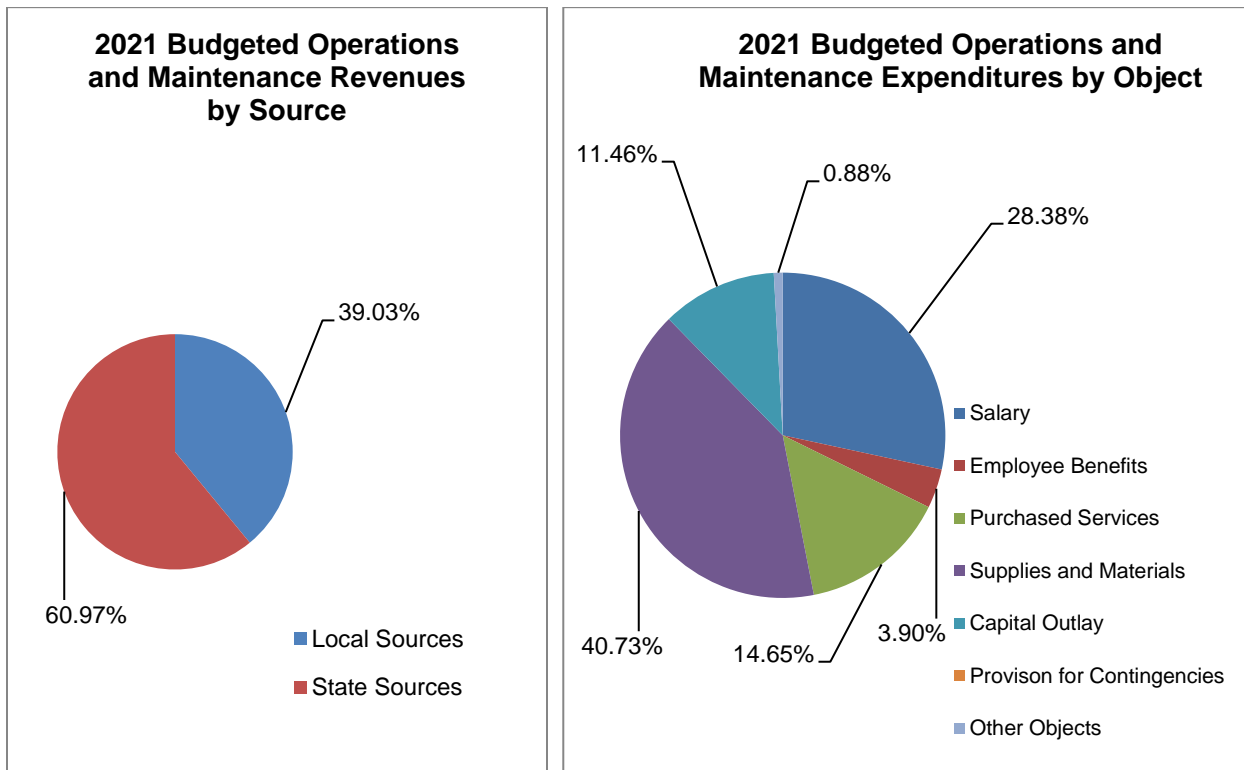
Architects have recently completed the decennial Health and Life Safety plan where there were many deficiencies noted as priority "A" items that need to be addressed within 1 year of the filing of the study with the state. The Custodial/Maintenance personnel have been busy completing many of those simpler projects while contractors have been contracted to do the larger scale projects.

This department has also been heavily involved in creating a capital plan which includes school building air conditioning projects, boiler and roof replacements, flooring upgrades, gymnasium upgrades, parking lot repaving, etc.

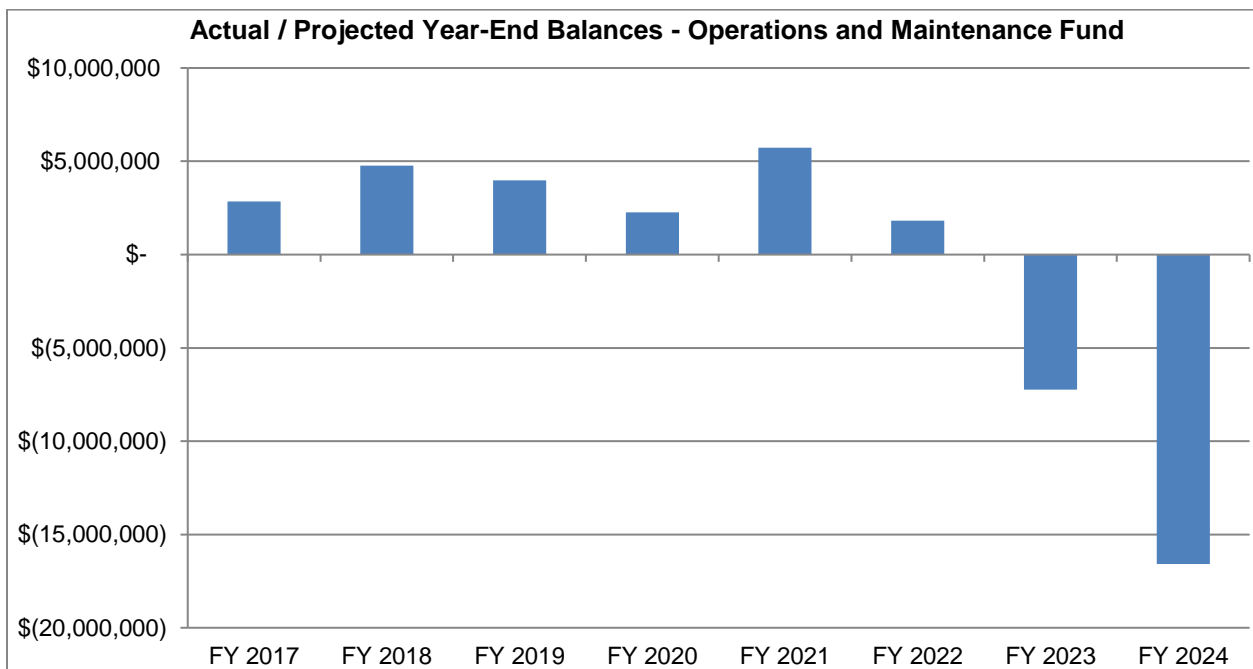
Operations and Maintenance Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 4,549,158	\$ 5,053,898	\$ 5,428,328	\$ 5,612,269	\$ 6,018,709	\$ 4,183,687	\$ 4,183,687	\$ 4,183,687
State Sources	1,837,684	112,014	8,847,402	950,000	9,400,176	1,690,048	1,690,048	1,690,048
Federal Sources	-	-	-	-	-	-	-	-
TOTAL REVENUES	6,386,842	5,165,912	14,275,730	6,562,269	15,418,885	5,873,735	5,873,735	5,873,735
EXPENDITURES								
Salary	2,518,074	2,892,206	3,200,105	3,118,974	3,206,739	3,150,533	4,799,929	4,895,927
Employee Benefits	440,423	365,092	358,182	441,345	441,345	551,043	839,530	856,320
Purchased Services	1,947,581	1,370,542	3,668,239	1,098,736	1,656,288	2,494,214	3,800,006	3,876,006
Supplies and Materials	3,187,829	3,424,262	3,445,921	3,101,814	4,604,267	2,111,758	3,217,324	3,281,670
Capital Outlay	5,188,193	1,705,477	4,225,354	439,147	1,295,000	1,486,629	2,264,921	2,310,220
Other Objects	1,700	-	254	-	100,000	-	-	-
Non-Capitalized Equipment	44,227	36,598	23,654	59,697	-	-	-	-
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	13,328,027	9,794,177	14,921,709	8,259,713	11,303,639	9,794,177	14,921,709	15,220,143
SURPLUS/(DEFICIT)	(6,941,185)	(4,628,265)	(645,979)	(1,697,444)	4,115,246	(3,920,442)	(9,047,974)	(9,346,408)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	3,000,000	13,361,300	-	10,700,000	-	10,000,000	-	-
Other Financing Uses	(11,216)	(6,809,660)	(148,680)	(10,716,940)	-	(10,000,000)	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	2,988,784	6,551,640	(148,680)	(16,940)	-	-	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(3,952,401)	1,923,375	(794,659)	(1,714,384)	4,115,246	(3,920,442)	(9,047,974)	(9,346,408)
BEGINNING FUND BALANCE	6,798,515	2,846,114	4,769,489	3,974,830	1,620,616	5,735,862	1,815,420	(7,232,554)
ENDING FUND BALANCE	\$ 2,846,114	\$ 4,769,489	\$ 3,974,830	\$ 2,260,446	\$ 5,735,862	\$ 1,815,420	\$ (7,232,554)	\$ (16,578,962)
FUND BALANCE AS % OF EXPENDITURES	21.35%	48.70%	26.64%	27.37%	50.74%	18.54%	-48.47%	-108.93%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	2.56	5.84	3.20	3.28	6.09	2.22	-5.82	-13.07

Operations and Maintenance Fund Revenue vs. Expenditure



Operations and Maintenance Fund Year-End Fund Balance



Operations and Maintenance Fund Expenditure by Function

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED 2022	PROJECTED 2023	PROJECTED 2024
INSTRUCTION								
Regular Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-K Programs	-	-	-	-	-	-	-	-
Special Education Programs	-	-	-	-	-	-	-	-
Remedial & Supplemental Programs	-	-	-	-	-	-	-	-
CTE Programs	-	-	-	-	-	-	-	-
Interscholastic Programs	-	-	-	-	-	-	-	-
Summer School Programs	-	-	-	-	-	-	-	-
Driver's Education Programs	-	-	-	-	-	-	-	-
Bilingual Programs	-	-	-	-	-	-	-	-
Truant Alt. & Optional Programs	-	-	-	-	-	-	-	-
TOTAL INSTRUCTION	-	-	-	-	-	-	-	-
SUPPORT SERVICES								
Pupils	-	-	-	-	-	-	-	-
Instructional Staff	-	-	-	-	-	-	-	-
General Administration	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-
Business	13,278,092	9,794,177	14,421,709	8,259,713	11,303,639	9,757,482	14,865,803	15,163,119
Central	-	-	-	-	-	-	-	-
Other	49,935	-	500,000	-	-	36,695	55,906	57,024
TOTAL SUPPORT SERVICES	13,328,027	9,794,177	14,921,709	8,259,713	11,303,639	9,794,177	14,921,709	15,220,143
COMMUNITY SERVICES	-	-	-	-	-	-	-	-
PAYMENTS TO OTHER GOVERNMENTAL UNITS	-	-	-	-	-	-	-	-
DEBT SERVICES	-	-	-	-	-	-	-	-
PROVISION FOR CONTINGENCIES	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 13,328,027	\$ 9,794,177	\$ 14,921,709	\$ 8,259,713	\$ 11,303,639	\$ 9,794,177	\$ 14,921,709	\$ 15,220,143

Transportation Fund – District 60 has outsourced its student transportation since the early 1990s. To be fiscally responsible, triple-tier routing is scheduled whenever possible. There are 27 triple-tier routes and 43 double-tier routes currently being driven on a daily basis. There are 125 drivers and 83 monitors that are contracted through the transportation carrier transporting approximately 6300 students from age Pre-K through high school daily to one Pre-K center, 15 elementary schools, 5 middle schools, and 1 consolidated high school featuring two campuses. This year, 2 district staff members were hired to provide a shuttle service transporting high school students between these two campuses.

There are 4 buses that transport approximately 135 high school students to the Lake County Area Tech Campus which is about 10 miles west of Waukegan in Grayslake, IL four times per day so students can learn about wood working, auto mechanics, cosmetology and other career fields utilizing state-of-the-art technology.

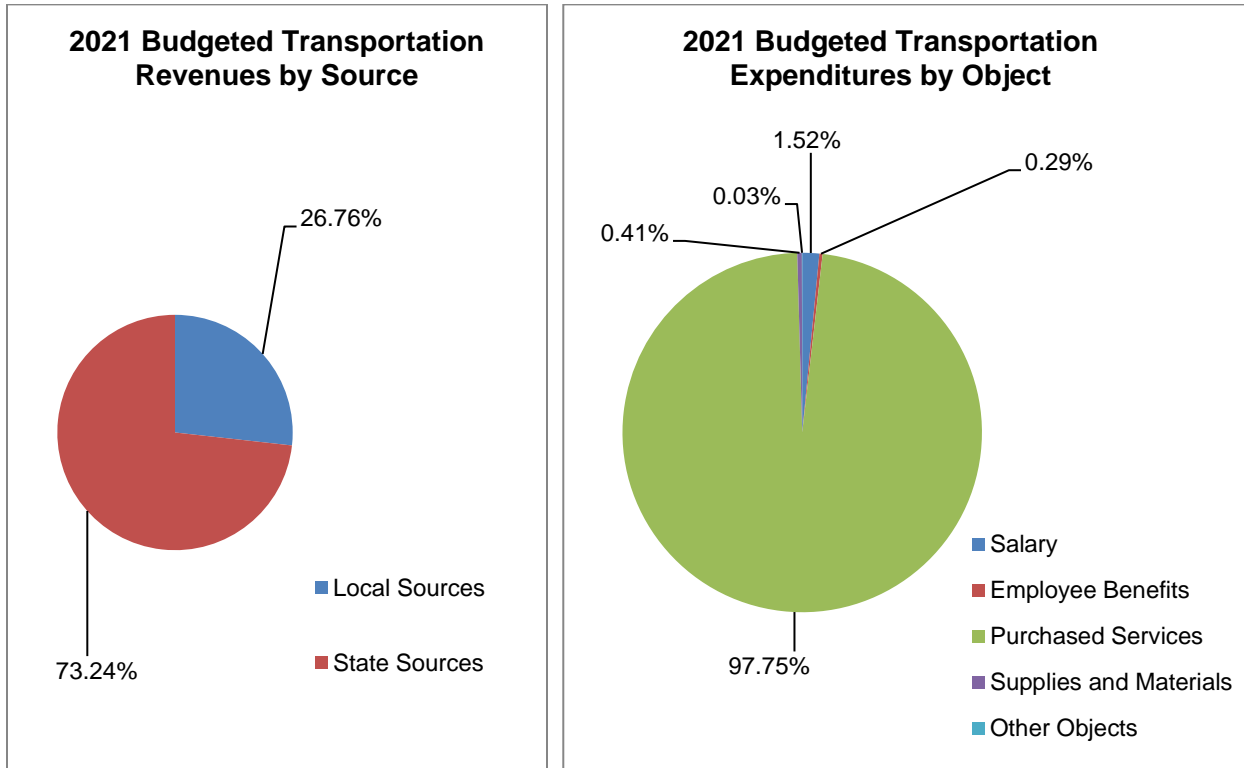
District 60 has its own Diverse Learners program throughout the district so many of the routes also have monitors to assist the bus driver with crowd control inside the bus as well as to ensure the students cross the street safely before they load or after they disembark from the bus. All buses are equipped with video recording equipment to monitor activity to help control behavior on the buses.

Other transportation services handled by the contractor include delivering pre-school students to and from school at midday, charters for athletic contests, field trips, and coordinate the evacuation drills with the various schools throughout the school year.

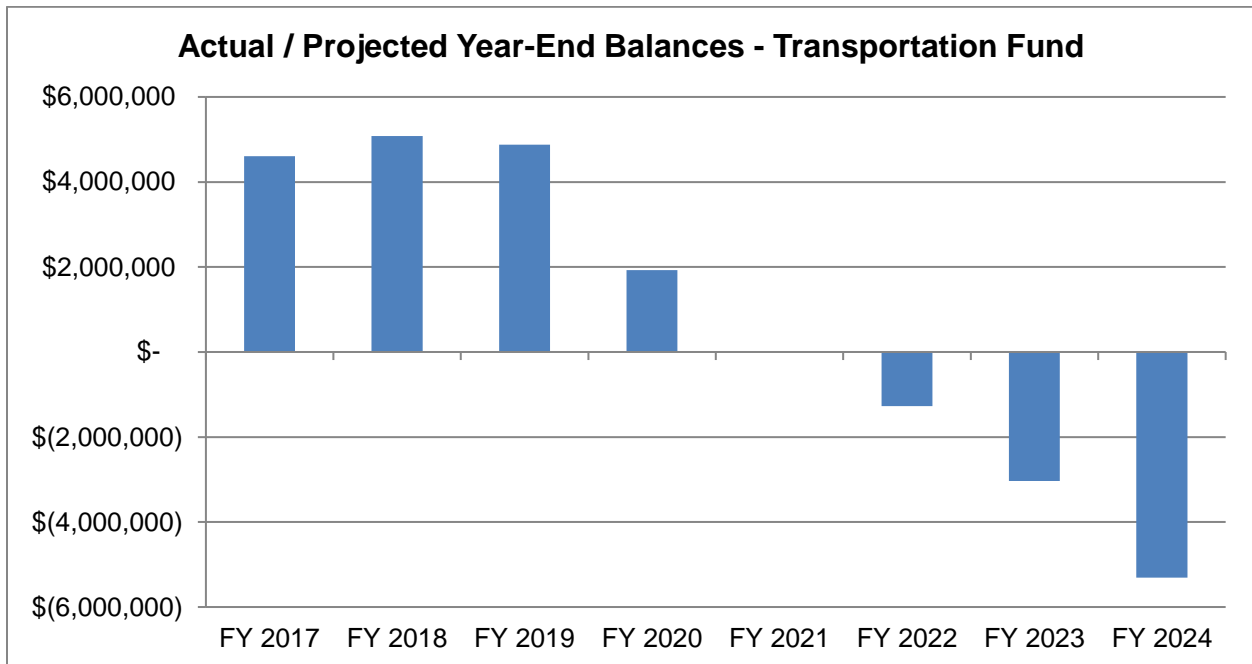
Transportation Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 8,359,380	\$ 6,158,300	\$ 4,181,082	\$ 2,706,753	\$ 2,960,167	\$ 7,117,603	\$ 7,117,603	\$ 7,117,603
State Sources	4,540,322	7,953,485	6,505,511	6,713,619	8,101,738	3,865,862	3,865,862	3,865,862
Federal Sources	-	-	-	-	-	-	-	-
TOTAL REVENUES	12,899,702	14,111,785	10,686,593	9,420,372	11,061,905	10,983,465	10,983,465	10,983,465
EXPENDITURES								
Salary	65,744	130,489	184,874	210,768	197,833	82,416	85,713	89,141
Employee Benefits	9,932	20,171	30,599	37,985	37,985	12,451	12,949	13,467
Purchased Services	9,679,556	9,898,548	10,642,745	12,097,885	12,691,395	12,134,225	12,619,594	13,124,378
Supplies and Materials	21,404	28,354	31,376	23,445	52,500	26,831	27,904	29,020
Capital Outlay	-	-	-	-	-	-	-	-
Other Objects	-	-	-	3,817	4,000	-	-	-
Non-Capitalized Equipment	-	-	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	9,776,636	10,077,562	10,889,594	12,373,900	12,983,713	12,255,923	12,746,160	13,256,006
SURPLUS/(DEFICIT)	3,123,066	4,034,223	(203,001)	(2,953,528)	(1,921,808)	(1,272,458)	(1,762,695)	(2,272,541)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	-	-	-	1,000	-	-	-	-
Other Financing Uses	(3,000,000)	(3,561,300)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	(3,000,000)	(3,561,300)	-	1,000	-	-	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	123,066	472,923	(203,001)	(2,952,528)	(1,921,808)	(1,272,458)	(1,762,695)	(2,272,541)
BEGINNING FUND BALANCE	4,486,394	4,609,460	5,082,383	4,879,382	1,921,808	-	(1,272,458)	(3,035,153)
ENDING FUND BALANCE	\$ 4,609,460	\$ 5,082,383	\$ 4,879,382	\$ 1,926,854	\$ -	\$ (1,272,458)	\$ (3,035,153)	\$ (5,307,694)
FUND BALANCE AS % OF EXPENDITURES	47.15%	50.43%	44.81%	15.57%	0.00%	-10.38%	-23.81%	-40.04%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	5.66	6.05	5.38	1.87	0.00	-1.25	-2.86	-4.80

Transportation Fund Revenue vs. Expenditure



Transportation Fund Year-End Fund Balance



Municipal Retirement Fund – The Municipal Retirement Fund captures the district’s financial obligations associated with TRS, THIS, Medicare, and FICA, along with the tax revenues required to meet these obligations.

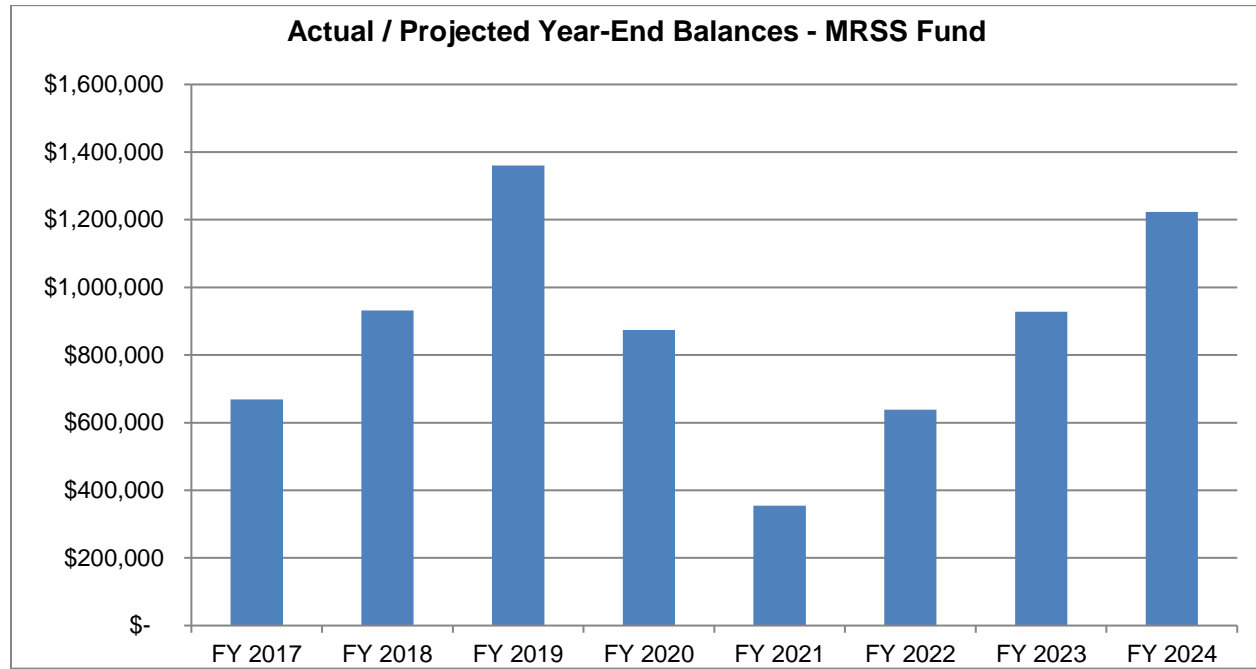
Certificated teachers do not pay into the Social Security System (SSS), but do pay 9.0% of their salary into the Illinois Teacher Retirement System (TRS), .88% into the Teacher Health Insurance System (THIS), and .0145% into Medicare. For each certificated teacher, the district contributes .58% of salary to TRS, .92% to THIS, and .0145% to Medicare.

Non-certificated employees do pay into the Social Security System (SSS), and participate in the Illinois Municipal Retirement Fund (IMRF). Non-certificated employees pay 4.5% of their salary into IMRF and 7.65% into the Federal Insurance Contribution Act (FICA). For each non-certificated employee, the District contributes 8.63% of salary into IMRF and 7.65% into FICA.

Municipal Retirement Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 6,249,775	\$ 6,935,728	\$ 7,301,586	\$ 7,014,424	\$ 7,002,361	\$ 6,655,518	\$ 6,788,628	\$ 6,924,401
State Sources	800,000	-	-	-	-	851,937	868,976	886,355
Federal Sources	-	-	-	-	-	-	-	-
TOTAL REVENUES	7,049,775	6,935,728	7,301,586	7,014,424	7,002,361	7,507,455	7,657,604	7,810,756
EXPENDITURES								
Salary	-	-	-	-	-	-	-	-
Employee Benefits	6,370,412	6,673,551	6,872,770	7,500,246	7,500,247	7,223,666	7,368,139	7,515,502
Purchased Services	-	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Non-Capitalized Equipment	-	-	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	6,370,412	6,673,551	6,872,770	7,500,246	7,500,247	7,223,666	7,368,139	7,515,502
SURPLUS/(DEFICIT)	679,363	262,177	428,816	(485,822)	(497,886)	283,789	289,465	295,254
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	-	-	-	-	-	-	-	-
Other Financing Uses	(189,225)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	(189,225)	-	-	-	-	-	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	490,138	262,177	428,816	(485,822)	(497,886)	283,789	289,465	295,254
BEGINNING FUND BALANCE	178,900	669,038	931,215	1,360,031	852,143	354,257	638,046	927,511
ENDING FUND BALANCE	\$ 669,038	\$ 931,215	\$ 1,360,031	\$ 874,209	\$ 354,257	\$ 638,046	\$ 927,511	\$ 1,222,765
FUND BALANCE AS % OF EXPENDITURES	10.50%	13.95%	19.79%	11.66%	4.72%	8.83%	12.59%	16.27%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	1.26	1.67	2.37	1.40	0.57	1.06	1.51	1.95

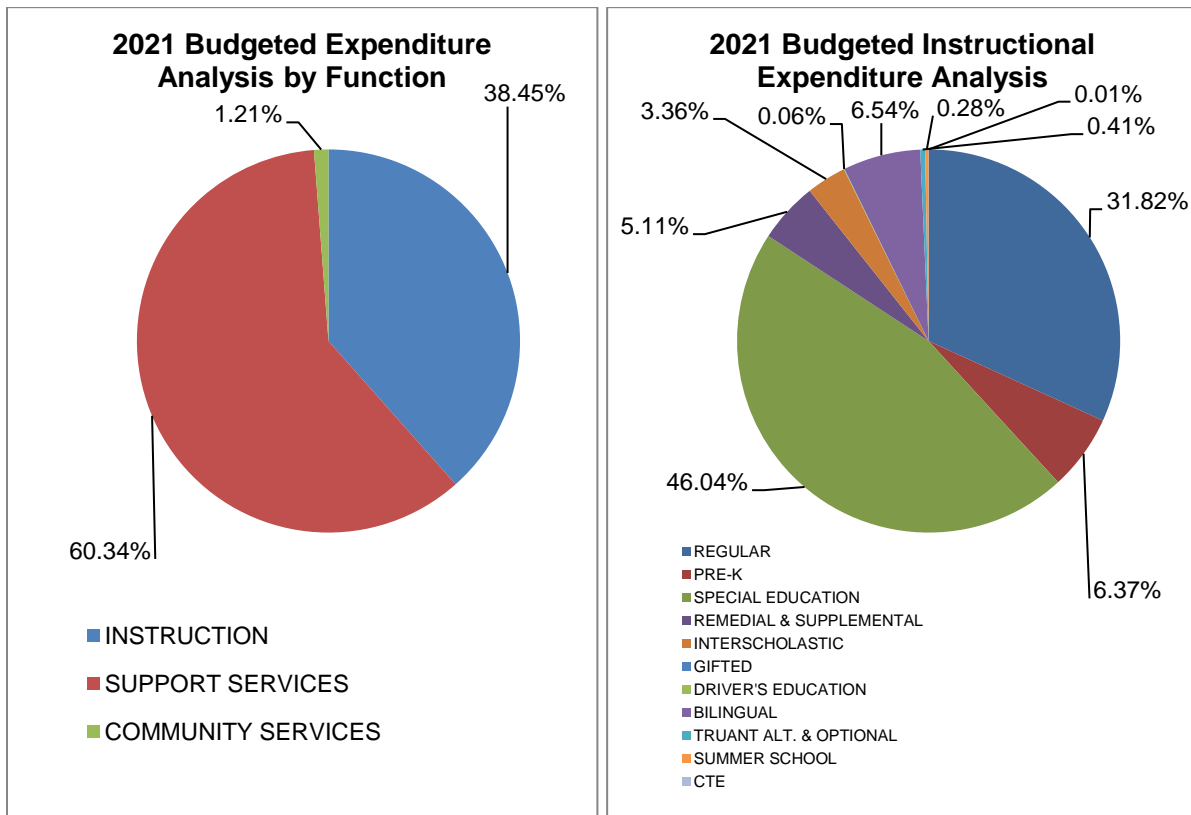
Municipal Retirement Fund Year-End Fund Balance



Municipal Retirement Fund Expenditure by Function

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
INSTRUCTION								
Regular Programs	\$ 838,158	\$ 898,647	\$ 902,321	\$ 918,128	\$ 917,652	\$ 950,421	\$ 969,430	\$ 988,818
Pre-K Programs	104,702	118,145	129,688	158,561	183,527	118,725	121,100	123,522
Special Education Programs	1,028,489	1,125,108	1,163,014	1,416,461	1,327,523	1,166,244	1,189,569	1,213,360
Remedial & Supplemental Programs	88,305	84,874	90,246	83,403	147,430	100,133	102,136	104,178
CTE Programs	-	-	23	47	105	-	-	-
Interscholastic Programs	60,935	61,411	80,749	97,102	97,043	69,097	70,479	71,889
Summer School Programs	3,170	1,670	781	7,617	8,030	3,595	3,666	3,740
Gifted Programs	-	59	-	-	-	-	-	-
Driver's Education Programs	1,972	1,721	1,701	1,713	1,713	2,236	2,281	2,327
Bilingual Programs	168,664	163,542	223,140	188,550	188,550	191,255	195,080	198,981
Truant Alt. & Optional Programs	16,856	12,826	11,509	11,957	11,958	19,114	19,496	19,886
TOTAL INSTRUCTION	2,311,251	2,468,003	2,603,172	2,883,539	2,883,531	2,620,820	2,673,237	2,726,701
SUPPORT SERVICES								
Pupils	972,638	1,043,613	1,044,722	1,220,536	1,220,511	1,102,914	1,124,972	1,147,472
Instructional Staff	438,304	423,436	483,169	477,952	488,857	497,011	506,951	517,090
General Administration	119,118	124,594	154,021	187,665	187,667	135,073	137,775	140,530
School Administration	425,225	404,698	394,881	436,131	436,131	482,180	491,823	501,660
Business	1,627,429	1,735,076	1,688,370	1,696,168	1,696,167	1,845,406	1,882,314	1,919,960
Central	381,373	359,498	365,409	379,930	402,773	432,454	441,103	449,925
Other	44,118	65,737	66,231	104,630	93,758	50,027	51,027	52,048
TOTAL SUPPORT SERVICES	4,008,205	4,156,652	4,196,803	4,503,012	4,525,864	4,545,065	4,635,965	4,728,685
COMMUNITY SERVICES	50,956	48,896	72,795	113,695	90,852	57,781	58,937	60,116
PAYMENTS TO OTHER GOVERNMENTAL UNITS	-	-	-	-	-	-	-	-
DEBT SERVICES	-	-	-	-	-	-	-	-
PROVISION FOR CONTINGENCIES	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 6,370,412	\$ 6,673,551	\$ 6,872,770	\$ 7,500,246	\$ 7,500,247	\$ 7,223,666	\$ 7,368,139	\$ 7,515,502

Municipal Retirement Fund Expenditure by Function



Tort Fund – District 60 utilizes the Tort Fund to charge insurance premiums other than health, life, and dental insurance, lawsuit settlements, most legal billings, and risk management programs that the district has initiated. For liability, property, building and contents, school board legal liability, and umbrella insurance coverage, District 60 belongs to a Co-Op with approximately 60 other school districts called the Suburban Schools Cooperative Insurance Program (SSCIP) where resources are pooled together to get the best coverage for the cheapest rate.

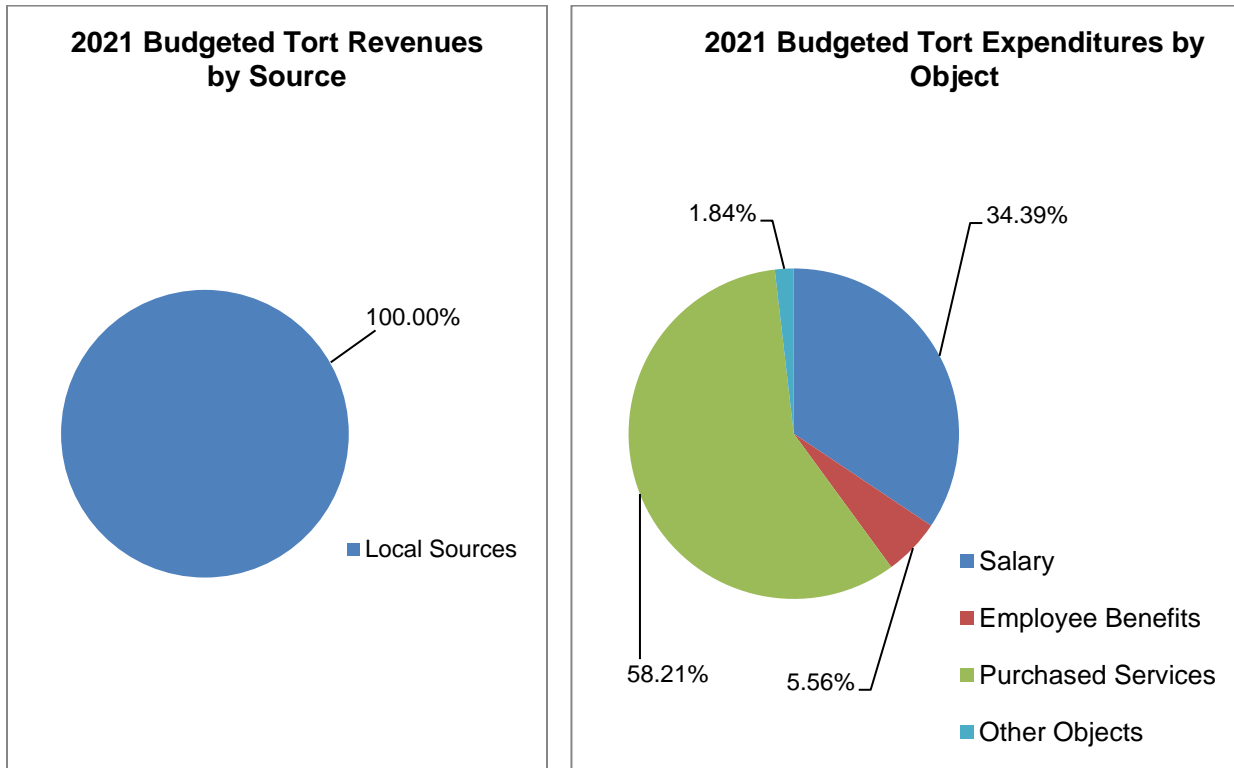
District 60's self-insured workers compensation program costs such as the actual workers compensation claims, the third party administrator's annual fees, and any costs associated with implementing loss prevention programs and trainings are charged here as well.

District 60 has a board approved risk management plan that charges a certain percentage of selected staff salaries and employee benefits for engaging in risk management activities; the District receives quarterly documents from these employees attesting that they have been engaged in risk exposure reduction activities for x % of the time. These employees by job title are building principals, nurses, safety and security directors, risk manager, superintendent of schools, the director of operations and maintenance, manager of employer relations, associate superintendent for business and finance, the attorney on staff, operations and maintenance administrative personnel, and the transportation and crossing guard coordinator.

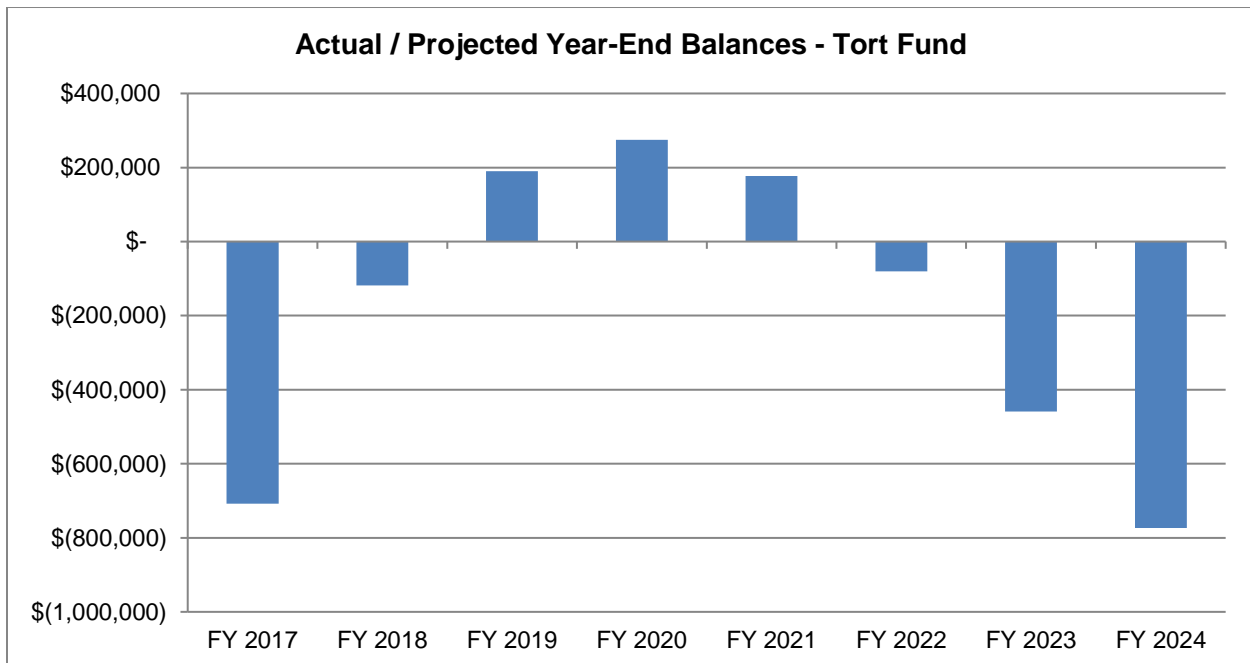
Tort Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 1,616,301	\$ 1,796,944	\$ 2,369,761	\$ 2,872,024	\$ 3,259,210	\$ 3,776,319	\$ 3,776,319	\$ 3,965,135
State Sources	-	1,979,375	1,200,000	900,000	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
TOTAL REVENUES	1,616,301	3,776,319	3,569,761	3,772,024	3,259,210	3,776,319	3,776,319	3,965,135
EXPENDITURES								
Salary	1,116,360	1,088,007	1,097,088	1,189,747	1,154,379	1,363,821	1,404,736	1,446,878
Employee Benefits	200,150	151,165	142,246	186,749	186,749	244,516	251,852	259,407
Purchased Services	1,925,382	1,851,624	2,016,154	2,249,150	1,953,868	2,352,177	2,422,743	2,495,425
Supplies and Materials	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Other Objects	60,000	96,039	5,780	61,407	61,407	73,300	75,499	77,764
Non-Capitalized Equipment	-	-	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,301,892	3,186,835	3,261,268	3,687,053	3,356,403	4,033,814	4,154,829	4,279,474
SURPLUS/(DEFICIT)	(1,685,591)	589,484	308,493	84,971	(97,193)	(257,495)	(378,510)	(314,339)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	-	-	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	-	-	-	-	-	-	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(1,685,591)	589,484	308,493	84,971	(97,193)	(257,495)	(378,510)	(314,339)
BEGINNING FUND BALANCE	977,823	(707,768)	(118,284)	190,209	274,325	177,132	(80,363)	(458,873)
ENDING FUND BALANCE	\$ (707,768)	\$ (118,284)	\$ 190,209	\$ 275,180	\$ 177,132	\$ (80,363)	\$ (458,873)	\$ (773,212)
FUND BALANCE AS % OF EXPENDITURES	-21.44%	-3.71%	5.83%	7.46%	5.28%	-1.99%	-11.04%	-18.07%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	-2.57	-0.45	0.70	0.90	0.63	-0.24	-1.33	-2.17

Tort Fund Revenue vs. Expenditure



Tort Fund Year-End Fund Balance



Capital Budget Funds

The district developed a ten-year facility plan to address the maintenance needs of the buildings. The facility plan is a proactive approach to facilitate the highest priority maintenance needs over a five-year period. The Finance and Facilities Departments review the district's priority list and develop an implementation plan that seeks to:

- Maintain buildings and equipment for the safety and security of the students/staff
- Maintain a healthy school environment
- Provide for energy conservation
- Protect the investment in the overall structure of district buildings
- Meet the requirements of the educational programs

Each year the charge of the Departments is to complete its deliberations and prioritize the ten-year plan no later than the end of the calendar year. The Departments report to the Board of Education on an ongoing basis. The FY21 capital improvement projects are part of the ten year plan shown below. These projects will be funded from the Capital Projects and Life Safety funds.

Capital Projects Fund – A Capital Projects fund that accounts for financial resources to be used for the acquisition, construction, or additions to major capital facilities.

Fire Prevention and Safety Fund – A Capital Projects fund used to account for financial resources to be used for activity relating to fire prevention and safety capital projects.

The 10-year Capital Improvement Plan is a ten-year plan that identifies building infrastructure needs for sustainability, major equipment replacement, capital projects, and provides for streamlined financial forecasting. The estimated cost of 10-year Capital Improvement Plan is \$122 million. Financially, the district plans to commit \$10,000,000 annually for years 1, 2 and 3 started in 2020. They will re-evaluate financial beginning with year 4 based on funding availability and project status. Any remaining funds after the yearly projects have been completed will be used towards playground pieces, school signs and/or marquees.

Capital Outlay – Waukegan School District

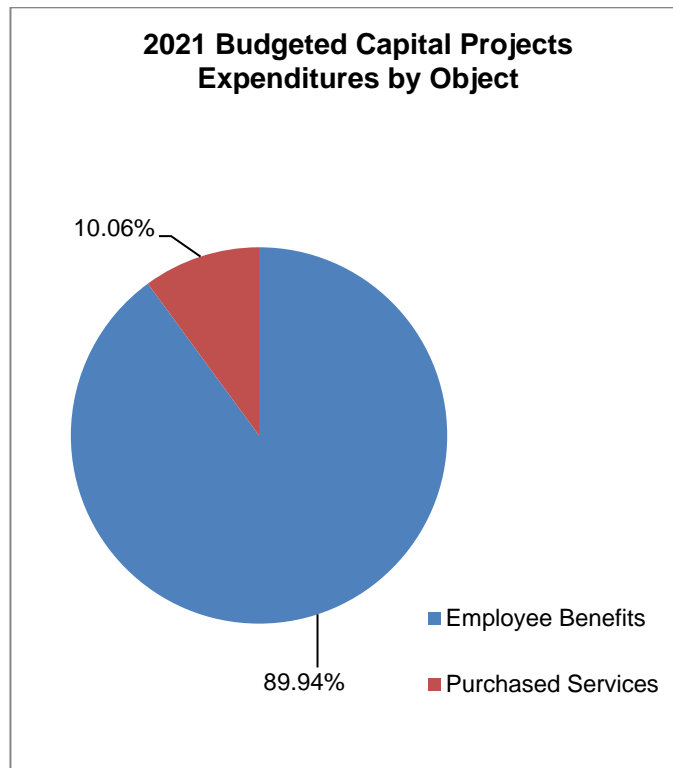
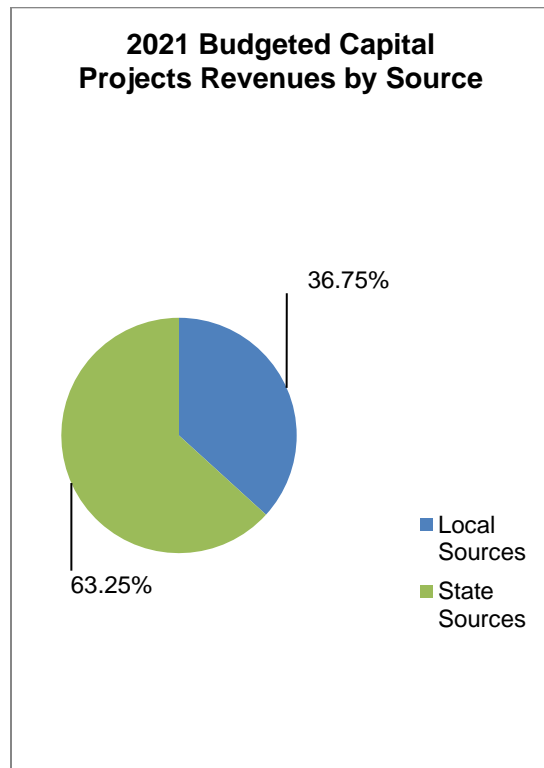
District facilities are inspected annually by the Lake County Regional Office of Education (ROE) for safety regulation compliance. Every ten years, Illinois State Board of Education (ISBE) sponsored architects and engineers formally inspect district facilities, identifying and prioritizing improvements, with remedial action mandated by law. To help fund major safety initiatives identified within this inspection, the district maintains levy authority within the fire prevention and life safety fund. The results of the District's ten-year life-safety study are summarized below:

	Total Costs
	FY 2020/2021
School Name	Priority
WHS - Brookside Campus	\$ 94,300
WHS - Washington Campus	309,167
WHS - AOEC	8,902
Daniel Webster Middle School	3,227,160
Miguel Juarez Middle School	105
Thomas Jefferson Middle School	100,333
Jack Benny Middle School	3,863,540
Robert Abbott Middle School	77,501
Whittier Elementary School	319,954
Washington Elementary School	524
Oakdale Elementary School	105
North Elementary School	5,498
H.R. McCall Elementary School	8,283
John S. Clark Elementary School	18,223
Lyon Magnet School	269,830
Little Fort Elementary School	44,825
Hyde Park Elementary School	12,044
Carman Buckner Elementary School	69,463
Greenwood Elementary School	432,792
Glen Flora Elementary School	36,656
Glenwood Elementary School	631,494
Andrew Cooke Magnet School	94,154
Clearview Elementary School	307,816
Robbie M. Lightfoot Early Learning Center	79,596
Total	\$ 10,012,266

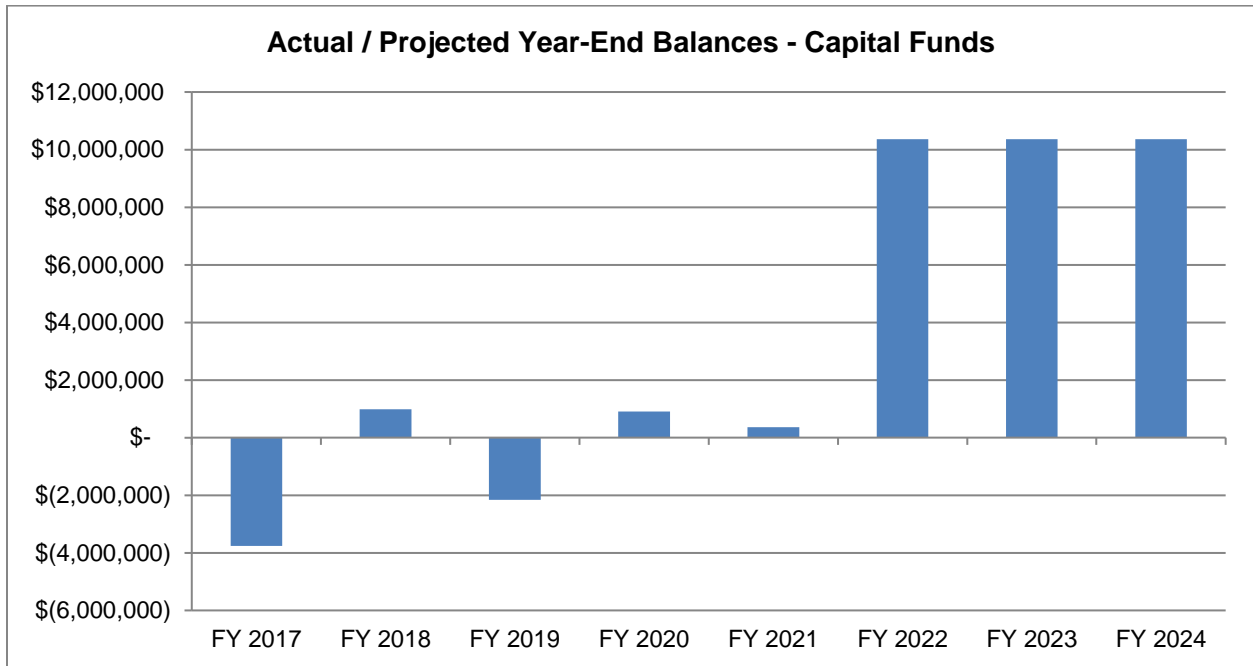
Capital Budget Funds Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 595,924	\$ 945,334	\$ 706,817	\$ 754,487	\$ 893,544	\$ 598,000	\$ 598,000	\$ 598,000
State Sources	-	-	-	-	1,537,771	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
TOTAL REVENUES	595,924	945,334	706,817	754,487	2,431,315	598,000	598,000	598,000
EXPENDITURES								
Salary	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	11,664,130	-	-	-
Purchased Services	179,075	641,543	149,529	79,926	1,304,889	-	-	-
Supplies and Materials	31	-	-	323	-	-	-	-
Capital Outlay	1,038,406	2,654,559	3,343,155	8,309,303	-	600,000	600,000	600,000
Other Objects	-	-	61,057	-	-	-	-	-
Non-Capitalized Equipment	-	-	2,854	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,217,512	3,296,102	3,556,595	8,389,552	12,969,019	600,000	600,000	600,000
SURPLUS/(DEFICIT)	(621,588)	(2,350,768)	(2,849,778)	(7,635,065)	(10,537,704)	(2,000)	(2,000)	(2,000)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	-	9,400,000	-	10,700,000	10,000,000	10,000,000	-	-
Other Financing Uses	-	(2,600,000)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	-	6,800,000	-	10,700,000	10,000,000	10,000,000	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(621,588)	4,449,232	(2,849,778)	3,064,935	(537,704)	9,998,000	(2,000)	(2,000)
BEGINNING FUND BALANCE	(3,138,047)	(3,759,635)	689,597	(2,160,181)	902,127	364,423	10,362,423	10,360,423
ENDING FUND BALANCE	\$ (3,759,635)	\$ 689,597	\$ (2,160,181)	\$ 904,754	\$ 364,423	\$ 10,362,423	\$ 10,360,423	\$ 10,358,423
FUND BALANCE AS % OF EXPENDITURES	-308.80%	20.92%	-60.74%	10.78%	2.81%	1727.07%	1726.74%	1726.40%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	-37.06	2.51	-7.29	1.29	0.34	207.25	207.21	207.17

Capital Budget Funds Revenue vs. Expenditure



Capital Budget Funds Year-End Fund Balance



Capital Projects Fund – the capital project fund is maintained to pool financial resources for major capital projects. The District can't levy for property taxes, instead the only additional sources of revenue come from investment earnings, builder contributions, and working cash transfers.

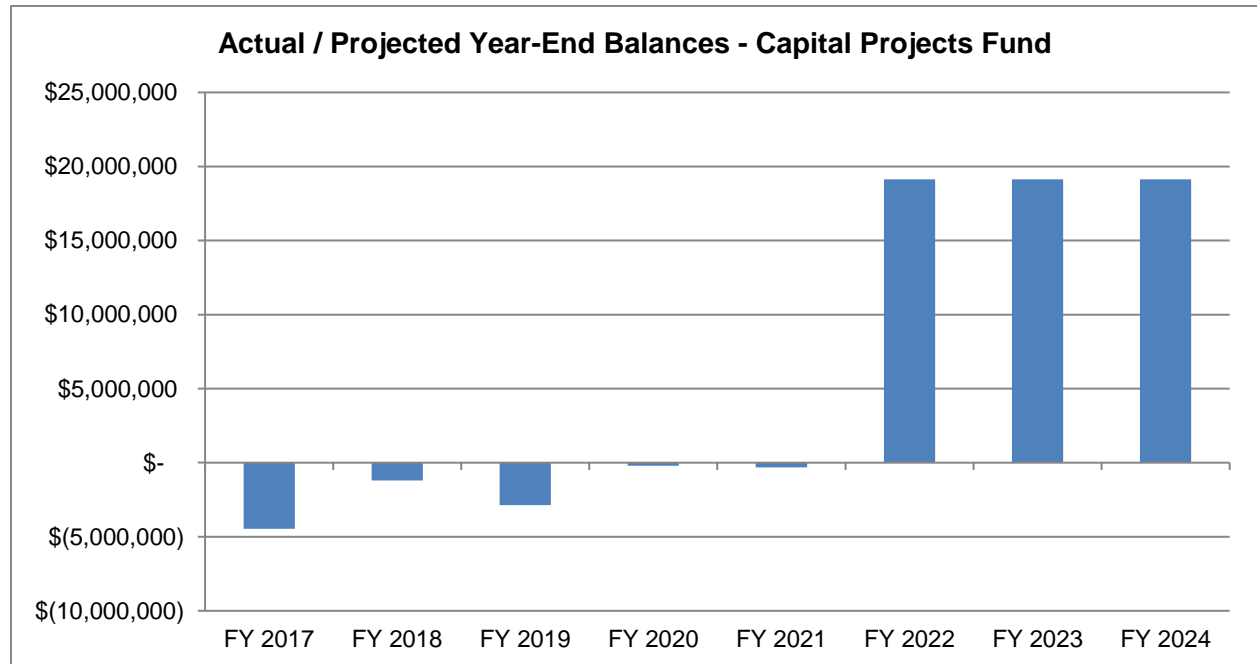
In FY15 the District received a school construction grant in the amount of \$4,025,571 from the State and a \$250,000 childhood learning center renovation grant. This has been the only major sources of revenue since then, while still experiencing capital outlay expenditures. The District continues to operate the capital projects fund with a negative fund balance while they access what corrective actions to take to bring the fund balance positive again.

The District completed a \$37.7M expansion project at 12 elementary schools, including the purchase and conversion of an armory into an early childhood development center. With these major improvements complete, the District can focus on ISBE ten-year life-safety prioritized improvements, which started in FY 20.

Capital Projects Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ -	\$ -	\$ 13,470	\$ 20,204	\$ 20,204	\$ -	\$ -	\$ -
State Sources	-	293,000	-	-	1,537,771	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	293,000	13,470	20,204	1,557,975	-	-	-
EXPENDITURES								
Salary	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	11,664,130	-	-	-
Purchased Services	-	553,350	-	-	-	-	-	-
Supplies and Materials	-	-	-	3,256	-	-	-	-
Capital Outlay	-	690,339	1,610,409	323	-	-	-	-
Other Objects	-	-	61,057	8,057,991	-	-	-	-
Non-Capitalized Equipment	-	-	2,854	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	1,243,689	1,674,320	8,061,570	11,664,130	-	-	-
SURPLUS/(DEFICIT)	-	(950,689)	(1,660,850)	(8,041,366)	(10,106,155)	-	-	-
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	-	6,800,000	-	10,700,000	10,000,000	10,000,000	-	-
Other Financing Uses	-	(2,600,000)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	-	4,200,000	-	10,700,000	10,000,000	10,000,000	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	-	3,249,311	(1,660,850)	2,658,634	(106,155)	10,000,000	-	-
BEGINNING FUND BALANCE	(4,456,181)	(4,456,181)	(1,206,870)	(2,867,720)	(209,086)	9,136,823	19,136,823	19,136,823
ENDING FUND BALANCE	\$ (4,456,181)	\$ (1,206,870)	\$ (2,867,720)	\$ (209,086)	\$ (315,241)	\$ 19,136,823	\$ 19,136,823	\$ 19,136,823
FUND BALANCE AS % OF EXPENDITURES	N/A	-97.04%	-171.28%	-2.59%	-2.70%	N/A	N/A	N/A
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	N/A	-11.64	-20.55	-0.31	-0.32	N/A	N/A	N/A

Capital Projects Fund Year-End Fund Balance



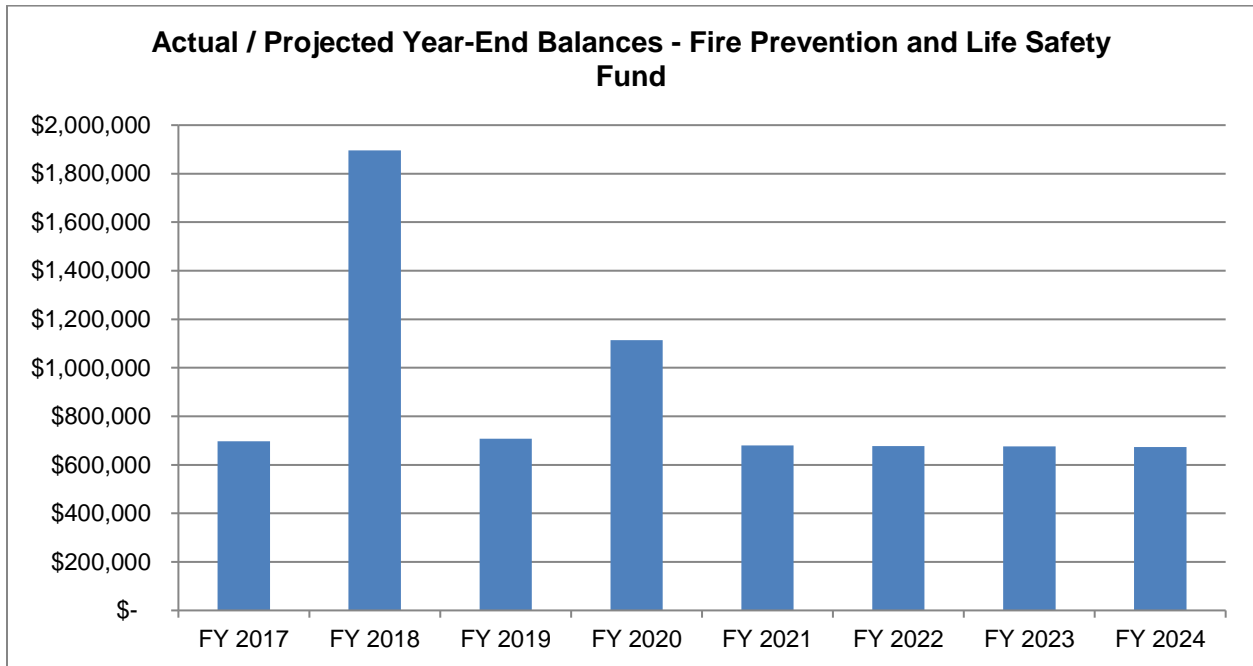
Fire Prevention and Life Safety Fund – The fire prevention and life safety fund is maintained to accumulate revenues to address physical safety issues within district facilities. These issues may include asbestos removal, internal air or water quality improvement, exit way and signage compliance, Americans With Disabilities Act (ADA) access, fire detection and suppression systems, structural issues, etc.

By the end of FY21, the district budgets an accumulated \$679,664 in the fire prevention and life safety fund. The District levies for and collects local property monies to be used for continued fire prevention and life safety capital projects. The district tentatively earmarked accumulated balances to address safety needs identified in the decennial ISBE inspection.

Fire Prevention and Life Safety Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 595,924	\$ 652,334	\$ 693,347	\$ 734,283	\$ 873,340	\$ 598,000	\$ 598,000	\$ 598,000
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
TOTAL REVENUES	595,924	652,334	693,347	734,283	873,340	598,000	598,000	598,000
EXPENDITURES								
Salary	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-	-
Purchased Services	179,075	88,193	149,529	76,670	1,304,889	-	-	-
Supplies and Materials	31	-	-	-	-	-	-	-
Capital Outlay	1,038,406	1,964,220	1,732,746	-	-	600,000	600,000	600,000
Other Objects	-	-	-	251,312	-	-	-	-
Non-Capitalized Equipment	-	-	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,217,512	2,052,413	1,882,275	327,982	1,304,889	600,000	600,000	600,000
SURPLUS/(DEFICIT)	(621,588)	(1,400,079)	(1,188,928)	406,301	(431,549)	(2,000)	(2,000)	(2,000)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	-	2,600,000	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	-	2,600,000	-	-	-	-	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(621,588)	1,199,921	(1,188,928)	406,301	(431,549)	(2,000)	(2,000)	(2,000)
BEGINNING FUND BALANCE	1,318,134	696,546	1,896,467	707,539	1,111,213	679,664	677,664	675,664
ENDING FUND BALANCE	\$ 696,546	\$ 1,896,467	\$ 707,539	\$ 1,113,840	\$ 679,664	\$ 677,664	\$ 675,664	\$ 673,664
FUND BALANCE AS % OF EXPENDITURES	57.21%	92.40%	37.59%	339.60%	52.09%	112.94%	112.61%	112.28%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	6.87	11.09	4.51	40.75	6.25	13.55	13.51	13.47

Fire Prevention and Life Safety Fund Year-End Fund Balance



Debt Service Fund

The Debt Service Fund is used to account for all principal, interest, and administrative costs for tax-financed bond payments. Operations of this fund are generally financed by a special tax levied for these purposes. The District knows the cash flows needed to pay debt obligations through 2032, so can appropriately levy property taxes. Fund balance is projected to remain positive though FY24 at \$821,113. Below is a summary of the historical, budgeted and projected revenues and expenditures out of the Debt Service Fund:

	ACTUAL FY 2017	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
REVENUES								
Local Sources	\$ 9,507,597	\$ 9,784,613	\$ 9,660,325	\$ 9,084,629	\$ 9,920,326	\$ 9,802,353	\$ 9,802,353	\$ 9,802,353
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
TOTAL REVENUES	9,507,597	9,784,613	9,660,325	9,084,629	9,920,326	9,802,353	9,802,353	9,802,353
EXPENDITURES								
Salary	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Other Objects	10,006,060	9,885,040	9,996,341	9,846,920	10,221,919	9,705,300	9,705,300	9,705,300
Non-Capitalized Equipment	-	-	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-	-	-
Provisions for Contingencies	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	10,006,060	9,885,040	9,996,341	9,846,920	10,221,919	9,705,300	9,705,300	9,705,300
SURPLUS/(DEFICIT)	(498,463)	(100,427)	(336,016)	(762,291)	(301,593)	97,053	97,053	97,053
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	1,885,474	216,695	212,863	16,940	-	-	-	-
Other Financing Uses	(1,324,911)	(3,800,000)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	560,563	(3,583,305)	212,863	16,940	-	-	-	-
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	62,100	(3,683,732)	(123,153)	(745,351)	(301,593)	97,053	97,053	97,053
BEGINNING FUND BALANCE	5,323,650	5,385,750	1,702,018	1,578,865	831,547	529,954	627,007	724,060
ENDING FUND BALANCE	\$ 5,385,750	\$ 1,702,018	\$ 1,578,865	\$ 833,514	\$ 529,954	\$ 627,007	\$ 724,060	\$ 821,113
FUND BALANCE AS % OF EXPENDITURES	53.82%	17.22%	15.79%	8.46%	5.18%	6.46%	7.46%	8.46%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	6.46	2.07	1.90	1.02	0.62	0.78	0.90	1.02

Changes in Debt of the School Entity

The district has 9 bond issues outstanding:

2001 Working Cash Bonds =	2,433,389	(Payments through November of 2021)
2010A General Obligation Bonds =	4,777,061	(Payments through December of 2024)
2010B General Obligation Bonds =	8,140,000	(Payments through December of 2021)
2015A General Obligation Bonds =	7,825,000	(Payments through January of 2028)
2015B General Obligation Bonds =	1,000,000	(Payments through January of 2026)
2016 General Obligation Bonds =	7,000,000	(Payments through January of 2032)
2017A General Obligation Bonds =	1,225,000	(Payments through January of 2029)
2017B General Obligation Bonds =	5,740,000	(Payments through January of 2030)
Total Outstanding Bond Debt	<u>\$ 38,140,450</u>	(as of June 30, 2020)

This budget services \$3,451,507 of principal reduction and \$6,764,606 of interest expense. The district cannot issue more debt than the statutory limitation of 13.8% of the district's EAV. The district's outstanding debt is well below the statutory limit as shown in the calculation below:

2020 EAV of \$900,350,757 x state limit of 13.8%	\$ 124,248,405	Statutory Debt Limit
Outstanding Long-term Debt =	<u>38,140,450</u>	(includes capital lease principal)
Debt Margin	<u>\$ 86,107,955</u>	

Since EAV is used as a factor in calculating statutory debt limits, debt capacity declines as EAV declines. In the several years prior to FY21, district debt capacity decreased annually, as declining EAV caused a decrease in the statutory debt limit that outpaced principal retirement. In contrast, as EAV continues to recover in FY21, debt capacity will increase, while the district will retire \$6.8M in principal.

Changes in Long-Term Obligations

Bond debt activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds					
2001A General Obligation Refunding Tax Bonds	\$ 3,772,180	\$ -	\$ 1,338,791	\$ 2,433,389	\$ 1,255,340
2010A General Obligation Tax Bonds	4,777,061	-	-	4,777,061	-
2010B General Obligation Refunding School Bonds	13,505,000	-	5,365,000	8,140,000	5,605,000
2015A General Obligation Refunding Tax School Bonds	7,825,000	-	-	7,825,000	-
2015B General Obligation Refunding Tax School Bonds	1,000,000	-	-	1,000,000	-
2016 General Obligation Tax Bonds	7,000,000	-	-	7,000,000	-
2017A General Obligation School Refunding Bonds	1,225,000	-	-	1,225,000	-
2017B General Obligation School Bonds	5,740,000	-	-	5,740,000	-
Total Bonds	\$44,844,241	\$ -	\$ 6,703,791	\$38,140,450	\$ 6,860,340

The District's current debt service consists of the following obligations:

On November 27, 2001, the District issued General Obligation Refunding Tax Bonds in the amount of \$9,729,222. The issue provides for retirement of principal on November 1, 2012, and for serial retirement of the remaining principal each year beginning November 1, 2016, with interest rates ranging from 4.66% to 5.51% payable on May 1 and November 1 or each year. The balance due as of June 30, 2020, is \$2,433,389.

On January 28, 2010, the District issued General Obligation Tax and Refunding Bonds in the amount of \$29,780,268 in three series. The issue provides for retirement of principal starting June 1, 2010, and each June 1 and December 1 starting December 1, 2010, continuing through December 1, 2012, and then paying interest each June 1 and December 1 until principal payments resume December 1, 2019. Interest rates on the Series A bonds range from 5.30% to 5.48%. Interest rates on the Series B bonds range from 4.00% to 5.00%. Interest rates on the Series C bonds range from 1.00% to 2.50%. The Series C bonds are retired. At June 30, 2020, the remaining balance due on the bonds is \$12,917,061 (\$4,777,061 Series A and \$8,140,000 Series B).

On October 29, 2015, the District issued General Obligation Tax and Refunding School Bonds in the amount of \$9,130,000 in two series. The issue provides for retirement of principal starting January 1, 2026, and each January 1 continuing through January 1, 2028. The issue provides for interest payments starting July 1, 2016, and each January 1 and July 1 continuing through January 1, 2028. Interest rates on the Series A bonds range from 3.00% to 5.00%. Interest rates on the Series B bonds are 5.00%. At June 30, 2020, the remaining balance due on the bonds is \$8,825,000 (\$7,825,000 Series A and \$1,000,000 Series B).

On June 2, 2016, the District issued General Obligation Tax Bonds in the amount of \$7,000,000. The issue provides for retirement of principal on January 1, 2032. The interest rate is 4.00% payable on January 1 and July 1 of each year commencing January 1, 2017. The payment of principal and interest will be paid from available funds in the Operations and Maintenance Fund. The balance due as of June 30, 2020 is \$7,000,000.

On June 28, 2017, the District issued General Obligation Refunding and School Bonds in the amount of \$6,965,000. The issue provides for retirement of principal starting January 1, 2028, and each January 1 continuing through January 1, 2030. The issue provides for interest payments starting January 1, 2018, and each January 1 and July 1 continuing through January 1, 2030. Interest rates range from 3.00% to 5.00%. At June 30, 2020, the remaining balance due on the bonds is \$6,965,000 (\$1,225,000 Series A and \$5,740,000 Series B).

Prior Year Defeasance of Debt

In prior years, the District defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2020, \$523,207 of defeased bonds remains outstanding.

Annual Cash Flow Requirements

As of June 30, 2020, the annual debt service requirements to service all bonds are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 6,860,340	\$ 3,241,760	\$ 10,102,100
2022	3,713,050	3,157,095	6,870,145
2023	1,698,443	2,585,157	4,283,600
2024	1,588,153	2,695,447	4,283,600
2025	1,490,464	2,793,135	4,283,599
2026	3,325,000	958,600	4,283,600
2027	3,485,000	798,850	4,283,850
2028	3,015,000	624,600	3,639,600
2029	3,260,000	524,150	3,784,150
2030	2,705,000	361,150	3,066,150
2031	-	280,000	280,000
2032	7,000,000	280,000	7,280,000
Total	<u>\$ 38,140,450</u>	<u>\$ 18,299,944</u>	<u>\$ 56,440,394</u>

Lease/Purchase Obligations

The District has acquired certain property and equipment by entering into various installment purchase obligations. The total cost of the property and equipment has been included in the capital assets in the year of acquisition. These obligations will be paid from current operating funds of the Educational Account, General Fund of the Governmental Fund.

Debt Limit

The Illinois School Code limits the amount of bond indebtedness to 13.8 percent of \$900,350,757, the most recent available assessed valuation of the District; therefore, the District's legal debt margin as of June 30, 2020, is \$124,248,405. At June 30, 2020, the outstanding bonded debt to which the legal debt margin applies is \$38,140,450 and applicable capital lease debt is \$-0-, which totals \$38,140,450. The available borrowing power is \$86,107,955.

Retirement Systems

The District participates in the Teachers' Retirement System of the State of Illinois (TRS) and Illinois Municipal Retirement Fund (IMRF) as follows:

A. Teachers' Retirement System of the State of Illinois (TRS)

General Information about the Pension Plan

Plan Description

The employer participates in the Teachers' Retirement System (TRS) of the State of Illinois. 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 <http://www.trsil.org/forms-and-publications>; by writing to TRS at 2815 West Washington Street, P. O. Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs begin 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, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2020, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$102,480,866 in pension contributions from the State of Illinois.

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, 2020, were \$633,369, and are deferred because they were paid after the June 30, 2019 measurement date.

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

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

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$5,879,143 were paid from federal and special trust funds that required employer contributions of \$626,717 (\$539,102 were paid). These contributions are deferred because they were paid after the June 30, 2019 measurement date.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the employer paid \$138,334 to TRS for employer contributions due on salary increases in excess of 6 percent, \$9,604 for salary increases in excess of governor’s statute, and \$1,786 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2019, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state’s support and total are for disclosure purposes only. The amount recognized by the employer 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 employer were as follows:

Employer's proportionate share of the net pension liability	\$ 13,262,408
State's proportionate share of the net pension liability associated with the employer	943,871,105
Total	\$ 957,133,513

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The employer’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2019, the employer’s proportion was 0.0163515079 percent, which was an increase of 0.0041420462 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the employer recognized pension expense of \$103,323,632 and revenue of \$102,480,866 for support provided by the state. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 217,467	\$ -
Net difference between projected and actual earnings on pension plan investments	21,009	-
Changes of assumptions	297,168	254,570
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,548,772	9,807,562
Total deferred amounts to be recognized in pension expense in future periods	3,084,416	10,062,132
<i>Pension contributions made subsequent to the measurement date</i>	1,172,471	-
Total	\$ 4,256,887	\$10,062,132

\$1,172,471 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) Of Resources
2021	\$ (2,706,444)
2022	(2,221,041)
2023	(1,820,020)
2024	(481,960)
2025	251,749
Total	\$ (6,977,716)

Actuarial Assumptions

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.00%	6.30%
U.S. equities small/mid cap	2.00%	7.70%
International equities developed	13.60%	7.00%
Emerging market equities	3.40%	9.50%
U.S. bonds core	8.00%	2.20%
U.S. bonds high yield	4.20%	4.00%
International debt developed	2.20%	1.10%
Emerging international debt	2.60%	4.40%
Real estate	16.00%	5.20%
Real return	4.00%	1.80%
Absolute return	14.00%	4.10%
Private equity	15.00%	9.70%
Total	100.00%	

Discount Rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019, was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the employer’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer’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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 16,198,870	\$ 13,262,408	\$ 10,848,053

TRS Fiduciary Net Position

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

B. Illinois Municipal Retirement Fund (IMRF)

IMRF Plan Description

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

Benefits Provided

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

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire

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

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

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	607
Inactive Plan Members entitled to but not yet receiving benefits	791
Active Plan Members	795
Total	2,193

Contributions

As set by statute, the employer's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2019 was 8.63%. For the fiscal year ended 2020, the employer contributed \$3,383,341 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.

- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015); the IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015); the IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

Asset Class	Target Allocation	Return 12/31/2019	Projected Returns/Risks	
			One Year Arithmetic	Ten Year Geometric
Equities	37.00%	29.23%	7.05%	5.75%
International Equities	18.00%	23.76%	8.10%	6.50%
Fixed Income	28.00%	9.50%	3.70%	3.25%
Real Estate	9.00%	9.78%	6.35%	5.20%
Alternatives	7.00%			
Private Equity		N/A	11.30%	7.60%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	4.65%	3.60%
Cash Equivalents	1.00%	3.59%	1.85%	1.85%
Total	100.00%			

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 137,703,730	\$ 115,748,464	\$ 21,955,266
Changes for the year:			
Service Cost	3,178,573	-	3,178,573
Interest on the Total Pension Liability	9,857,980	-	9,857,980
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	2,689,931	-	2,689,931
Changes of Assumptions	-	-	-
Contributions - Employer	-	2,921,796	(2,921,796)
Contributions - Employees	-	1,532,655	(1,532,655)
Net Investment Income	-	21,606,386	(21,606,386)
Benefits Payments, including Refunds of Employee Contributions	(6,641,747)	(6,641,747)	-
Other (Net Transfer)	-	(757,819)	757,819
Net Changes	9,084,737	18,661,271	(9,576,534)
Balances at December 31, 2019	\$ 146,788,467	\$ 134,409,735	\$ 12,378,732

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

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 166,449,173	\$ 146,788,467	\$ 130,723,849
Plan Fiduciary Net Position	134,409,735	134,409,735	134,409,735
Net Pension Liability/(Asset)	\$ 32,039,438	\$ 12,378,732	\$ (3,685,886)

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

For the year ended June 30, 2020, the employer recognized pension expense of \$5,144,136. At June 30, 2020, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 2,570,693	\$ -
Changes of assumptions	1,812,734	921,680
Net difference between projected and actual earnings on pension plan investments	9,696,983	15,102,366
Total deferred amounts to be recognized in pension expense in future periods	14,080,410	16,024,046
<i>Pension contributions made subsequent to the measurement date</i>	2,076,944	-
Total Deferred Amounts Related to Pensions	\$ 16,157,354	\$ 16,024,046

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (105,777)
2021	(177,585)
2022	1,004,001
2023	(2,664,275)
2024	-
Thereafter	-
Total	\$ (1,943,636)

C. Aggregate Pension Amounts

For the year ended June 30, 2020, aggregate pension amounts are as follows:

	TRS	IMRF	Total
Deferred Outflows of Resources	\$ 4,256,887	\$ 16,157,354	\$ 20,414,241
Net Pension Liability	13,262,408	12,378,732	25,641,140
Deferred Inflows of Resources	10,062,132	16,024,046	26,086,178
Pension Expense, Net of State Support	842,766	5,144,136	5,986,902

D. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teacher's Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare.

Other Post-Employment Benefits (OPEB)

A. Teacher Health Insurance Security (THIS) Fund

General Information about the Plan

Plan Description

The employer participates in the Teachers' 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.

Benefits Provided

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, 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.

Contributions

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

- *On-Behalf Contributions to the THIS Fund*

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2020. State of Illinois contributions were \$1,151,768 and the employer recognized revenue and expenditures of this amount during the year.

- *Employer Contributions to the THIS Fund*

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2020, the employer paid \$854,538 to the THIS Fund, which was 100 percent of the required contribution. The contributions are deferred because they were paid after the June 30, 2019 measurement date.

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

At June 30, 2019, the employer reported a liability for its proportionate share of the net THIS liability (first amount shown below). The state’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net THIS liability, the related state support, and the total portion of the net THIS liability that was associated with the employer were as follows:

Employer's proportionate share of the net THIS liability	\$ 101,371,662
State's proportionate share of the net THIS liability associated with the employer	137,270,164
Total	\$ 238,641,826

The net THIS liability was measured as of June 30, 2019 and the total THIS liability used to calculate the net THIS liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The employer’s proportion of the net THIS liability was based on the employer’s share of contributions to THIS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2019, the employer’s proportion was 0.366261 percent, which was a decrease of 0.002958 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the employer recognized THIS expense of \$5,068,774 and revenue of \$1,151,768 for support provided by the state. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to THIS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,682,183
Net difference between projected and actual earnings on THIS plan investments	-	3,319
Changes of assumptions	38,431	11,620,494
Changes in proportion and differences between employer contributions and proportionate share of contributions	116,657	3,908,224
Total deferred amounts to be recognized in THIS expense in future periods	155,088	17,214,220
<i>THIS contributions made subsequent to the measurement date</i>	854,538	-
Total	\$ 1,009,626	\$ 17,214,220

\$854,538 reported as deferred outflows of resources related to THIS resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the THIS pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred outflows (inflows) of resources related to THIS will be recognized in THIS expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (3,263,692)
2022	(3,263,692)
2023	(3,263,373)
2024	(3,262,708)
2025	(2,217,099)
Thereafter	(934,050)
Total	\$ (16,204,614)

Actuarial Assumptions

The total THIS liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.75 percent
Salary increases	varies by amount of service credit
Investment rate of return	0.00 percent, net of THIS plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for 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-2014.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on THIS plan investments (to the extent that the plan fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.56%, as of June 30, 2017, and 3.62% as of June 30, 2018, and 3.13% as of June 30, 2019.

Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Discount Rate

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

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Employer's proportionate share of the net pension liability	\$ 121,885,587	\$ 101,371,662	\$ 85,170,147

Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Health Care Trend Rate

The following presents the employer's proportionate share of the net THIS liability calculated using the health care trend rate of 8.00 percent, as well as what the employer's proportionate share of the net THIS liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Employer's proportionate share of the net pension liability	\$ 81,900,073	\$ 101,371,662	\$ 127,670,616

Further information on the THIS Fund

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

B. Health Benefit Plan

General Information about the Plan

Plan Description

The District's Other Post Employment Benefit Plan (OPEB) is single-employer defined benefit healthcare plan that is administered by the District. The District provides post-employment medical and dental benefits for eligible participants enrolled in the District sponsored plans.

Benefits Provided

Benefit provisions are established through contractual agreements and may only be amended through negotiations with the District and union representatives. Participants are eligible for medical and dental coverage under a fully-insured PPO plan or HMOI plan for pre-65 and post-65 coverage.

Employees Covered by Benefit Terms

As of June 30, 2020, the following employees were covered by the benefit terms:

Total Active Employees	1,958
Inactive Employees Currently Receiving Benefit Payments	34
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	-
Total	1,992

Contributions

Contribution requirements are established through contractual agreements and may only be amended through negotiations with the District and union representatives. The retiree is responsible for paying the full monthly premium. However, the District provides an annual reimbursement toward the premium cost at established rates. The District currently pays for post-employment health care benefits on a pay-as-you-go basis. The employer contributed \$322,781 for the year ending June 30, 2020.

Net HBP Liability

The employer's net HBP liability was measured as of June 30, 2020. The total HBP liability used to calculate the HBP liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determined total OPEB liability at June 30, 2020:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Actuarial Valuation Frequency* is prepared biennially with a “roll-forward” valuation in the interim year.
- Inflation Rate was 2.25%.
- The *Discount Rate* was 2.21%.
- The *Health Care Trend Rate* was 5.00% at the current rate; 5.00% at the ultimate rate with year reached 2024.
- The Lapse Rate (N/A) for retirees receiving medical coverage are expected to lapse all coverages at age 65.
- The *Medicare Eligibility* was all participants are assumed to be eligible for Medicare upon attainment of age 65.
- The *Marriage Assumption* was actual spouse data used for current retirees.
- The Mortality Table was RP-2014 Combined Health Mortality Table and projected generationally using Scale MP-2017.

Discount Rate

A discount rate of 2.21% was used to measure the total HBP liability. The discount rate decreased from 3.50% to 2.21% to reflect the current high-quality fixed income environment. The discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Rates were taken from the S&P municipal bond 20 year high grade rate index as of the measurement dates.

Changes in the Net HBP Liability

	Total OPEB Liability (A)	OPEB Plan Net Position (B)	Net OPEB Liability (A) - (B)
Balances at June 30, 2019	\$ 9,726,002	\$ -	\$ 9,726,002
Changes for the year:			
Service Cost	398,026	-	398,026
Interest	334,761	-	334,761
Difference Between Expected and Actual Experience	(242,473)	-	(242,473)
Changes of Assumptions	646,186	-	646,186
Contributions - Employer	-	322,781	(322,781)
Contributions - Employees	-	-	-
Benefit Payments from Trust	(322,781)	(322,781)	-
Net Changes	813,719	-	813,719
Balances at June 30, 2020	\$10,539,721	\$ -	\$10,539,721

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

The following presents the plan's net HBP liability, calculated using a Discount Rate of 2.21%, as well as what the plan's net HBP liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% Lower (1.21%)	Current Discount (2.21%)	1% Higher (3.21%)
Employer's proportionate share of net HBP Liability	\$ 11,287,532	\$ 10,539,721	\$ 9,830,406

Sensitivity of the Net HBP Liability to Changes in the Health Care Trend Rate

The following presents the plan's net HBP liability, calculated using a Discount Rate of 5.00%, but varies to its ultimate rate of 5.00%, as well as what the plan's net HBP liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% Lower Varies	Current Discount Varies	1% Higher Varies
Employer's proportionate share of net HBP Liability	\$ 9,452,760	\$ 10,539,721	\$ 11,816,881

HBP Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to HBP

For the year ended June 30, 2020, the employer recognized HBP expense of \$785,968. At June 30, 2020, the employer reported deferred outflows or resources and deferred inflows of resources related to HBP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in HBP expense in future periods</i>		
Differences between expected and actual experience	\$ -	\$ 225,894
Changes of assumptions	883,826	-
Total deferred amounts to be recognized in HBP expense in future periods	883,826	225,894
Total	\$ 883,826	\$ 225,894

Note: The above are unknown by the actuary as of the measurement date.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to HBP will be recognized in HBP expense in future periods as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2020	\$ 25,575
2021	25,575
2022	25,575
2023	25,575
2024	25,575
Thereafter	179,529
Total	\$ 307,404

Note: The above is unknown by the actuary as of the measurement date.

C. Aggregate OPEB Amounts

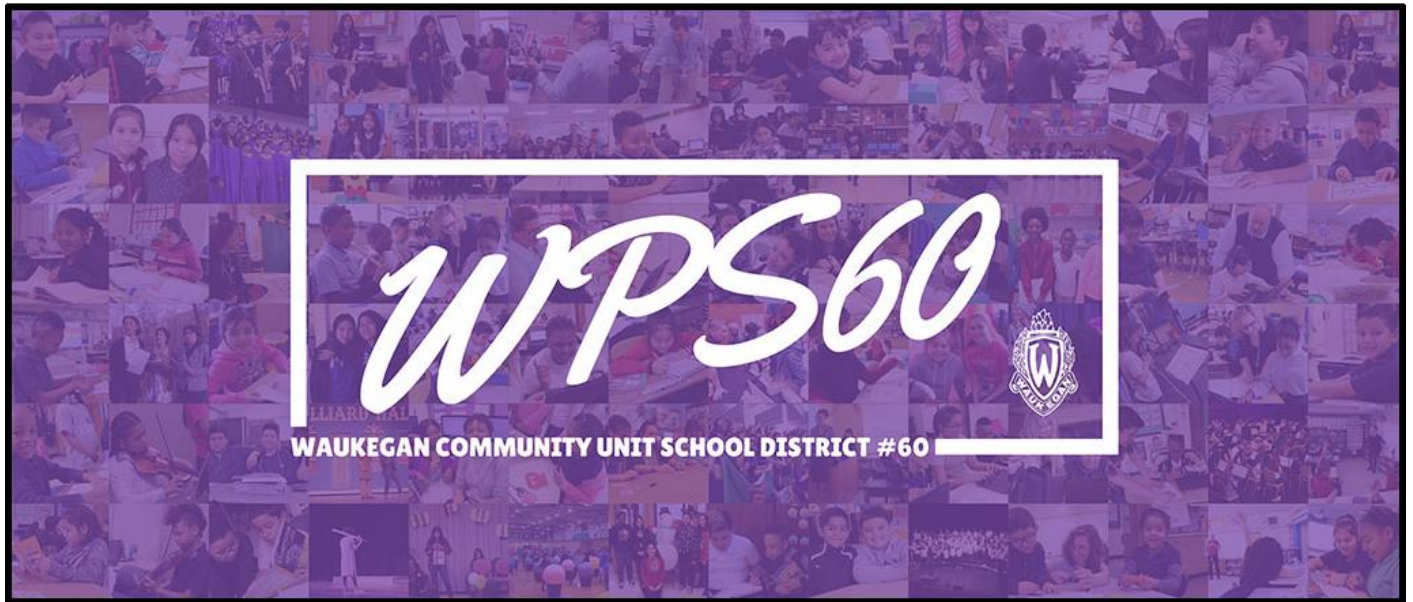
For the year ended June 30, 2020, aggregate OPEB amounts are as follows:

	THIS	HBP	Total
Deferred Outflows of Resources	\$ 1,009,626	\$ 883,826	\$ 1,893,452
Net OPEB Liability	101,371,662	10,539,721	111,911,383
Deferred Inflows of Resources	17,214,240	225,894	17,440,134
OPEB Expense	3,917,006	785,968	4,702,974

Budget Closing

The FY21 annual budget was prepared to provide a more comprehensive financial presentation to the Board of Education, local citizens, and other interested parties. We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of Waukegan School District 60 in a responsible manner.

Informational Section



This picture represents a collage of photos from all the different schools within Waukegan Community Unit School District #60, with their logo presented in front.

Assessed and Market Value of Taxable Property

A primary source of revenue for Waukegan District 60 is local property taxes, representing 23.61% of total revenue, or \$59,071,493 for FY21. Illinois real property values and related taxes are established on a calendar-year basis. Two tax years will provide revenues for the district, since Illinois public schools have a fiscal year ending June 30. Levy years 2019 and 2020 provide property tax receipts for FY21.

Equalized Assessed Valuation (EAV) is designed to assure equal valuation treatment across Illinois. EAV represents the taxable property base for schools as certified by the Illinois Department of Revenue. Each board of education develops an annual levy in terms of requested dollar amounts and certifies this levy to the county clerk. The county clerk is responsible for making extensions of taxes levied within the constraints of school district limitations. By law, EAV is equalized at 1/3 of market value.

Tax levies for school districts are related to specific purposes. School districts in Lake County are subject to the Property Tax Limitation Law (PTELL). The law limits the increase in property tax extensions to the lesser of 5% or the percent increase in the National Consumer Price Index for All Urban Consumers (CPIU) for all items for the preceding levy year.

PTELL was first enacted for the 1991 levy year for taxes payable in 1992 for counties that border Cook County and was enacted in 1994 for Cook County. PTELL is better known as the "Tax Cap." A tax rate in Illinois reflects the dollars levied per \$100 of EAV of real property. Dividing the dollar amount of the tax levy by total EAV of the taxing district and multiplying the product by 100 calculates the tax rate.

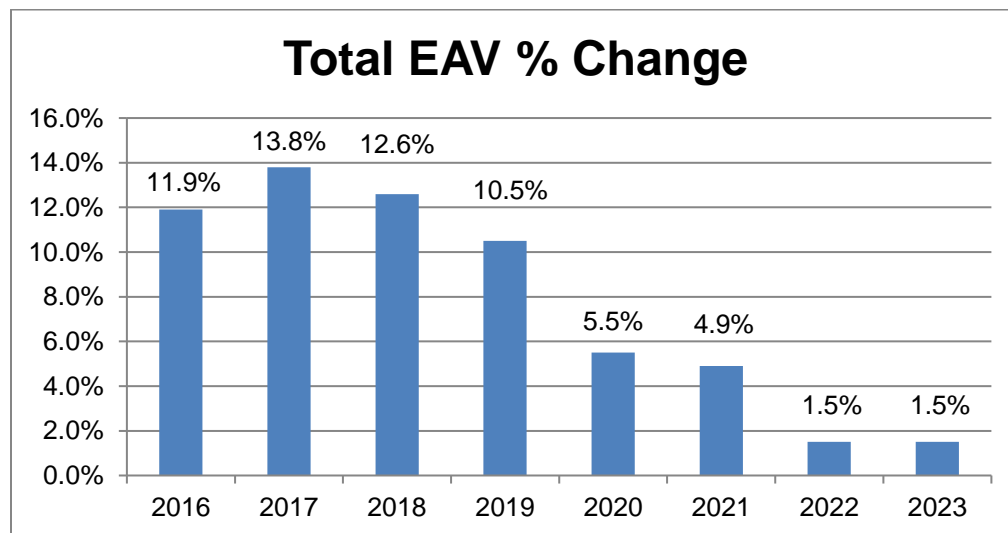
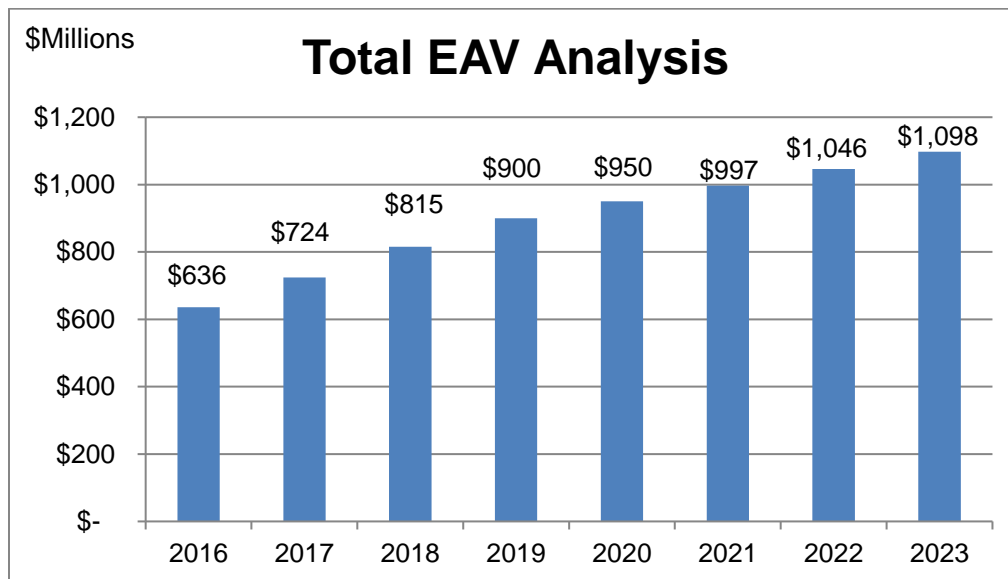
Under the tax cap, a total rate for capped levies may not exceed the limiting rate. The capped levies for the district are the education, operations and maintenance, transportation, and municipal retirement/social security funds. The limiting rate is calculated by multiplying last year's property extension by 1 plus the CPI-U then dividing that product by the New EAV less new property EAV.

There are some unknown variables at the time of levying taxes, which are primarily the percentage increase of new taxable property and the collection rate on property taxes. The district has had a very high and consistent collection rate exceeding 99% of the aggregate property taxes extended.

The total property tax decrease budgeted for FY21 is 2.03% after considering actual collections for the 2019 and 2020 tax extension and factoring the debt service levy which is exempt from the tax cap. In addition, the timing of when the taxes are collected and recorded causes the budget to vary from the tax extension projection for each calendar year.

Current and Projected Property Tax Rates and Extensions

Fiscal Year Collection:	2018		2019		2020		2021 (Budget)		2022 (Projected)	
Levy Year:	2017		2018		2019		2020		2021	
Equalized Assessed Valuation:	\$724,260,971		\$814,534,583		\$900,350,757		\$949,870,048		\$997,363,550	
Fund	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate
Education Fund	\$ 25,052,781	3.4591	\$ 25,925,007	3.1828	\$ 24,948,044	2.7709	\$ 25,447,005	2.6790	\$ 25,955,945	2.6025
Special Education	5,594,308	0.7724	6,200,001	0.7612	6,204,020	0.6891	6,328,100	0.6662	6,454,662	0.6472
Op. & Maint. Fund	5,244,663	0.7241	5,825,005	0.7151	6,385,954	0.7093	6,513,673	0.6857	6,643,947	0.6662
Debt Service Fund	9,875,581	1.3635	9,921,740	1.2181	9,920,326	1.1018	10,118,733	1.0653	10,321,107	1.0348
Transportation Fund	5,622,786	0.7763	2,898,130	0.3558	2,919,297	0.3242	2,977,683	0.3135	3,037,237	0.3045
IMRF Fund	3,569,687	0.4929	3,900,008	0.4788	3,761,872	0.4178	3,837,109	0.4040	3,913,852	0.3924
Soc Sec/Medicare Fund	3,569,687	0.4929	3,900,008	0.4788	3,761,882	0.4178	3,837,120	0.4040	3,913,862	0.3924
Working Cash Fund	136,168	0.0188	15,322	0.0019	177,261	0.0197	180,806	0.0190	184,422	0.0185
Tort Fund	1,846,387	0.2549	3,000,004	0.3683	3,360,010	0.3732	3,427,210	0.3608	3,495,754	0.3505
Fire Prev. / Safety Fund	665,118	0.0918	755,204	0.0927	900,351	0.1000	918,358	0.0967	936,725	0.0939
Totals	\$ 61,177,166	8.4467	\$ 62,340,429	7.6535	\$ 62,339,017	6.9239	\$ 63,585,797	6.6942	\$ 64,857,513	6.5029



The Illinois Constitution provides for assessments to be 1/3 of Fair Market Value (FMV). The Illinois Department of Revenue reviews assessments for uniformity, and may apply a multiplier to ensure assessments are equal to 1/3 FMV. To determine the aggregate market value of taxable property in the district, the reader can multiply the Equalized Assessed Valuation (EAV) number in the second row x 3. The 2020 levy year reflects 2019 calendar year EAV, and is the most current data available.

As would be expected with the housing downturn, actual EAV drops of 15.8% and 7.9% were experienced in levy years 2013 and 2014 respectively. In levy years 2015 and 2016, EAV finally stopped its downward slide, with an increase of 1.42% and 11.9% respectively. In levy year 2017, EAV increased 12.6%. In levy year 2018, EAV increased by 12.4%. In levy year 2019, EAV increased by 10.5%. In levy year 2020, EAV is estimated to increase by 5.5% with the best data available from Lake County. Projections estimate a modest EAV recovery in the future, with increases modeled in levy years 2021-2023 respectively.

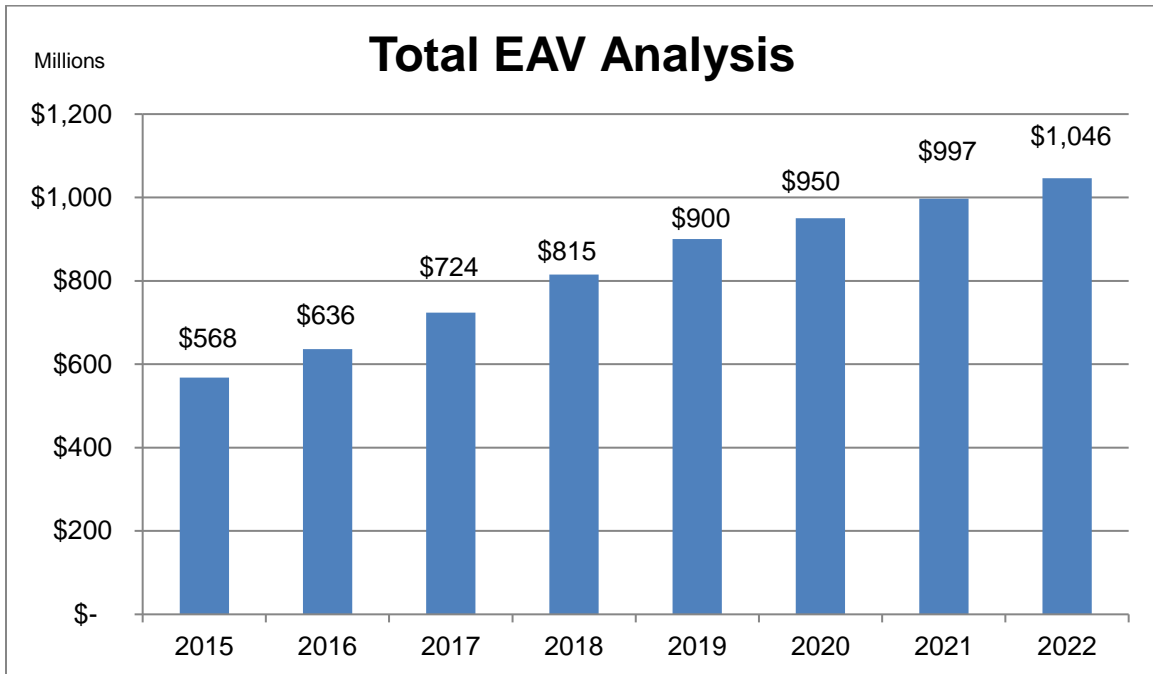
Historic Equalized Assessed Valuation

YEAR	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	RURAL	RAILROAD	VALUE
2019	\$ 594,791,338	\$ 278,695,115	\$ 22,087,002	\$ 99,727	\$ 4,677,575	\$ 900,350,757
2018	518,246,652	270,936,410	20,794,554	192,006	4,364,961	814,534,583
2017	453,988,576	246,495,211	19,541,044	153,235	4,082,905	724,260,971
2016	388,273,419	223,673,741	19,406,551	135,122	4,227,683	635,716,516
2015	340,768,005	205,466,682	17,723,443	79,206	4,063,330	568,100,666
2014	329,679,911	208,664,414	18,319,479	79,073	3,382,474	560,125,351
2013	362,088,867	223,153,416	19,689,596	77,860	3,151,011	608,160,750
2012	456,740,055	240,663,394	22,507,138	87,308	2,281,052	722,278,947
2011	595,856,306	265,717,897	24,355,091	94,433	2,093,459	888,117,186
2010	717,906,417	285,339,323	25,770,668	85,723	1,891,332	1,030,993,463
2009	825,587,625	283,707,693	26,712,097	78,453	1,292,672	1,137,378,540
2008	867,321,576	297,030,240	27,322,835	77,894	1,088,409	1,192,840,954

Equalized Assessed Value (EAV)

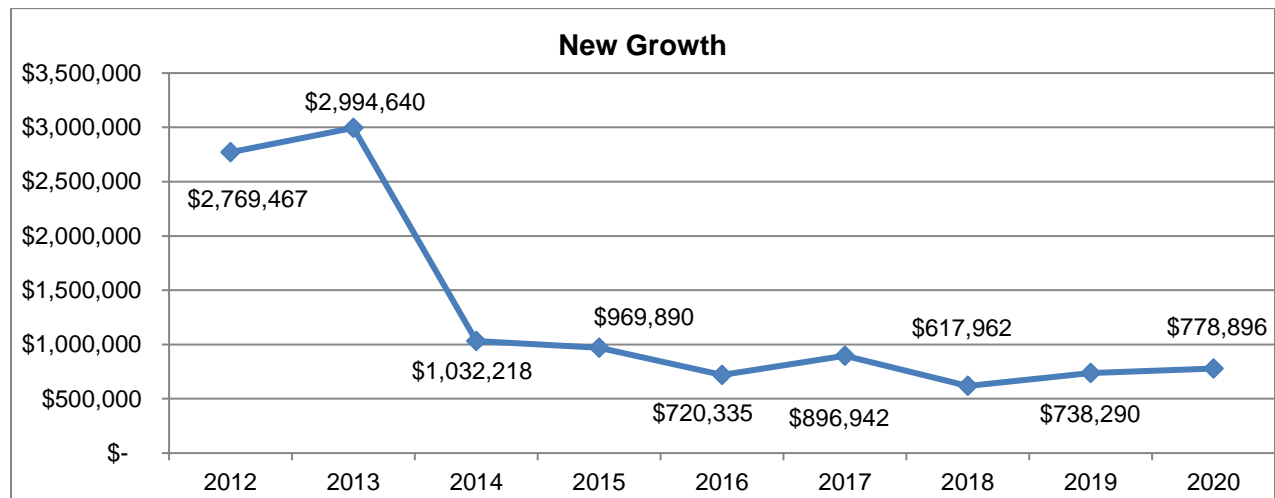
After peaking at \$1,192M in 2008, the District's Equalized Assessed Valuation decreased to \$560M through 2014 due to the dramatic national-level housing correction. The trend of declining EAV is now reversing, with three years of returning growth, to \$900M in 2019.

EAV Trends



New Growth

For many years, new growth, which can be added to the tax rolls above the mandates of PTELL, allowed area districts to receive revenue increases above the CPI. Due to the housing crisis, new growth has fallen off in the last few years, lowering overall revenue growth.

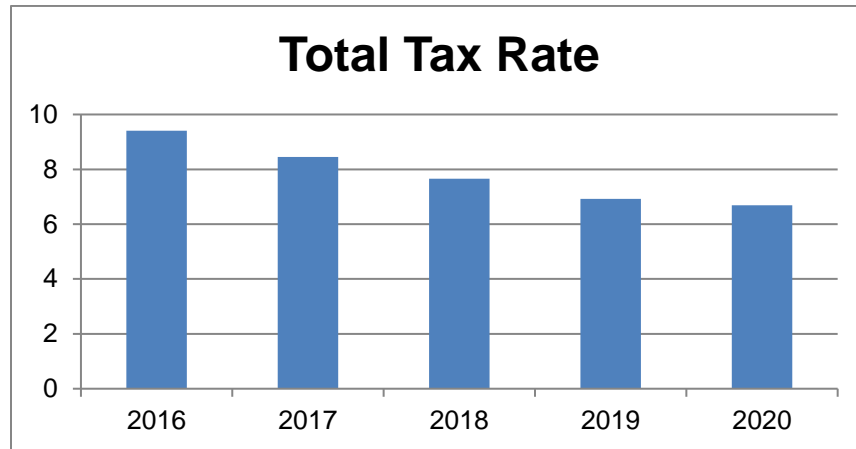


Property Tax Rates

As both EAV and new growth decline, tax rates must increase to net the same tax extension as the preceding year + the PTELL allowable CPI increase. After bottoming out at 5.639 in 2007, tax rates climbed consistently to 10.136 in levy year 2012. As EAV recovers, tax rates are beginning to fall for the fifth year in a row, to an anticipated rate of 6.6942 with the 2020 levy.

The inverse relationship of EAV and tax rates (not tax bills) is a public relations issue that is carefully managed.

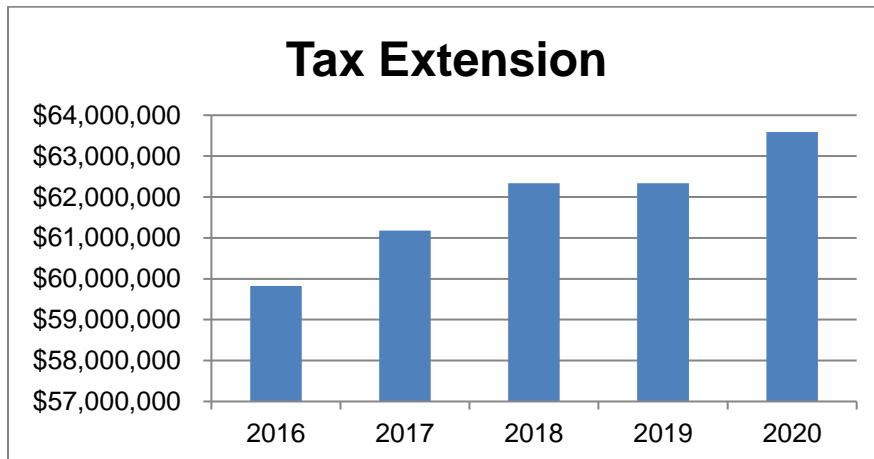
District Tax Rate Trends per \$100 of Assessed Valuation



Property Tax Yields

As new growth declines, increases in property tax extensions (which are regulated by PTELL) are slowing. After benefiting several years of new growth, increases in tax extensions are leveling off to near CPI levels. The FY21 budget year contains tax revenues spanning two calendar years - the second half of the 2019 levy year collected in the fall of 2020, and the first half of the 2020 levy year collected in the spring of 2021.

District Tax Extensions



Summary of Assessed Valuations, Tax Rates, Extensions, and Collections

	LEVY YEAR			
	2016	2017	2018	2019
ASSESSED VALUATION	\$ 635,716,516	\$ 724,260,971	\$ 814,534,583	\$ 814,534,583
TAX RATES				
Bonds & Interest	1.5166	1.3635	1.2181	1.1018
Educational	3.8605	3.4591	3.1828	2.7709
Fire Prevention & Safety	0.1000	0.0918	0.0927	0.1000
IMRF	0.5244	0.4929	0.4788	0.4178
Operations & Maintenance	0.7500	0.7241	0.7151	0.7093
Social Security	0.5244	0.4929	0.4788	0.4178
Special Education	0.8000	0.7724	0.7612	0.6891
Tort & Liability Insurance	0.2720	0.2549	0.3683	0.3732
Transportation	1.0428	0.7763	0.3558	0.3242
Working Cash	0.0200	0.0188	0.0019	0.0197
Total	9.4107	8.4467	7.6535	6.9238
TAX EXTENSION				
Bonds & Interest	\$ 9,641,461	\$ 9,875,581	\$ 9,921,740	\$ 9,920,326
Educational	24,541,950	25,052,781	25,925,007	24,948,044
Fire Prevention & Safety	635,717	665,118	755,204	900,351
IMRF	3,333,653	3,569,687	3,900,008	3,761,873
Operations & Maintenance	4,767,874	5,244,663	5,825,006	6,385,954
Social Security	3,333,653	3,569,687	3,900,008	3,761,881
Special Education	5,085,732	5,594,308	6,200,001	6,204,020
Tort & Liability Insurance	1,729,352	1,846,387	3,000,004	3,360,010
Transportation	6,629,106	5,622,786	2,898,130	2,919,297
Working Cash	127,143	136,168	15,321	177,261
Total	\$ 59,825,641	\$ 61,177,166	\$ 62,340,429	\$ 62,339,017
Amounts Collected as of June 30, 2020	\$ 59,634,940	\$ 61,024,317	\$ 62,035,663	\$ 25,664,142
Percentage Collected	99.68%	99.75%	99.51%	41.17%

Budget Effect on the Average Taxpayer

**Impact on Taxpayer of Home Valued at \$150,000
Estimated 2021 Tax Levy
Waukegan School District 60**

Provided below is the projected impact of the 2020 Tax Levy on a residential home owner based upon the estimated increase in the equalized assessed valuation, the tax rate generated, and an estimated increase in residential property.

	2020 Tax Levy	Estimated 2021 Tax Levy
Fair Cash Value of Home	\$175,000	\$184,625
Assessable Value (33%)	\$ 58,333	\$ 61,542
Less: Exemption	(6,000)	(6,000)
Net Assessable Value	52,333	55,542
Total Tax Rate - District 60	6.6942	6.5029
Real Estate Taxes Applicable to District 60	\$ 3,503	\$ 3,612
<i>Dollar Increase</i>		\$ 109
<i>Percent Increase</i>		3.10%
*PTELL maximum increase on existing property is 1.4% based on CY20 CPI-U		

Impact on Taxpayer of Home Valued at \$150,000
Estimated 2020 Tax Levy
Waukegan School District 60

Provided below is the projected impact of the 2020 Tax Levy on a residential home owner based upon the estimated increase in the equalized assessed valuation, the tax rate generated, and an estimated increase in residential property.

	2019 Tax Levy	Estimated 2020 Tax Levy
Fair Cash Value of Home	\$150,000	\$185,000
Assessable Value (33%)	\$ 50,000	\$ 61,667
Less: Exemption	(6,000)	(6,000)
Net Assessable Value	44,000	55,667
Total Tax Rate - District 60	6.9239	6.6942
Real Estate Taxes Applicable to District 60	\$ 3,047	\$ 3,726
<i>Dollar Increase</i>		\$ 680
<i>Percent Increase</i>		22.32%
*PTELL maximum increase on existing property is 2.3% based on CY19 CPI-U		

Impact on Taxpayer of Home Valued at \$150,000
Estimated 2019 Tax Levy
Waukegan School District 60

Provided below is the projected impact of the 2019 Tax Levy on a residential home owner based upon the estimated increase in the equalized assessed valuation, the tax rate generated, and an estimated increase in residential property.

	2018 Tax Levy	Estimated 2019 Tax Levy
Fair Cash Value of Home	\$150,000	\$185,000
Assessable Value (33%)	\$ 50,000	\$ 61,667
Less: Exemption	(6,000)	(6,000)
Net Assessable Value	44,000	55,667
Total Tax Rate - District 60	7.6535	6.9239
Real Estate Taxes Applicable to District 60	\$ 3,368	\$ 3,854
<i>Dollar Increase</i>		\$ 487
<i>Percent Increase</i>		14.45%
*PTELL maximum increase on existing property is 1.9% based on CY18 CPI-U		

Impact on Taxpayer of Home Valued at \$150,000
Estimated 2018 Tax Levy
Waukegan School District 60

Provided below is the projected impact of the 2018 Tax Levy on a residential home owner based upon the estimated increase in the equalized assessed valuation, the tax rate generated, and an estimated increase in residential property.

	2017 Tax Levy	Estimated 2018 Tax Levy
Fair Cash Value of Home	\$150,000	\$175,000
Assessable Value (33%)	\$ 50,000	\$ 58,333
Less: Exemption	(6,000)	(6,000)
Net Assessable Value	44,000	52,333
Total Tax Rate - District 60	8.4468	7.6535
Real Estate Taxes Applicable to District 60	\$ 3,717	\$ 4,005
<i>Dollar Increase</i>		\$ 289
<i>Percent Increase</i>		7.77%
*PTELL maximum increase on existing property is 2.1% based on CY17 CPI-U		

Impact on Taxpayer of Home Valued at \$150,000
Estimated 2017 Tax Levy
Waukegan School District 60

Provided below is the projected impact of the 2017 Tax Levy on a residential home owner based upon the estimated increase in the equalized assessed valuation, the tax rate generated, and an estimated increase in residential property.

	2016 Tax Levy	Estimated 2017 Tax Levy
Fair Cash Value of Home	\$150,000	\$165,000
Assessable Value (33%)	\$ 50,000	\$ 55,000
Less: Exemption	(6,000)	(6,000)
Net Assessable Value	44,000	49,000
Total Tax Rate - District 60	9.4107	8.4468
Real Estate Taxes Applicable to District 60	\$ 4,141	\$ 4,139
<i>Dollar Increase</i>		\$ (2)
<i>Percent Increase</i>		-0.04%
*PTELL maximum increase on existing property is 2.1% based on CY16 CPI-U		

Student Enrollment Trends and Forecast

Waukegan Public Schools District 60 continues to respond to changes within the district. Several schools within the district recently completed expansion projects due to space issues. Growth in the number of students means growth in special sub-population groups such as bilingual students or special education students. Classroom space is impacted by these groups and the addition of regular education students. Enrollment provides the basis for staffing. However, the ADA is the basis for computing state aid. The correlation between the two is very important.

The methodology used for projected student enrollment is the cohort-component model.

Historic, Current, and Projected Student Enrollment

School	Grade	Fiscal Year										
		15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Elementary	PK	707	643	539	612	608	461	650	650	650	650	650
	K	1,150	1,125	1,110	997	1,007	915	1,000	1,000	1,000	1,000	1,000
	1	1,287	1,178	1,142	1,114	1,013	968	975	1,000	1,000	1,000	1,000
	2	1,300	1,282	1,167	1,107	1,083	956	975	975	990	990	990
Intermediate	3	1,330	1,262	1,268	1,156	1,114	1,046	960	975	975	980	990
	4	1,341	1,305	1,268	1,188	1,167	1,072	1,050	960	970	975	980
	5	1,328	1,340	1,298	1,251	1,204	1,158	1,075	1,050	955	965	975
Middle	6	1,246	1,268	1,303	1,203	1,181	1,165	1,150	1,065	1,040	955	965
	7	1,214	1,224	1,249	1,287	1,186	1,168	1,170	1,150	1,065	1,040	955
	8	1,220	1,209	1,216	1,253	1,251	1,197	1,170	1,170	1,140	1,065	1,040
High	9	1,224	1,188	1,182	1,178	1,161	1,210	1,200	1,180	1,175	1,150	1,075
	10	1,148	1,380	1,179	1,162	1,142	1,185	1,210	1,200	1,180	1,175	1,150
	11	1,137	997	1,313	1,168	1,082	1,090	1,175	1,200	1,180	1,170	1,165
	12	1,053	1,077	1,041	1,196	1,133	1,073	1,070	1,150	1,180	1,160	1,150
District 60 Total		16,685	16,478	16,275	15,872	15,332	14,664	14,830	14,725	14,500	14,275	14,085

Population, Household Trends – the population is expected to decrease less than 1%, while the number of people per household will decrease from 3.12 to 2.90.

Racial/Ethnic Trends – the population is expected to increase slightly in the Hispanic or Latino population (currently 79.5 of population), African American populations will remain stable, and White and Other populations will decline respectively.

School Aged Children Trends – the population is expected to see a slight increase in early elementary students (ages 5-9), and a slight reduction in late elementary / middle school students (ages 10-14).

Household Income Trends – the population earning demographics are expected to stabilize to prerecession levels, with a slight reduction in lower earning ranges, and somewhat stable in >\$50K earners.

Households and Children Trends – the population is expected to see a decrease in married couples with children, and an increase in single parent families.

Marital Status Trends – the population is expected to see an increase in never married, a decrease in married, an increase in divorced, and an increase in separated households.

Adult Educational Attainment – the population demonstrates education levels well below state averages in the bachelor and graduate degree levels, and somewhat consistent in high school and below.

Employment and Occupations – the population demonstrates employment well below averages in the white collar professions, and slightly below in blue collar professions.

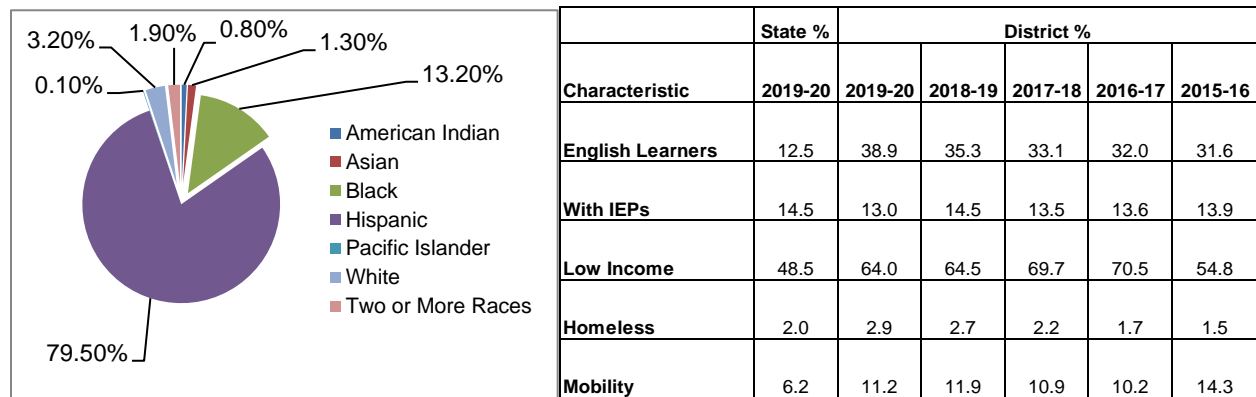
Mosaic Household Types – the population demonstrates household commonalities reflecting relative poverty with 20% of its population identified as living in poverty.

Social Values – the population demonstrates social values across wide survey categories very near to state averages for similar demographic profiles.

Student Demographics

Since the district is located in a relatively low-income area, the number of students qualifying for financial support stayed consistent between fiscal years 2019 and 2020 (approximately 64%). The State’s average is approximately 49%. Percentages are projected to remain level in fiscal year 2021. With home values slowly recovering after decreasing approximately 40% from their peak in many neighboring suburban areas, and high under-employment rates, district families continue to struggle financially as the economy recovers and wages stagnate.

Student Demographic Statistics – 2020



Drop-Out Rate Statistics

The percentage of students removed from a local roster before the end of a school term for the District decreased to 7% in 2020, this is a 1% decrease from 2019 where the rate was 8%.

Free and Reduced Eligibility Percentage – 2020

From the Illinois School District National School Lunch Program, the free and reduced eligibility percentage for the District was 74.44%. The District had no reduced meals and now provides every student with free meals because of the low-income problem within the District.

Personnel Resource Changes

The district has had staff fluctuations over the last several years to address the respective student population and to increase test scores. In FY 20 many new positions were opened to try and impact the students test scores, while making appropriate changes to try and better the school district.

FY21 Summary of Personnel Changes

Losses			Gains		
Description	Amount	No.	Description	Amount	No.
Retirements:			Hires:		
Teachers	\$ 3,603,887	37	Teachers	\$2,220,000	37
Custodial/Maintenance	226,659	4	Custodial/Maintenance	162,968	4
Secretaries	115,962	2	Secretaries	75,810	2
Paraprofessionals	38,672	1	Paraprofessionals	21,197	1
Administration	558,076	7	Psychologists	60,000	1
Food Services	107,117	1	Administration	437,665	5
Sub-Totals	4,650,373	52	Replacement Cost	2,977,640	50
Other Reductions:			New Positions:		
Glazier	-	-	Culture & Climate Specialists	110,000	2
Utility	-	-	Psychologists	180,000	3
Asbestos Supervisor	-	-	Psychologist Intern	15,000	1
Assistant Principal	-	-	Family Manager	40,000	1
Sub-Totals	-	-	K-12 Science Coordinator	76,923	1
			Director of Equity	137,362	1
			Specialist-Family Support	40,000	1
			Coordinators K-12	230,769	3
			Counselor	60,000	1
			Speech language Pathologist	60,000	1
			SLP Assistive Tech	60,000	1
			VI Teacher	60,000	1
			ESL Teachers	1,320,000	22
			LT sub teacher	43,000	1
			Co-Teacher	60,000	1
			Emotional Disability Teachers	300,000	5
			Language Tutors (Paras)	741,909	35
			Paraprofessionals-Attendance	21,197	1
			Paraprofessionals-Emotional Dis.	211,974	10
			SLP paraprofessional	21,197	1
			Paraprofessional Bil-Drivers Ed	21,197	1
			Paraprofessionals	63,592	3
			Paraprofessionals	21,197	1
			Paraprofessionals - Bilingual	21,197	1
			Instructional Coaches	180,000	3
			Instructional Coaches K-12	180,000	3
			Instructional Support Teacher	120,000	2
			Instructional Coaches	240,000	4
			Total New Positions	4,636,516	111
TOTAL LOSSES	\$ 4,650,373	52	TOTAL GAINS	\$7,614,156	161

There is an increased budgeted change of \$2,963,783.

FY20 Summary of Personnel Changes

Losses			Gains		
Description	Amount	No.	Description	Amount	No.
Retirements:			Hires:		
Teachers	\$ 2,210,451	23	Teachers	\$ 1,380,000	23
Custodial/Maintenance	212,538	7	Custodial/Maintenance	217,879	7
Secretaries	157,452	3	Secretaries	81,744	3
Paraprofessionals	191,214	7	Paraprofessionals	144,060	7
Administration	238,540	4	Administration	280,000	4
Food Services	25,106	1			
Sub-Totals	3,035,301	45	Replacement Cost	2,103,683	44
Other Reductions:			New Positions:		
Glazier	76,839	1	Mechanic	79,292	1
Utility	64,159	1	Carpenter/Locksmith	65,416	1
Asbestos Supervisor	79,292	1	Semi-Skilled	69,722	1
Assistant Principal	149,000	2	Assistnat Principal	149,000	2
Sub-Totals	369,290	5	Culture & Climate Specialists	165,000	3
			Director of Equity	125,000	1
			Asst. Director of Diverse Learner	120,879	1
			Transitional Coordinator	70,000	1
			Diverse Learner Coordinator K-8	84,536	1
			Teacher-Autism and Behavior	60,000	1
			Teacher-Infant / Toddler Speciali	60,000	1
			Teacher- Behavior Specialist	60,000	1
			Teacher- Bilingual	60,000	2
			Teacher- Newcomers	60,000	1
			Teacher- Instructional Support	60,000	1
			Data Reporting Analyst	55,000	1
			Nurses	120,000	2
			MTSS Counselors	420,000	7
			Mgr of financial Accountability	70,000	1
			Parent Facilitators (EPIC grant)	90,000	2
			Teacher Interventionist-Math	60,000	1
			Teacher Interventionist-Reading	60,000	1
			Teacher Interventionist-Behavior	60,000	1
			Teacher-Instructional Coach-Mat	60,000	1
			Teacher-SEL intervvetionist	60,000	1
			Mgr Family Liaison	40,000	1
			Paraprofessionals-Educational	267,540	13
			Paraprofessionals-1 on 1	205,800	10
			Bilingual Tutors	720,300	35
			Facilitator-F.A.C.E.	42,000	1
			Language Liaison	20,580	1
			Total New Positions	3,640,065	98
TOTAL LOSSES	\$ 3,404,591	5	TOTAL GAINS	\$ 5,743,748	45

There is an increased budgeted change of \$2,339,157.

Historic Certificated Staff Characteristics

Teacher Characteristics:						
Year	Total FTE	Average Years Experience	Average Salary	% Bachelor Degree	% Master's Degree	Teacher Student Ratio
2020	1,014	0.0	\$63,524	36.5	63.4	19.5
2019	834	13.3	\$65,385	33.1	66.9	24.5
2018	992	12.1	\$62,086	35.5	64.3	21.0
2017	1,072	11.3	\$57,600	36.0	64.0	19.5
2016	1,038	12.0	56,800	37.0	63.0	21.0
2015	1,019	11.5	55,600	35.0	64.0	19.0
2014	1,064	11.0	55,400	43.0	57.0	18.5
2013	1,012	11.1	59,500	41.0	59.0	19.5
2012	1,063	11.3	57,300	40.0	60.0	19.0
2011	1,053	11.0	56,300	47.0	53.0	19.0
2010	1,098	10.7	55,700	46.0	54.0	18.5
2009	1,064	10.6	54,800	49.0	51.0	20.0
2008	975	10.7	54,100	50.0	50.0	21.0
2007	941	10.9	51,657	53.6	46.3	21.6
2006	916	10.8	50,765	57.4	42.5	21.1
2005	903	11.3	49,607	60.6	39.3	21.9
2004	874	11.6	48,737	56.9	42.9	22.9
2003	844	11.7	46,591	57.4	42.4	22.9

Outstanding Bond Issues and Amortization Schedules

Bond debt activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds					
2001A General Obligation Refunding Tax Bonds	\$ 3,772,180	\$ -	\$ 1,338,791	\$ 2,433,389	\$ 1,255,340
2010A General Obligation Tax Bonds	4,777,061	-	-	4,777,061	-
2010B General Obligation Refunding School Bonds	13,505,000	-	5,365,000	8,140,000	5,605,000
2015A General Obligation Refunding Tax School Bonds	7,825,000	-	-	7,825,000	-
2015B General Obligation Refunding Tax School Bonds	1,000,000	-	-	1,000,000	-
2016 General Obligation Tax Bonds	7,000,000	-	-	7,000,000	-
2017A General Obligation School Refunding Bonds	1,225,000	-	-	1,225,000	-
2017B General Obligation School Bonds	5,740,000	-	-	5,740,000	-
Total	\$44,844,241	\$ -	\$ 6,703,791	\$38,140,450	\$ 6,860,340

Bond Amortization Schedules

General Obligation Refunding Tax Bonds – Series 2001A

Type:		2001A General Obligation Refunding Tax/Capital Appreciation Bonds	
Original Amount:		\$18,329,222	
Date of Issue:		November 27, 2001	
Year Ended			
June 30,	Principal	Interest	Total
2021	\$ 1,255,340	\$ 2,224,660	\$ 3,480,000
2022	1,178,050	2,301,950	3,480,000
Total	<u>\$ 2,433,390</u>	<u>\$ 4,526,610</u>	<u>\$ 6,960,000</u>

This \$18,329,22 Working Cash Bond issue was used to cover revenue shortfalls and proceeds were used for day-to-day activities.

General Obligation Tax Bonds – Series 2010A

Type:		2010A General Obligation Tax Capital Appreciation Bonds	
Original Amount:		\$4,995,268	
Date of Issue:		January 28, 2010	
Year Ended			
June 30,	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	-	-	-
2023	1,698,443	1,626,557	3,325,000.00
2024	1,588,153	1,736,847	3,325,000.00
2025	1,490,465	1,834,535	3,325,000.00
Total	<u>\$ 4,777,061</u>	<u>\$ 5,197,939</u>	<u>\$ 9,975,000</u>

This \$4,995,268 bond issue is a Capital Appreciation Bond (QSCB) and has been used to fund the following projects:

1. Masonry repairs at North School, Waukegan High School, Glen Flora School, Lincoln Center, Washington Elementary School, and Carman-Buckner School;
2. Roof Replacements at Hyde Park School, Jefferson MS, and Benny MS;
3. Basement Work at Lincoln Center, Carman-Buckner, Glenwood, and North Schools;
4. A storage building at the Warehouse;
5. Fire Protection Projects at North, Whittier, Clearview, Clark, Carman-Buckner, Cooke, Little Fort, and Lincoln Center;
6. Paving at Webster MS and the high school;
7. Boiler replacements at Glenwood, Clark, Oakdale, and the high school.

General Obligation Refunding School Bonds – Series 2010B

Type:		2010B General Obligation Refunding	
		School	
Original Amount:		\$15,392,500	
Date of Issue:		January 28, 2010	
Year Ended			
June 30,	Principal	Interest	Total
2021	\$ 5,605,000	\$ 213,500	\$ 5,818,500
2022	2,535,000	50,700	2,585,700
Total	<u>\$ 8,140,000</u>	<u>\$ 264,200</u>	<u>\$ 8,404,200</u>

This \$15,392,500 Bond Issue is used to advance refund 1999 General Obligation School Bonds.

General Obligation Refunding Tax School Bonds – Series 2015A

Type:		2015A General Obligation Refunding Tax School	
Original Amount:		\$8,130,000	
Date of Issue:		October 29, 2015	
Year Ended			
June 30,	Principal	Interest	Total
2021	\$ -	\$ 189,450	\$ 189,450
2022	-	189,450	189,450
2023	-	344,450	344,450
2024	-	344,450	344,450
2025	-	344,450	344,450
2026	2,325,000	344,450	2,669,450
2027	3,485,000	234,700	3,719,700
2028	2,015,000	60,450	2,075,450
Total	<u>\$ 7,825,000</u>	<u>\$ 2,051,850</u>	<u>\$ 9,876,850</u>

This \$8,130,000 Bond Issue is used to advance refund 2011 General Obligation Limited Tax Certificates.

General Obligation Refunding Tax School Bonds – Series 2015B

Type:		2015B General Obligation Refunding Tax School	
Original Amount:		\$1,000,000	
Date of Issue:		October 29, 2015	
Year Ended			
June 30,	Principal	Interest	Total
2021	\$ -	\$ 50,000	\$ 50,000
2022	-	50,000	50,000
2023	-	50,000	50,000
2024	-	50,000	50,000
2025	-	50,000	50,000
2028	1,000,000	50,000	1,050,000
Total	<u>\$ 1,000,000</u>	<u>\$ 300,000</u>	<u>\$ 1,300,000</u>

This \$1,000,000 Bond Issue is used to advance refund 2011 General Obligation Limited Tax Certificates.

General Obligation Tax Bonds – Series 2016

Type:		2016 General Obligation Tax	
Original Amount:		\$7,000,000	
Date of Issue:		June 2, 2016	
Year Ended			
June 30,	Principal	Interest	Total
2021	\$ -	\$ 280,000	\$ 280,000
2022	-	280,000	280,000
2023	-	280,000	280,000
2024	-	280,000	280,000
2025	-	280,000	280,000
2026	-	280,000	280,000
2027	-	280,000	280,000
2028	-	280,000	280,000
2029	-	280,000	280,000
2030	-	280,000	280,000
2031	-	280,000	280,000
2032	7,000,000	280,000	7,280,000
Total	\$ 7,000,000	\$ 3,360,000	\$ 10,360,000

This \$7,000,000 bond issue is a Qualified School Construction Bond (QSCB) and has been used to fund the following projects:

1. Air Conditioning at Carman-Buckner Elementary School;
2. Air Conditioning at Clark Elementary School;
3. Air Conditioning at Hyde Park Elementary School;
4. Air Conditioning at Little Fort Elementary School;
5. Air Conditioning at McCall Elementary School;
6. Air Conditioning at Washington Elementary School;
7. Roof Replacement at Clark Elementary School;
8. Track Resurface at Weiss Field;
9. Air Conditioning at Washington (HS) Campus;
10. Gymnasium Divider Wall at Jefferson Middle School;
11. Paving Improvements at Brookside (HS) Campus
12. Partial Roof Replacement at Brookside (HS) Campus;
13. Asbestos Abatement at Clark Elementary School;
14. HVAC Replacement at Clearview Elementary School;
15. Roofing Replacement at Clearview Elementary School;
16. HVAC Replacement at Glen Flora Elementary School;
17. Asbestos Abatement at Little Fort Elementary School;
18. Asbestos Abatement at Oakdale School;
19. Utility Upgrades at Little Fort, Oakdale, and Clark Elementary Schools

General Obligation School/Refunding Bonds – Series 2017A and B

Type:		2017A and B General Obligation/ Refunding	
Original Amount:		\$6,965,000	
Date of Issue:		June 28, 2017	
Year Ended			
June 30,	Principal	Interest	Total
2021	\$ -	\$ 284,150	\$ 284,150
2022	-	284,150	284,150
2023	-	284,150	284,150
2024	-	284,150	284,150
2025	-	284,150	284,150
2026	-	284,150	284,150
2027	-	284,150	284,150
2028	1,000,000	284,150	1,284,150
2029	3,260,000	244,150	3,504,150
2030	2,705,000	81,150	2,786,150
Total	<u>\$ 6,965,000</u>	<u>\$ 2,598,500</u>	<u>\$ 9,563,500</u>

This \$5,740,000 Bond Issue is for Building Improvements as follows:

1. Curtainwall Upgrade at Jack Benny Middle School;
2. Painting at Washington and Brookside (HS) Campus;
3. Parking Lot Sealcoating;
4. HVAC Upgrade for Trapp Auditorium at Brookside (HS) Campus;
5. Flooring Upgrade at North Elementary School;
6. Flooring Improvements at Webster Middle School;
7. Gymnasium Improvements at Washington (HS) Campus;
8. Roofing Replacement at Weiss Field Fieldhouse

Additionally, proceeds of \$1,225,000 were used to advance refund \$323,759 of outstanding 2010A General Obligation Bonds and \$305,000 of outstanding 2015A General Obligation Bonds.

Performance Measures

The “School Report Card,” published annually by the State of Illinois, provides comparative data to assess academic effectiveness and resource management. The School Report Card documents Waukegan Community Unit School District 60’s record in key areas of performance and accountability. District test scores continue to significantly perform less than state averages, while operational costs per pupil are 4.8% above the state average, and similar to local peer averages. The complete school report card, that shows both student performance and budgetary considerations, can be viewed at:

<https://www.illinoisreportcard.com/district.aspx?source=studentcharacteristics&source2=enrollment&Districtid=34049060026>

Student performance measurement underwent major changes over the last several years. Prior to FY15, student progress was measured by the Illinois State Achievement Test (ISAT), then compared against Adequate Yearly Progress (AYP) standards mandated by the No Child Left Behind (NCLB) Act.

In FY13, the Illinois State Board of Education (ISBE) raised performance expectations on ISAT Reading and Mathematics tests. These higher expectations raised the “cut scores,” or the thresholds between different performance levels (such as “Below Standards” and “Meets Standards”) which resulted in a downward shift in the ranking of students in meeting or exceeding the new, more rigorous Reading and Math standards. In FY14, the ISAT also included more challenging questions focusing on the rigorous expectations of the new Illinois Learning Standards in English language, arts and math.

Starting in FY15, the traditional ISAT assessment was replaced by the more rigorous Partnership for Assessment of Readiness for College and Careers (PARCC) assessment regimen. Starting in FY19, the PARCC was replaced by the less intensive Illinois Assessment of Readiness (IAR), which reduced testing time by one-third to six hours or less.

The Illinois Assessment of Readiness (IAR) is a federally required measure of student mastery of the Illinois Learning Standards in English language arts and mathematics in grades 3 through 8 – and their readiness for what’s next. The Illinois Assessment of Readiness measures the same standards and includes the same high-quality test questions used the last four years. Using the same content and measuring the same standards ensures comparability from year to year – an essential commitment to including growth in our support and accountability system. IAR results are also be used to measure student growth for school and district accountability.

Students performing at levels 4 and 5 met or exceeded expectations (M&E), have demonstrated readiness for the next grade level/course and, ultimately, are on track for college and careers. Performance Level Descriptors (PLDs) describe the knowledge, skills, and practices that students should know and be able to demonstrate at each Performance Level in each content area (ELA/L and mathematics) and grade level/course.

Grade 11 students take the SAT as the high school accountability assessment. SAT performance is listed on the facing page, with IAR results on the pages to follow.

Due to COVID-19 the 2020 data for the academic performance of the SAT and IAR is not available on the Illinois Report Card website for all districts.

Financial Comparison to Neighboring Elementary Districts

District Name	Tax Year	EAV \$ Per Pupil	Total Tax Rate per \$100	Fiscal year	Instructional Expenditure Per Pupil \$	Operating Expenditure Per Pupil \$
Waukegan 60	2017	\$ 51,285	8.45	2019	8,247	15,182
North Chicago 187	2017	\$ 52,260	8.64	2019	9,143	16,119
Gurnee 56	2017	\$ 284,374	4.77	2019	7,370	13,758
Beach Park 3	2017	\$ 171,774	5.88	2019	8,120	14,072
Oak Grove 68	2017	\$ 650,211	2.65	2019	10,118	16,434
Woodland 50	2017	\$ 298,235	4.28	2019	8,456	15,226
Zion 6	2017	\$ 81,255	8.7	2019	10,585	17,342

- Peer average instructional expenditure per pupil = \$8,965, Waukegan 60 = \$8,247 (8.7% below peers)
- Peer average operating expenditure per pupil = \$15,492, Waukegan 60 = \$15,182 (2.0% below peers)
- Illinois average instructional expenditure per pupil = \$8,582 (4.1% above Waukegan 60)
- Illinois average operational expenditure per pupil = \$14,492 (4.8% below Waukegan 60)

Glossary of Terms

Accounting System – The total structure of records and procedures that discover, record, classify, and report information and the financial position and operations of a school district.

Appropriation – A legal authorization to incur obligations and to make expenditures for specific purposes.

Assessed Valuation – A valuation set upon real or other property by a government as a basis for levying taxes.

Board of Education – The elected or appointed body that has been created according to State law and vested with responsibilities for educational activities in a given geographical area.

Bond – A written promise to pay a specific sum of money (face value) at a fixed time in the future (maturity date) and carrying interest at a fixed rate.

Bond Refinancing – The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

Bonds Issued – The bonds that were sold.

Budget – The planning document for each school department providing management control over expenditures in general fund, special revenue fund, debt service fund, and the building fund.

Budget Calendar – The schedule of key dates used in the preparation and adoption of the Annual Budget.

Budgetary Control – the control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Development Board (CDB) – a State of Illinois institution, designed to assess major state construction projects, and to allocate limited state financial resources to fund selected projects.

Capital Projects Funds – This fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities.

Carryover – Funds appropriated but unspent in the first fiscal year that are brought forward for expenditure in the succeeding fiscal year(s).

Cash Management – The management of cash necessary to pay for governmental services while investing temporary cash excesses in order to earn interest revenue.

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contracted Services – Services rendered by private firms, individuals, or other agencies.

CPI – Consumer Price Index – A measure of the average change over time in prices paid by consumers for a market basket of consumer goods and services.

CTE – Career Technical Education – Provides students of all ages with the academic and technical skills, knowledge and training necessary to succeed in future careers and to become lifelong learners.

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants and notes, etc.

Debt Limit – The maximum amount of general obligation debt that is legally permitted.

Debt Service Fund – This fund accounts for the repayment of the District's bond principal and interest.

Deficit – The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Delinquent Taxes – Taxes that remain unpaid on or after the date on which a penalty for nonpayment is attached.

Department – A major administrative division of the school district that indicates overall management responsibility for an operation of a group of related operations within a functional area.

EAV – Equalized Assessed Valuation – The District assessed valuation adjusted for the county average sales ratio. The calculation to equalize the assessed valuation only adjusts real property assessed valuation.

Education Fund – This fund accounts for the majority of the instructional and administrative aspects of the District's operations. Certain expenditures that must be charged to this fund include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration and related insurance costs.

Employee Benefits – Expenditures may include health, dental, optical, life and long term disability as well as FICA, retirement payment to the Teachers Retirement Service, and workers' compensation insurance.

Encumbrance – The commitment of budgeted funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Evidence based funding (EBF) – the Evidence-Based Funding for Student Success Act. EBF sends more resources to Illinois’ most under-resourced students.

Expenditure – Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, capital outlay, intergovernmental grants, and entitlements.

Fiscal Year (FY) – In Illinois schools, begins July 1 and ends June 30.

Full Time Equivalence (FTE) – The amount of employed time required in a part-time position expressed in proportion to that required in a full-time position, with 1.0 representing one fulltime position.

Function – A group of related activities aimed at accomplishing a major service or program.

Fund – An accounting entity that has a set of self-balancing accounts that records all financial transactions for specific activities or government functions.

Fund Balance – The excess of assets of a fund over its liabilities and reserves.

General Obligation Bonds – Bonds issued to finance major projects with resources from tax collection to repay the debt. This debt is backed by the full faith, credit and taxing power of the government.

Grants – Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.

IEP – Individualized Education Program – A written statement for a child with a disability that is developed, reviewed, and revised in a meeting in keeping with certain requirements of law and regulations.

Instruction – The activities dealing directly with the teaching of students or improving the quality of teaching.

Inter-Fund Transfers – Amounts transferred from one fund to another fund.

IPAM – Illinois Program Accounting Manual – A manual that provides the basis for complete accounting of all district receipts and disbursements, systematic development of program budgeting, and the accumulations and dissemination of program-oriented costs.

Levy – The total of taxes or special assessments imposed by a governmental unit.

Municipal Retirement Fund – This fund accounts for the District’s portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare for certified employees and payments to the Social Security System for non-certified employees.

Object – This term has reference to an article or service received; for example, salaries, employee benefits or supplies.

Operations and Maintenance Fund – This fund accounts for the repair and maintenance of district property. All costs of fuel, lights, gas, water, telephone services, custodial supplies, maintaining, improving, or repairing school buildings and property for school purposes are charged to this fund.

OPEB – Other Post-Employment Benefits – Benefits that an employee will begin to receive at the start of retirement and do not include pension benefits paid to the retired employee.

Program – the definition of an effort to accomplish a specific objective or objectives consistent with funds or resources available.

Property Tax – Tax levied on the assessed value of real property.

PTELL – Property Tax Extension Law Limit – commonly referred to as the tax cap, limits annual tax increases on existing property to the CPI-U of the preceding year, or 5%, whichever is less.

SLEP – Sheriff’s Law Enforcement Personnel – A retirement plan for Illinois law enforcement professionals.

Special Education – This is specially designed instruction and services, provided at no cost to the parents, to meet the unique needs of a child with a disability. This may include instruction conducted in the classroom, in the home, in hospitals, in institutions, and in other setting. This may also include instruction in physical education.

Strategic Planning – This is the process employed by the District to chart a course for the future including preparation of a mission statement, district beliefs, goal setting, learner outcomes, and student profile.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

THIS – Teacher Health Insurance Security – Fund for teachers to receive health, prescription and behavioral health coverage.

Tort Fund – This fund accounts for a restricted tax levy to fund liability, property and casualty insurance, tort judgments and risk management programs.

Transportation Fund – This fund accounts for all the activities relating to student transportation to and from schools and for extracurricular and co-curricular activities.

TRS – Teachers’ Retirement System – Provides retirements annuities, and disability and survivor benefits for educators employed in public schools outside the City of Chicago in Illinois.

Zero-base (balance) Budgeting – This budgeting technique involves determining what outcomes managements wants, and developing a package of expenditures that will support each outcome.