

**Schaumburg  
Community  
School  
District  
No. 54  
Schaumburg,  
IL**



**Comprehensive  
Annual  
Financial Report  
for the fiscal year  
ended  
June 30, 2020**

**Schaumburg Community  
Consolidated School District No. 54  
Schaumburg, Illinois**

Comprehensive Annual Financial Report  
June 30, 2020

Submitted by: Business Operations  
Ric King, Assistant Superintendent

## Contents

<b>Introductory Section</b>	
Transmittal letter	i-v
Certificate of excellence in financial reporting	vi
Organization structure	vii
List of principal officials	viii
<b>Financial Section</b>	
Independent auditor's report	1-2
Required supplementary information	
Management's discussion and analysis (MD&A)	3-12
Basic financial statements	
Government-wide financial statements (GWFS)	
Statement of net position	13-14
Statement of activities	15
Fund financial statements (FFS)	
Governmental funds:	
Balance sheet – governmental funds	16
Reconciliation of the governmental funds balance sheet to the statement of net position	17
Statement of revenues, expenditures and changes in fund balances - governmental funds	18
Reconciliation of the governmental funds statement of revenues, expenditures and changes in fund balances to the statement of activities	19
Fiduciary funds:	
Statement of fiduciary assets and liabilities	20
Notes to basic financial statements	21-52
Required supplementary information	
Schedule of the employer's proportionate share of the net pension liability - Teachers' Retirement System	53
Schedule of employer contributions – Teachers' Retirement System	54
Schedule of changes in the net pension liability and related ratios - Illinois Municipal Retirement Fund	55
Schedule of employer contributions – Illinois Municipal Retirement Fund	56
Schedule of changes in the net OPEB liability and related ratios – District OPEB plan	57
Schedule of the district's proportionate share of the collective net OPEB liability - Teachers' Health Insurance Security Fund	58
Schedule of contributions – Teachers' Health Insurance Security Fund	59
Schedule of revenues, expenditures and changes in fund balance - budget and actual – General fund	60
Notes to required supplementary information	61-62

---

**Financial Section (Continued)**

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## Supplementary information

## Combining major governmental funds:

Combining balance sheet – general fund, by accounts 63

Combining schedule of revenues, expenditures and changes in fund balance -  
budget and actual – general fund, by accounts 64-65

## Combining nonmajor governmental funds:

Combining balance sheet – by fund type 66

Combining statement of revenues, expenditures and changes in fund balances  
- by fund type 67-68Combining schedule of revenues, expenditures and changes in fund balances -  
Budget and actual – special revenue funds 69-70

Statement of changes in assets and liabilities – agency funds – student activity funds 71

---

**Statistical Section**

---

Statistical section 73

## Financial trends information

Net position by component 74

Expenses, program revenues, and net (expense) revenue 75-76

General revenues and total change in net position 77-78

Changes in fund balances, governmental funds 79-80

Fund balances, governmental funds 81

## Revenue capacity information

Property tax levies and collections 82

Property tax rates – direct and overlapping governments 83

Assessed value and estimated actual value of taxable property 84

Representative ten largest taxpayers 85

## Debt capacity information

Ratio of general bonded debt to equalized assessed valuation and  
general bonded debt per capita 86

Ratios of general bonded debt outstanding and legal debt margin 87

Computation of direct and overlapping bonded debt 88

## Demographic and economic information

Demographic and economic statistics 89

Principal employers 90

## Operating information

Number of full-time employees 91

State of Illinois report card 92-93

Capital assets by type and capital assets by function 94

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## **SCHOOL DISTRICT 54**

Ensuring Student Success

524 East Schaumburg Road  
Schaumburg, Illinois 60194

Phone 847/357-5011  
FAX 847/357-5001  
TTY 847/357-5076  
<http://sd54.org>

Andrew D. DuRoss  
Superintendent of Schools

Ric King  
Assistant Superintendent  
Business Operations

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December 14, 2020

To the President and Members of the  
Board of Education and Citizens of the District  
Schaumburg Community Consolidated School District No. 54  
Schaumburg, Illinois

The Comprehensive Annual Financial Report ("CAFR") of Schaumburg Community Consolidated School District No. 54 (the "District"), Schaumburg, Illinois, as of and for the year ended June 30, 2020, is submitted herewith. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures necessary for public understanding of the District's financial status have been incorporated within this report.

Management's discussion and analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### Financial Statements

The CAFR includes all funds and account groups of the District and is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes this transmittal letter, ASBO Certificate of Excellence, the District's organization chart, and a list of principal officers and elected officials. The financial section includes the independent auditor's report on the financial statements and schedules, MD&A, basic financial statements and required supplemental information such as the combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and Subpart F of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including a schedule of federal financial assistance and the independent auditor's reports on the internal control structure and on compliance with applicable laws and regulations, is included under separate cover.



## **SCHOOL DISTRICT 54**

Ensuring Student Success

The financial reporting entity of the District is to include the District, as the primary government, organizations for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based on these criteria, there are no other organizations or agencies whose financial statements should be combined with the general purpose financial statements of the District.

### History of the District

The District opened its doors to 74 students in the fall of 1952, and currently serves 15,420 students from Schaumburg Township, Elk Grove Village, Streamwood, Hanover Park and Roselle. The District's enrollment is slowly growing.

### Accounting Systems and Budgetary Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of the internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial data.

Budgetary control is maintained at line item levels within each program and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is reported to the District's management on a monthly basis. This monthly report compares each line item account balance to the annual budget with accumulation to the cost center and fund levels. Full disclosures are made if extraordinary variances appear during the year. A description of the budget development cycle is discussed in detail in Note 1 to the required supplementary information financial statements.

### General Governmental Activities

The general governmental activities include all services provided by the District. Included are the general, special revenue, debt service and capital project funds. The activities include all instructional, maintenance, and administrative costs of the District.

Property taxes are the most significant revenue source of the District. The three factors that affect property tax revenues are assessed valuation, tax multiplier, and the tax rate.

Other revenue sources consist of state aid, federal aid and other local revenues exclusive of property taxes. Other local revenues include transportation fees, tuition, consumable material fees, and building rentals.

The equalized assessed valuation of the District of \$5,217,531,312 represents an increase in the tax base of approximately 16.28 percent over the preceding year. The tax multiplier is determined by a state agency which attempts to equalize the assessment on real property in order to determine the property value for taxing purposes. This value is referred to as the equalized assessed valuation ("EAV").



**SCHOOL DISTRICT 54**  
Ensuring Student Success

Real estate tax bills in Cook County are payable in two unequal installments, with the second payment falling due and payable after the close of the fiscal year. Allocations of tax rates for the 2019 property tax levy for fiscal 2020 and the preceding two fiscal years are as follows (per \$100 assessed value):

	<u>Calendar Year</u>		
	2019	2018	2017
General	\$3.294	\$3.743	\$3.562
Special			
Revenue	0.250	0.286	0.281
Capital Project	0.001	0.001	0.001
	<u>\$3.545</u>	<u>\$4.030</u>	<u>\$3.844</u>

## PROSPECTS FOR THE FUTURE AND ECONOMIC CONDITION

The District's financial outlook for the future continues to be approached with some caution. The District's student enrollment has increased slightly over the past three years, and that trend is expected to continue. The COVID-19 pandemic has drastically changed the District's method of delivery and the long-term impact is yet to be determined.

The District has 28 school buildings and 3 administrative facilities. The Buildings range in age from 5 years to over 60 years old and are in remarkable shape due to the District's proactive maintenance program.

The District's capital improvement budget for 2021 is approximately \$15 million, designated mainly for technology replacements, small additions and scheduled building life cycle replacements. Funding for these projects will be from accumulated fund balances and local sources.

## 54 PROMISE: INSPIRING INNOVATION, IGNITING STUDENT POTENTIAL

In District 54, we promise to ensure the academic success and social-emotional well-being of all of our students. This booklet, *The District 54 Promise*, was adopted in April 2018 as a multiyear strategic plan. While we have updated our strategic plan, our focus remains the same. We strive every day to improve the lives of our students. When we talk about the strategic plan, we are really sharing our promise to the District 54 students, staff, parents and community. That promise revolves around the three district goals and the four strategic focus areas defined below.

*The District 54 Promise* is more than a document. It's a commitment to do whatever it takes to support our students and families. By communicating this plan with you, our families, we hope you will promise to help us achieve our mission of ensuring student success?

## ONE DISTRICT, ONE MISSION: ENSURING STUDENT SUCCESS

### DISTRICT 54 GOALS

- District 54 will ensure the **success of the whole child** by providing comprehensive approaches and programming, grounded in the belief that each child deserves to be Healthy, Safe, Engaged, Supported and Challenged.
- District 54 will perform in the **top 10%** of all schools in reading and math growth and proficiency as measured by state and local assessments.
- District 54 will close the **achievement gap for ALL** students in reading and math as measured by state and local assessments.

## **STRATEGIC FOCUS AREA 1: SUPPORTING WHOLE CHILD ACADEMIC AND SOCIAL-EMOTIONAL SUCCESS**

### *Priority Action Steps*

- Design high quality instructional lessons that engage, support and challenge all students.
- Implement a Social and Emotional Learning Curriculum that ensures all students are healthy, safe, engaged and supported.
- Engage staff and community in partnership opportunities focused on supporting the academic and social-emotional success of our students.

## **STRATEGIC FOCUS AREA 2: CULTIVATING INNOVATION IN LEARNING SPACE AND INSTRUCTIONAL DESIGN**

### *Priority Action Steps*

- Reconfigure and update existing learning spaces to align with a shared vision of 21st Century classrooms.
- Implement an instructional technology plan that includes 1:1 digital connectivity for all students and technology integration that enhances the teaching and learning experiences provided.
- Establish “Innovate 54 Teams” of teachers and administrators from each school who will work to deeply embed progressive pedagogical approaches and foster a culture of innovation across the District 54 community.

## **STRATEGIC FOCUS AREA 3: RECRUITMENT, DEVELOPMENT AND ENGAGEMENT OF EXCEPTIONAL PERSONNEL**

### *Priority Action Steps*

- Recruit and hire prospective employees who encompass the behaviors and attitudes aligned to the district mission.
- Offer a comprehensive induction program for all new hires, while providing ongoing support and training through the District 54 mentoring program.
- Utilize Professional Learning Communities and professional development for ongoing improvement of instructional practices and school culture.

## **STRATEGIC FOCUS AREA 4: FACILITIES AND FISCAL RESPONSIBILITY**

### *Priority Action Steps*

- Maintain fiscal responsibility that ensures District 54 sustains long-term financial stability.
- Develop a long-term facilities plan that ensures safety, accommodates for increasing enrollment and provides for 21st century learning modifications.
- Provide competitive salaries and benefits that are fiscally responsible while recognizing the significant contributions our employees make to the district each and every day.





**SCHOOL DISTRICT 54**  
Ensuring Student Success

Debt Administration

The District is debt free after making a final debt payment in December 2011.

Local Economy and Economic Outlook

The general economic outlook for the Schaumburg area continues to be very strong. The District's economic base continues to be diversified and strong. It is expected that development will continue at an improved rate in the foreseeable future. Current projections continue to provide a strong economic outlook for the District. The District has remained fiscally responsible while academically surging.

Independent Audit

The School Code of Illinois and the District require an annual audit of the financial statements of all funds of the District. The audit for the year ended June 30, 2020 was done by RSM US LLP, independent certified public accountants, who were selected by the District's Board of Education. Their report has been included in the financial section of this report.

Awards

The Association of School Business Officials (ASBO) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 48<sup>th</sup> consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

Acknowledgments

We wish to thank the entire staff of the Business Office for their dedicated service in the preparation of the Comprehensive Annual Financial Report on a timely basis.

We would also like to extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Closing Statement

It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with a meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2020.

Respectfully submitted:

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Andrew D. DuRoss  
Superintendent of Schools

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Ric King  
Assistant Superintendent, Business Operations



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Schaumburg Community  
Consolidated School District 54**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO  
President

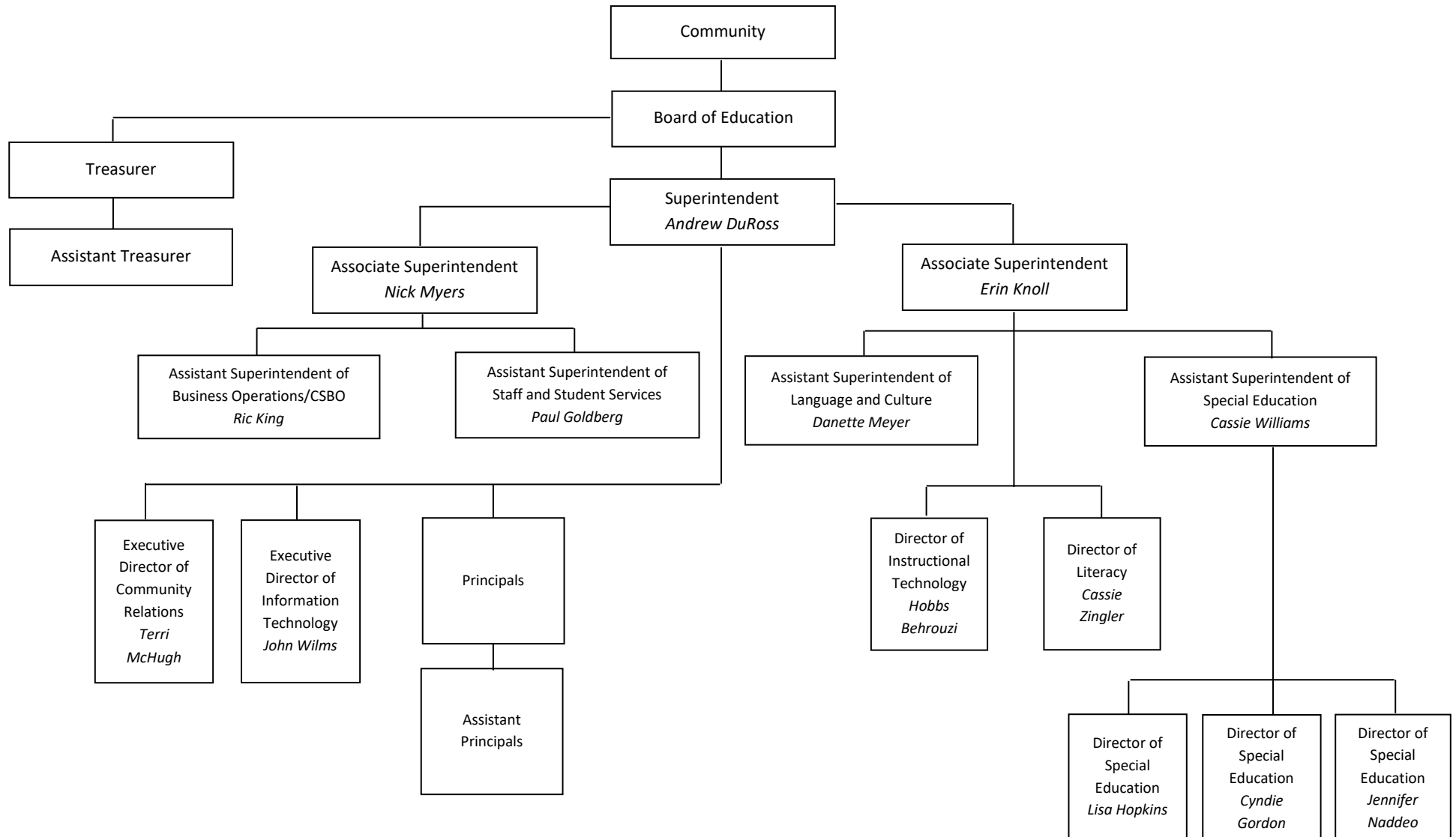
A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director



2019-2020

## ORGANIZATIONAL STRUCTURE



# **Board of Education and Administrative Staff**

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Schaumburg Community Consolidated School District 54

## **BOARD OF EDUCATION**

Bob Kaplan, President  
Mary Kay Prusnick, Vice President  
Ken Van Dyke, Secretary  
Bill Harper  
Barbara Hengels  
Jim Pye  
Nicholas Sciplone

## **ADMINISTRATIVE STAFF**

Andrew D. DuRoss, Superintendent of Schools  
Nick Myers, Associate Superintendent  
Erin Knoll, Assistant Superintendent, Teaching and Learning  
Paul Goldberg, Assistant Superintendent, District Improvement  
Ric King, Treasurer/Assistant Superintendent, Business Operations  
Danette Meyer, Assistant Superintendent of Language and Culture  
Cassie Williams, Assistant Superintendent for  
Student and Administrative Services

## **Official Issuing Report**

Ric King, Treasurer/Assistant Superintendent, Business Operations

## **Independent Auditor's Report**

Members of the Board of Education  
Schaumburg Community Consolidated School District No. 54

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Schaumburg Community Consolidated School District No. 54, Illinois (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Schaumburg Community Consolidated School District No. 54, Illinois, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required Supplementary Information, such as Management's Discussion and Analysis (pages 3 – 12), schedules of net pension and other postemployment benefit (OPEB) liabilities, employer contributions (pages 53 – 59), and budgetary comparison information (page 60) and related notes (pages 61 – 62), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the combining and individual fund financial statements and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The other information, including the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*RSM US LLP*

Chicago, Illinois  
December 14, 2020

## **Required Supplementary Information**

**Management's Discussion  
And Analysis (MD&A)**



## Schaumburg Community Consolidated School District No. 54

### Management's Discussion and Analysis

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This management's discussion and analysis of Schaumburg Community Consolidated School District No. 54's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2020. The management of the District encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the District's financial performance.

#### Financial Highlights

- Overall revenues were \$321.5 million, \$18.9 million less than expenses. Increase in revenues was mainly due to \$14.0 million or 16.3 percent increase in on-behalf payments to TRS and THIS by the State of Illinois. Additional increases in revenue pertain to \$2.8 million or 1.6 percent increase in property tax revenue. The total costs increased by \$27.2 million or 8.7 percent. The largest cost increase was \$14.0 million for on-behalf payments to TRS and THIS by the State of Illinois.
- Enrollment continues to increase at a moderate level.

#### Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

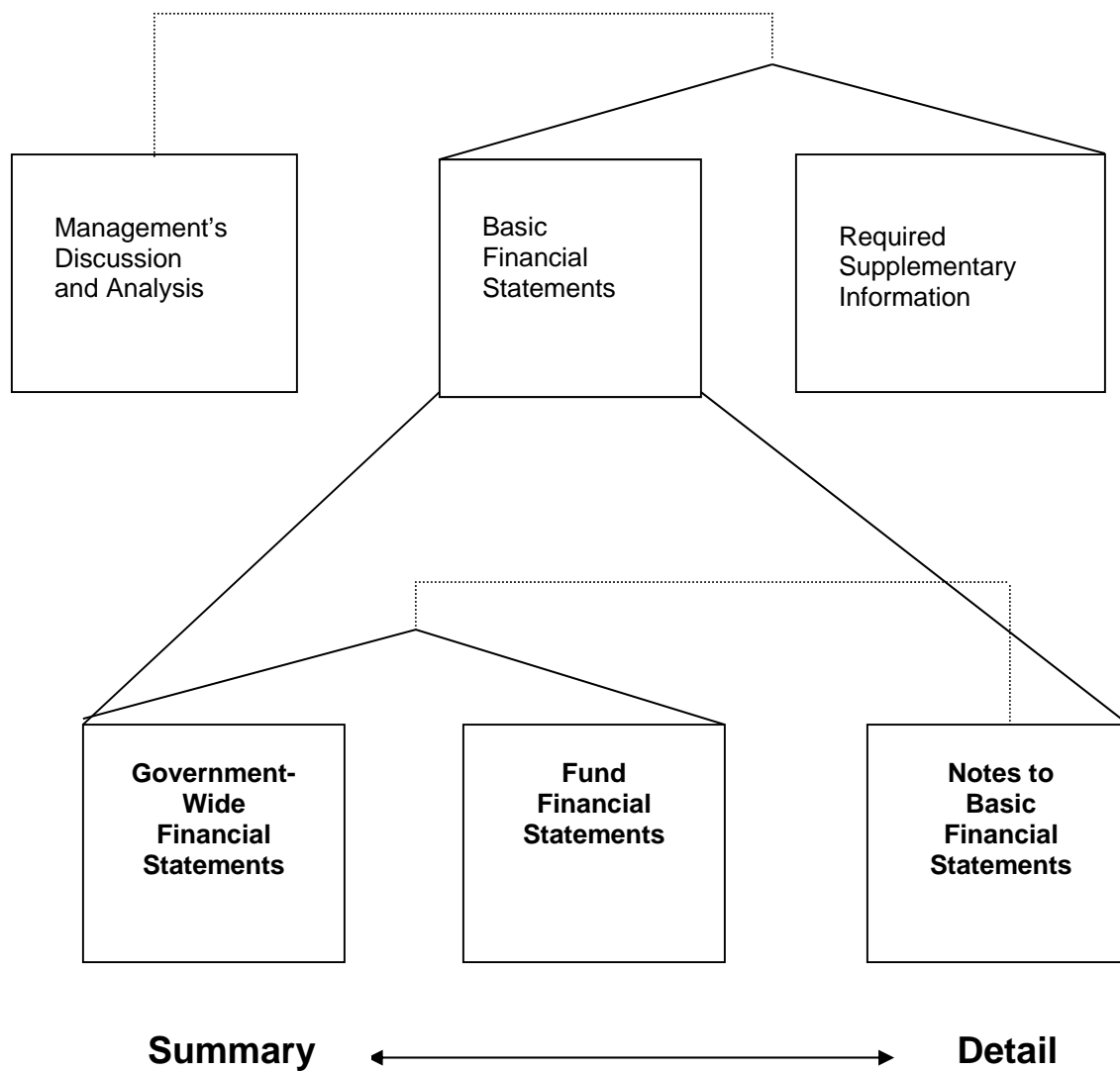
The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

**Management's Discussion and Analysis**

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Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**  
**Organization of the District's Annual Financial Report**



This report also contains other supplemental information in addition to the basic financial statements.

## Schaumburg Community Consolidated School District No. 54

### Management's Discussion and Analysis

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

<b>Figure A-2 Major Features of the Government-Wide and Fund Financial Statements</b>			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as Educational and Operations and Maintenance.	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position.</li> <li>• Statement of activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet.</li> <li>• Statement of revenues, expenditures, and changes in fund balance.</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary assets and liabilities.</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

## Schaumburg Community Consolidated School District No. 54

### Management's Discussion and Analysis

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#### Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are all categorized as *Governmental activities*. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

#### Fund Financial Statements

The District's fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District has two categories of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operation.

## Schaumburg Community Consolidated School District No. 54

### Management's Discussion and Analysis

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#### Financial Analysis of the District as a Whole

*Net position.* The District's *combined* net position was lower on June 30, 2020, than they were the year before, decreasing 12.4 percent to \$133.6 million. (See Figure A-3)

**Figure A-3**

***Condensed Statement of Net Position (in millions of dollars)***

	<b>Governmental Activities</b>	
	<b><u>2020</u></b>	<b><u>2019</u></b>
Current assets	\$ 255.0	\$ 260.6
Capital assets	<u>190.2</u>	<u>190.0</u>
Total assets	<u>\$ 445.2</u>	<u>\$ 450.6</u>
Deferred outflows of resources	<u>\$ 18.3</u>	<u>\$ 27.4</u>
Total assets and deferred outflows of resources	<b><u>\$ 463.5</u></b>	<b><u>\$ 478.0</u></b>
Current liabilities	\$ 31.5	\$ 31.3
Long-term liabilities	<u>177.3</u>	<u>176.8</u>
Total liabilities	<u>\$ 208.8</u>	<u>\$ 208.1</u>
Deferred inflows of resources	<u>\$ 121.1</u>	<u>\$ 117.4</u>
Net position		
Net investment in capital assets	\$ 190.1	\$ 190.0
Restricted	14.5	14.8
Unrestricted	<u>(71.0)</u>	<u>(52.3)</u>
Total net position	<u>\$ 133.6</u>	<u>\$ 152.5</u>
Total liabilities, deferred inflows of resources, and net position	<b><u>\$ 463.5</u></b>	<b><u>\$ 478.0</u></b>

The District's decrease in financial position is the result of planned utilization of reserves.

*Changes in net position.* The District's total revenues were \$321.5 million. (See Figure A-4) Property taxes accounted for most of the District's revenue, contributing about 55.9 cents of every dollar raised. (See Figure A-5) Another 42.0 cents came from state and federal aid for specific programs and state on-behalf contributions and the remainder from fees charged for services, unrestricted state aid and miscellaneous sources.

## Schaumburg Community Consolidated School District No. 54

### Management's Discussion and Analysis

The total cost of all programs and services was \$340.4 million. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (59.3 percent). (See Figure A-6) State on-behalf contribution expense accounted for 29.4 percent of total costs. The District's administrative and business activities accounted for 5.8 percent of total costs.

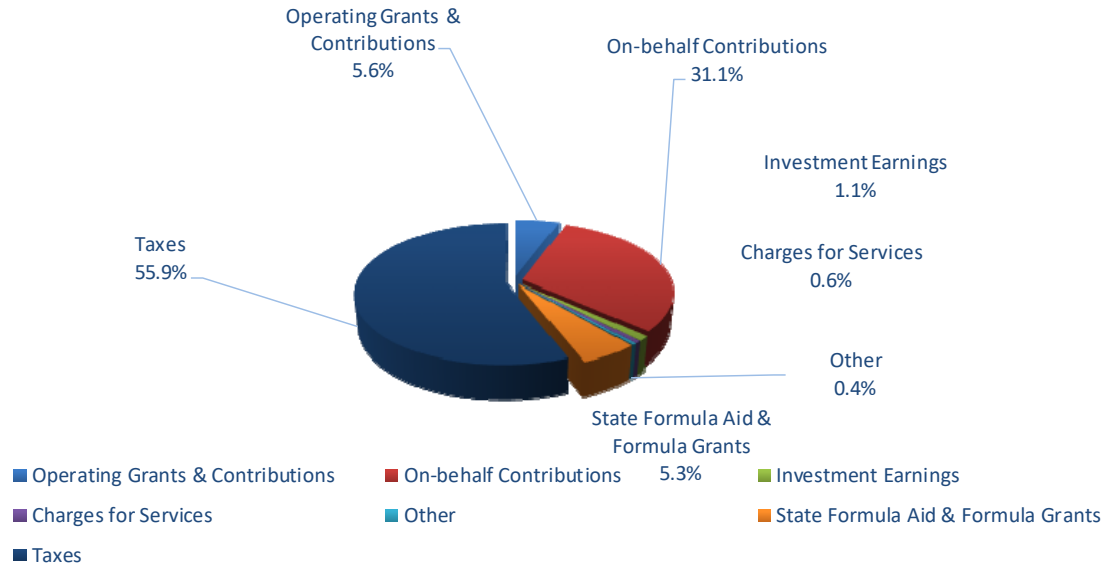
Total expenses surpassed revenues, decreasing net position by \$18.9 million over last year.

**Figure A-4**

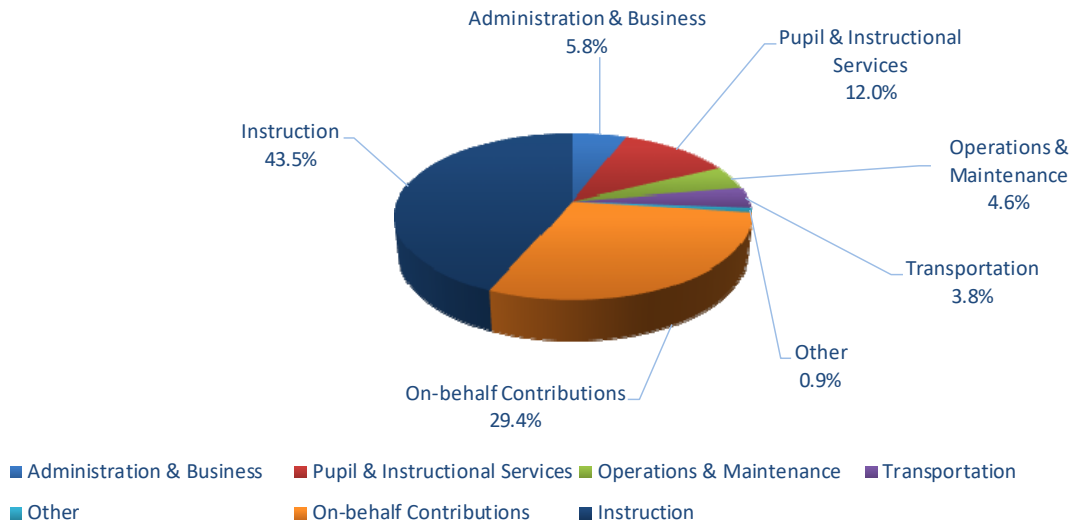
***Changes in Net Position from Operating Results (in millions of dollars)***

	<b>Governmental Activities</b>		<b>% Change</b>
	<b>2020</b>	<b>2019</b>	<b>2019-2020</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$1.9	\$1.8	5.6%
Operating grants and contributions	18.0	18.4	-2.2%
State on-behalf contributions - TRS and THIS	100.1	86.1	16.3%
General revenues			
Taxes	179.5	176.7	1.6%
Investment earnings	3.6	3.6	0.0%
Evidence-based funding	17.0	16.5	3.0%
Other	1.4	0.5	180.0%
<b>Total revenues</b>	<b>321.5</b>	<b>303.6</b>	<b>5.9%</b>
<b>Expenses</b>			
Instruction	147.8	141.5	4.5%
State on-behalf contributions - TRS and THIS	100.1	86.1	16.3%
Pupil and instructional services	40.9	32.6	25.5%
Administration and business	19.7	17.3	13.9%
Operations and maintenance	15.7	19.1	-17.8%
Transportation	13.1	13.6	-3.7%
Other	3.1	3.0	3.3%
<b>Total expenses</b>	<b>340.4</b>	<b>313.2</b>	<b>8.7%</b>
<b>Decrease in net position</b>	<b>(18.9)</b>	<b>(9.6)</b>	
Net position:			
Beginning net position	152.5	162.1	
Ending net position	<b>\$133.6</b>	<b>\$152.5</b>	

**Figure A-5 Government-Wide Revenues By Source**



**Figure A-6 Government-Wide Expenses**



## Schaumburg Community Consolidated School District No. 54

### Management's Discussion and Analysis

#### Governmental Activities

Revenues for the District's governmental activities were \$321.5 million in 2020, an increase of 5.9 percent over 2019. Total expenses in 2020 were \$340.4 million, an increase of 8.7 percent over 2019. Net position decreased by \$18.9 million in 2020.

The good health of the District's finances can be credited to both a strong property tax base and budgetary controls put in place by the Board of Education.

- Stable real estate values led to continued strong property tax revenues in 2020. Operating grants and contributions for governmental activities continue to remain consistent with no new significant funding initiatives realized in 2020.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. State on-behalf contributions are presented separately. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Figure A-7**  
**Net Cost of Governmental Activities (in millions of dollars)**

	Total Cost of Services			Percentage Change		Net Cost of Services			Percentage Change	
	2020	2019		2019-2020		2020	2019		2019-2020	
Instruction	\$ 147.8	\$ 141.5		4.5 %		\$ 138.4	\$ 131.7		5.1 %	
State on-behalf contributions - TRS and THIS	100.1	86.1		16.3 %		-	-		0.0 %	
Pupil and instructional services	40.9	32.6		25.5 %		38.4	29.0		32.4 %	
Administration and business	19.7	17.3		13.9 %		19.4	17.1		13.5 %	
Operations and maintenance	15.7	19.1		(17.8)%		15.3	18.6		(17.7)%	
Transportation	13.1	13.6		(3.7)%		5.8	7.6		(23.7)%	
Other	3.1	3.0		3.3 %		3.1	2.9		6.9 %	
<b>TOTAL</b>	<u>\$ 340.4</u>	<u>\$ 313.2</u>				<u>\$ 220.4</u>	<u>\$ 206.9</u>			

- The cost of all *governmental* activities this year was \$340.4 million.
- Some of the cost was financed by the users of the District's programs through charges for services (\$1.9 million).
- The federal and state governments subsidized certain programs with grants and contributions of \$135.1 million; of this amount \$17.0 million is evidence-based funding (formerly general state aid), \$18.0 million is operating grants and contributions, and \$100.1 million is State on-behalf contributions for TRS and THIS.
- Most of the District's costs, however, were financed by District taxpayers.



## Schaumburg Community Consolidated School District No. 54

### Management's Discussion and Analysis

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

As the District completed the year, its governmental funds reported combined fund balances of \$127.1 million.

The District's fund balance for its major governmental fund decreased by \$9.3 million from the prior fiscal year. The fund balance for the nonmajor governmental fund decreased slightly from the prior year.

#### General Fund Budgetary Highlights

Over the course of the year, the District did not revise the annual operating budget.

The District's final budget for the General Fund anticipated that expenditures would exceed revenues by \$10.7 million before other financing sources. Actual revenues of the General Fund were less than expenditures by \$8.9 million at year-end. The main factors were:

- Actual revenues were \$4.5 million more than expected due to the State of Illinois on-behalf contributions for TRS and THIS recognized in the governmental funds coming in higher than expected. The increase in the State of Illinois on-behalf recognized in the governmental funds was offset by a \$1.7 million decrease in federal aid, and \$1.2 million decrease in other revenue.
- The actual expenditures were \$2.7 million over budget due to the State of Illinois on-behalf payment being more than anticipated. The increase in State of Illinois on-behalf recognized in the governmental funds was offset by various instructional and support expenditures.

#### Capital Asset and Debt Administration

##### Capital Assets

By the end of 2020, the District had invested \$190.2 million in a broad range of capital assets, including school buildings, computer and audio-visual equipment, and administrative offices. (See Figure A-8) (More detailed information about capital assets can be found in Note 3 to the basic financial statements.) Total depreciation expense for the year amounted to \$9.3 million, while net building improvements and additions to equipment and furniture amounted to \$9.4 million.

**Figure A-8**

***Capital Assets (net of depreciation, in millions of dollars)***

	Governmental Activities		Total Percentage Change
	2020	2019	
Land	\$ 1.4	\$ 1.3	7.7%
Construction in process	2.8	6.8	(58.8)%
Improvements, other than building	2.9	2.9	0.0%
Buildings and improvements	170.7	170.5	0.1%
Machinery and equipment	12.4	8.5	45.9%
<b>TOTAL</b>	<b>\$ 190.2</b>	<b>\$ 190.0</b>	<b>0.1%</b>

## **Schaumburg Community Consolidated School District No. 54**

### **Management's Discussion and Analysis**

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

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

Schaumburg Community Consolidated School District No. 54's student enrollment has increased steadily over the last four years with a present enrollment of 15,420. The current facilities adequately accommodate the District's enrollment. The near term future plans call for repair and maintenance to existing facilities as the main capital needs of the District.

The District's certified staff are under contract through the 2021 fiscal year and so long as property tax revenue increases stay in line with salary increases, the District projects a strong financial picture for the foreseeable future.

The COVID-19 pandemic disrupted the District's operations and the end of the 2019-2020 school year was completed via remote learning. The District started the 2020-2021 school year via remote learning and the ongoing nature of the pandemic is anticipated to continue to impact the District, but the financial impact of the pandemic is unknown.

#### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Assistant Superintendent, Business Operations, 524 East Schaumburg Road, Schaumburg, Illinois 60194.

## **Basic Financial Statements**

**Government-Wide  
Financial Statements (GWFS)**

**Schaumburg Community Consolidated School District No. 54**

**Statement of Net Position  
June 30, 2020**

	Governmental Activities
<b>Assets</b>	
Current Assets	
Cash and investments	\$ 157,599,230
Receivables:	
Property taxes, net	85,551,388
Due from other governmental units - grants receivable	10,882,233
Prepaid items	1,017,318
<b>Total current assets</b>	<u>255,050,169</u>
Noncurrent Assets	
Capital assets, not being depreciated	4,174,674
Capital assets, being depreciated, net	185,982,055
<b>Total noncurrent assets</b>	<u>190,156,729</u>
<b>Total assets</b>	<u>445,206,898</u>
<b>Deferred Outflows of Resources</b>	
Pension-related adjustments - TRS	2,043,880
Pension-related adjustments - IMRF	5,371,884
OPEB-related adjustments - District Plan	3,881,484
OPEB-related adjustments - THIS	7,026,496
<b>Total deferred outflows of resources</b>	<u>18,323,744</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 463,530,642</u></u>

(Continued)

**Schaumburg Community Consolidated School District No. 54**

**Statement of Net Position (Continued)**  
**June 30, 2020**

	Governmental Activities
<b>Liabilities</b>	
Current Liabilities	
Accounts payable	\$ 12,344,329
Accrued payroll	16,991,333
Unearned revenue	42,078
Compensated absences	469,596
Accrued liabilities	1,679,310
<b>Total current liabilities</b>	<u>31,526,646</u>
Long-Term Liabilities, net of current maturities	
Collective net pension liability - TRS	11,962,371
Net pension liability - IMRF	16,382,004
Total OPEB liability - District Plan	19,249,204
Collective total OPEB liability - THIS	129,661,221
<b>Total long-term liabilities</b>	<u>177,254,800</u>
<b>Total liabilities</b>	<u>208,781,446</u>
<b>Deferred Inflows of Resources</b>	
Pension-related adjustments - TRS	6,615,956
Pension-related adjustments - IMRF	6,802,639
OPEB-related adjustments - THIS	17,066,325
Property taxes levied for subsequent years	90,618,157
<b>Total deferred inflows of resources</b>	<u>121,103,077</u>
<b>Net Position</b>	
Net investment in capital assets	190,156,729
Restricted for:	
Transportation	9,637,131
Retirement benefits	2,669,208
Debt service	2,078,004
Capital projects	103,696
Unrestricted	(70,998,649)
<b>Total net position</b>	<u>133,646,119</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u><u>\$ 463,530,642</u></u>

See notes to basic financial statements.

# Schaumburg Community Consolidated School District No. 54

## Statement of Activities Year Ended June 30, 2020

				Net (Expense)
				Revenue and
				Changes in
				Net Position
		Program Revenues		
			Operating	
Functions/Programs	Expenses	Charges for	Grants and	Governmental
		Services	Contributions	Activities
Governmental activities:				
Instruction:				
Regular programs	\$ 90,417,205	\$ 1,093,473	\$ 1,423,820	\$ (87,899,912)
Special programs	43,140,418	-	4,617,403	(38,523,015)
Other instructional programs	14,244,633	-	2,296,354	(11,948,279)
State on-behalf contributions - TRS and THIS	100,123,902	-	100,123,902	-
Support services:				
Pupils	17,645,992	-	-	(17,645,992)
Instructional staff	23,238,885	-	2,442,076	(20,796,809)
General administration	1,325,245	-	-	(1,325,245)
School administration	12,317,496	-	-	(12,317,496)
Business	6,020,388	145,674	124,478	(5,750,236)
Transportation	13,161,850	414,869	6,928,663	(5,818,318)
Operations and maintenance	15,671,897	260,317	108,460	(15,303,120)
Central	1,596,480	-	-	(1,596,480)
Payments to other governments	1,472,793	-	-	(1,472,793)
Total governmental activities	<u>\$ 340,377,184</u>	<u>\$ 1,914,333</u>	<u>\$ 118,065,156</u>	<u>(220,397,695)</u>
General revenues:				
Taxes:				
Property taxes				177,333,091
Corporate property replacement taxes				2,208,689
Evidence-based funding				17,028,072
Investment earnings				3,559,619
Miscellaneous				1,367,637
Total general revenues				<u>201,497,108</u>
Change in net position				<u>(18,900,587)</u>
Net position:				
July 1, 2019				<u>152,546,706</u>
June 30, 2020				<u>\$ 133,646,119</u>

See notes to basic financial statements.

## **Fund Financial Statements (FFS)**



# Schaumburg Community Consolidated School District No. 54

## Balance Sheet Governmental Funds June 30, 2020

	Major Fund General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 147,226,300	\$ 10,372,930	\$ 157,599,230
Receivables:			
Property taxes, net	79,488,195	6,063,193	85,551,388
Due from other governmental units - grants receivable	3,255,472	7,626,761	10,882,233
Prepaid items	1,017,318	-	1,017,318
<b>Total assets</b>	<b>\$ 230,987,285</b>	<b>\$ 24,062,884</b>	<b>\$ 255,050,169</b>
<b>Liabilities</b>			
Accounts payable	\$ 9,609,562	\$ 2,734,767	\$ 12,344,329
Accrued payroll	16,601,571	389,762	16,991,333
Unearned revenue	14,046	28,032	42,078
Accrued liabilities	675,894	-	675,894
<b>Total liabilities</b>	<b>26,901,073</b>	<b>3,152,561</b>	<b>30,053,634</b>
<b>Deferred Inflows of Resources</b>			
Property taxes levied for subsequent years	84,195,873	6,422,284	90,618,157
Deferred other revenues	1,404,142	5,874,902	7,279,044
<b>Total deferred inflows of resources</b>	<b>85,600,015</b>	<b>12,297,186</b>	<b>97,897,201</b>
<b>Fund Balances:</b>			
Nonspendable:			
Prepaid items	1,017,318	-	1,017,318
Restricted for:			
Retirement benefits	-	2,669,208	2,669,208
Transportation	-	3,762,229	3,762,229
Debt service	-	2,078,004	2,078,004
Capital projects	-	103,696	103,696
Unassigned	117,468,879	-	117,468,879
<b>Total fund balances</b>	<b>118,486,197</b>	<b>8,613,137</b>	<b>127,099,334</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 230,987,285</b>	<b>\$ 24,062,884</b>	<b>\$ 255,050,169</b>

See notes to basic financial statements.

## Schaumburg Community Consolidated School District No. 54

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2020

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Total fund balances - governmental funds	\$ 127,099,334
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	190,156,729
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Certain revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available but are recognized as revenue in the government-wide financial statements.	7,279,044
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Certain pension-related items are reported in the government-wide financial statements but not in the fund financial statements. These amounts consist of:	
Deferred outflows of resources related to pension expense - TRS	2,043,880
Deferred outflows of resources related to pension expense - IMRF	5,371,884
Deferred inflows of resources related to pension expense - TRS	(6,615,956)
Deferred inflows of resources related to pension expense - IMRF	(6,802,639)

Certain OPEB-related items are reported in the government-wide financial statements but not in the fund financial statements. These amounts consist of:	
Deferred outflows of resources related to OPEB expense - District Plan	3,881,484
Deferred outflows of resources related to OPEB expense - THIS	7,026,496
Deferred inflows of resources related to OPEB expense - THIS	(17,066,325)

Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.

The liabilities consist of:

Health insurance claims incurred, but not reported	(1,003,416)
Compensated absences	(469,596)
Collective net pension liability - TRS	(11,962,371)
Net pension liability - IMRF	(16,382,004)
Total OPEB liability - District Plan	(19,249,204)
Collective total OPEB liability - THIS	<u>(129,661,221)</u>

Net position of governmental activities	<u><u>\$ 133,646,119</u></u>
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See notes to basic financial statements.

**Schaumburg Community Consolidated School District No. 54**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Governmental Funds**

**Year Ended June 30, 2020**

	Major Fund General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property and replacement taxes	\$ 166,951,096	\$ 12,590,684	\$ 179,541,780
State aid	19,868,751	6,928,663	26,797,414
State on-behalf contributions - TRS and THIS	52,019,421	-	52,019,421
Federal aid	6,732,645	-	6,732,645
Interest	3,318,382	241,237	3,559,619
Other	2,908,283	389,134	3,297,417
<b>Total revenues</b>	<b>251,798,578</b>	<b>20,149,718</b>	<b>271,948,296</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	81,424,670	1,830,380	83,255,050
Special programs	36,617,877	1,669,837	38,287,714
Other instructional programs	12,556,630	796,609	13,353,239
State on-behalf contributions - TRS and THIS	52,019,421	-	52,019,421
Support services:			
Pupils	15,972,180	594,459	16,566,639
Instructional staff	10,886,518	801,915	11,688,433
General administration	1,122,155	16,227	1,138,382
School administration	11,206,002	247,673	11,453,675
Business	5,230,419	484,410	5,714,829
Transportation	-	13,161,850	13,161,850
Operations and maintenance	13,476,328	831,564	14,307,892
Central	1,242,615	46,377	1,288,992
Payments to other governments	1,472,793	-	1,472,793
Capital outlay	17,446,423	53,693	17,500,116
<b>Total expenditures</b>	<b>260,674,031</b>	<b>20,534,994</b>	<b>281,209,025</b>
<b>Net change in fund balances</b>	<b>(8,875,453)</b>	<b>(385,276)</b>	<b>(9,260,729)</b>
Fund balances:			
July 1, 2019	127,361,650	8,998,413	136,360,063
June 30, 2020	\$ 118,486,197	\$ 8,613,137	\$ 127,099,334

See notes to basic financial statements.

## Schaumburg Community Consolidated School District No. 54

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities Year Ended June 30, 2020

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Net change in fund balances - total governmental funds		\$ (9,260,729)
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Amounts reported for governmental activities in the statement of activities are different because:

Revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available but are recognized as revenue in the government-wide financial statements.

Prior year deferred balance	(5,855,224)	
Current year deferred balance	<u>7,279,044</u>	1,423,820

Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlays	9,387,739	
Depreciation expense	<u>(9,266,970)</u>	120,769

Items related to pension expense and revenue are reported as deferred inflows and outflows on the government-wide financial statements, but not on the fund financial statements.

Deferred outflows of resources related to pension expense - TRS	(614,023)	
Deferred outflows of resources related to pension expense - IMRF	(10,210,823)	
Deferred inflows of resources related to pension expense - TRS	1,861,509	
Deferred inflows of resources related to pension expense - IMRF	<u>(5,261,085)</u>	(14,224,422)

Items related to OPEB expense and revenue are reported as deferred inflows and outflows on the government-wide financial statements, but not on the fund financial statements.

Deferred outflows of resources related to OPEB expense - District Plan	2,435,635	
Deferred outflows of resources related to OPEB expense - THIS	(649,752)	
Deferred inflows of resources related to OPEB expense - District Plan	324,521	
Deferred inflows of resources related to OPEB expense - THIS	<u>1,352,352</u>	3,462,756

Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

These activities consists of changes in:

State on-behalf contribution revenue - TRS and THIS	48,104,481
State on-behalf expense - TRS and THIS	(48,104,481)
Health insurance claims incurred, but not reported	32,719
Compensated absences	(19,653)
Collective net pension liability - TRS	81,866
Net pension liability - IMRF	13,617,726
Total OPEB liability - District Plan	(7,509,203)
Collective total OPEB liability - THIS	<u>(6,626,236)</u>

Change in net position of governmental activities	<u><u>\$ (18,900,587)</u></u>
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See notes to basic financial statements.

**Schaumburg Community Consolidated School District No. 54**

**Statement of Fiduciary Assets and Liabilities**

**Agency Funds**

**June 30, 2020**

	Student Activity Fund
<b>Assets</b> , cash	<u>\$ 605,274</u>
<b>Liabilities</b> , due to activity fund organizations	<u>\$ 605,274</u>

See notes to basic financial statements.

## **Schaumburg Community Consolidated School District No. 54**

### **Notes to Basic Financial Statements**

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#### **Note 1. Summary of Significant Accounting Policies**

##### ***Nature of Activities***

Schaumburg Community Consolidated School District No. 54 (the District) operates as a public school system under the direction of its Board of Education. The District is organized under The School Code of the State of Illinois (School Code), as amended. The District serves the communities of Schaumburg Township, Elk Grove Village, Streamwood, Hanover Park and Roselle.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

##### ***Financial Reporting Entity***

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

- 1) The primary government is legally entitled to or has access to the component unit's resources.
- 2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.
- 3) The primary government is obligated in some manner for the other component unit's debt.

Based upon the application criteria, no component units have been included within the reporting entity.

##### ***Basis of Presentation***

**Government-Wide Financial Statements:** The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the District. Eliminations have been made to minimize the double counting of internal activities of the District. The financial activities of the District consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

**Fund Financial Statements:** Separate financial statements are provided for governmental funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the District's funds. The District has the following governmental funds – General, Special Revenue, Debt Service, and Capital Projects. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District administers the following major governmental fund:

**General Fund** – This is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

Additionally, the District administers an agency fund that is used to account for assets held by the District in an agency capacity. These funds are held on behalf of the students of the District.

#### **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus while the fiduciary statements do not have a measurement focus. The government-wide financial statements and the fiduciary statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the District has a legal claim to the resources. Property taxes are recognized as revenues in the year they are levied (i.e., intended to finance). Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

## **Schaumburg Community Consolidated School District No. 54**

### **Notes to Basic Financial Statements**

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, in the governmental fund financial statements, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

#### **Property Taxes**

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2019 tax levy was passed by the Board of Education on November 14, 2019 and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and September 2020, and are collected by the county collector, who in turn remits to the District its respective share. The District receives these remittances within one month of the collection dates. Approximately one-half of the 2019 levy is intended to finance fiscal year beginning July 1, 2019 and the District recognizes property tax revenue provided they are collected within 60 days after year-end with the remaining portion of the levy to be recognized in the following fiscal year. Property taxes not collected within 60 days after year-end or collected prior to the year they are intended to finance are reflected as deferred inflows of resources in the current year. This methodology conforms to the measurable and available criteria for revenue recognition. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amounts to be collected. At June 30, 2020, the allowance for uncollectible amounts was approximately 2 percent of the total levy, \$3,698,700.

The Property Tax Extension Limitation Law imposes mandatory property tax limitations on the ability of taxing districts in Illinois to raise revenues through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of 5 percent or the percentage increase in the Consumer Price Index for all Urban Consumers. The limitation includes taxes levied for purposes without a statutory maximum rate. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.

#### **Cash and Investments**

For purposes of reporting cash, all highly liquid investments with original maturities of three months or less when purchased are considered to be cash.

The District has investments in non-participating and participating certificates of deposits (CDs), municipal bonds, and US agency securities. Non-participating CDs are valued at cost. Participating CDs, municipal bonds and US agency securities are valued at fair value, if maturity is greater than one year at time of purchase, or amortized cost if maturity is less than one year at purchase. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Changes in the carrying value of investments resulting in unrealized gains or losses are reported as a component of investment earnings in the statements of revenues, expenses, and changes in net position.



## **Schaumburg Community Consolidated School District No. 54**

### **Notes to Basic Financial Statements**

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The method used to report prepaid items is the purchase method.

##### **Interfund Activity**

Transfers are flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

##### **Capital Assets**

Capital assets which include land, construction in progress, buildings and improvements, and machinery and equipment, are reported in the Statement of Net Position. Capital assets are defined as assets with an initial individual cost of more than \$500, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized in the government-wide financial statements. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their acquisition value at the date of donation.

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

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	50 years
Machinery and equipment	5 – 10 years
Improvements other than buildings	20 years

##### **Compensated Absences**

Certified employees working less than 12 months a year do not earn vacation days. Full-time employees working 12 months a year earn vacation days which accumulate as they accrue, however, unused vacation days from the previous fiscal year must be used by December 31 of the current fiscal year. If they are not, they will be lost. Vacation pay includes the actual salary plus salary related payments. Compensated absences are reported on the government-wide financial statements.

Substantially all full-time employees receive 9 sick days and 5 personal days per year, and these days may accumulate to a maximum of 280 days for certified employees and 240 days for noncertified employees. These accumulated sick days do not vest and have not been recognized as a liability as they will not be paid in cash.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Deferred Inflows or Deferred Outflows of Resources and Unearned Revenue

Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods. Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods.

Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both the fund financial statements and government-wide financial statements. Potential grant revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the “measurable” and “available” criteria for recognition in the current period.

The net difference between projected and actual earnings on pension and other postemployment benefits (OPEB) plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, as well as pension and OPEB payments made subsequent to the pension and OPEB liability measurement date are reported as deferred outflows or inflows of resources on the government-wide financial statements. See Note 6 for pension related disclosures and Note 7 for OPEB related disclosures.

Unearned revenues arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

##### Long-Term Obligations

In the government-wide financial statements, long-term obligations, including retirement benefits and other post-employment benefits, are reported as liabilities in the Statement of Net Position.

##### Net Position

The District’s government-wide net position is reported in three categories:

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation.

**Restricted net position** results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** consists of net position that does not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Fund Balances

Within the governmental fund types, the District's fund balances are reported in one of the following classifications:

***Nonspendable*** – includes amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

***Restricted*** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

***Committed*** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District's highest level of decision-making authority rests with the District's Board of Education. The District passes formal resolutions to commit their fund balances. At June 30, 2020, the District has no committed fund balance amounts.

***Assigned*** – includes amounts that are constrained by the District's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: (a) the District's Board of Education itself; or (b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. At June 30, 2020, the District has no assigned fund balance amounts.

***Unassigned*** – includes the residual fund balance that has not been restricted, committed, or assigned within the General Fund and unassigned deficit fund balances of other governmental funds.

It is the District's policy for the General Fund to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e., committed, assigned or unassigned fund balances) are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used. For all other governmental funds, it is the District's policy to consider unrestricted resources to have been spent first, followed by restricted resources.

The General Fund includes the Working Cash stabilization account. Under the State of Illinois School Code, the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all times sufficient money to meet demands thereon. These working cash funds may be lent to other District governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the General Fund educational account or abate the fund to any fund of the District most in need. At June 30, 2020, the District had working cash stabilization fund balance of \$40,684,062 that had been classified as unassigned fund balance in the General Fund.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Eliminations and Reclassifications

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

##### Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures during the period. Actual results could differ from these estimates.

#### Note 2. Cash and Investments

##### Deposits

State statutes authorize the District to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks, savings and loan associations, and credit unions. As of June 30, 2020, the District had deposits with federally insured financial institutions of \$72,337,970 with bank balances totaling \$72,410,351. The Agency Funds had deposits with federal insured financial institutions of \$605,274. The District and Agency Fund deposits were fully insured or collateralized as of June 30, 2020.

As of June 30, 2020, the District had non-participating CD's in the amount of \$2,946,700.

*Custodial Credit Risk – Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk.

##### Investments

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

Investment Type	Investment Maturities (in Years)		
		Less Than 1	1-5
US Agencies	\$ 6,680,316	\$ -	\$ 6,680,316
Illinois School District Liquid Asset Fund (ISDLAF)	840	840	-
U.S. Treasury Notes	3,937,400	3,937,400	-
Municipal Bonds	12,417,119	10,279,587	2,137,532
Participating Certificates of Deposit	28,635,701	27,648,701	987,000
Money Market	30,643,184	30,643,184	-
Carrying Value	<u>\$ 82,314,560</u>	<u>\$ 72,509,712</u>	<u>\$ 9,804,848</u>

The ISDLAF is shown as maturing in less than one year because the weighted average maturity of the pool is less than one year.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 2. Cash and Investments (Continued)

*Interest Rate Risk:* The District's investment policy does not limit the District's investment portfolio to specific maturities.

The ISDLAF is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Directors elected from the participating members. The ISDLAF is not registered with the SEC as an investment company. Investments in the ISDLAF are valued at the ISDLAF share price, which is the price the investment could be sold for. The fair value of the pool is measured at net asset value (NAV).

*Credit Risk:* State statutes authorize the District to invest in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, and short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000. U.S. Treasury obligations are backed by the full faith and credit of the U.S. Government and are not considered to have credit risk. The District is also authorized to invest in the ISDLAF. The District restricted its investments to only those investments described above.

As of June 30, 2020, the FFCB, FHLMC, and FHLB investments are rated AA+ and above by Standard & Poor's and Aaa and above by Moody's Investors Services. The Municipal Bonds are rated AA- and above by Standard & Poor's and Aa2 and above by Moody's Investors Services. The ISDLAF is rated AAAm by Standard & Poor's. The Money Market funds are not rated.

*Concentration of Credit Risk:* The District's investment policy does not restrict the amount of investment in any one issuer. More than 5 percent of the District's investments are in FHLB. This investment made up 6.7 percent of the District's total investments. The ISDLAF, participating CD's, and Money Market funds are not subject to concentration of credit risk.

*Custodial Credit Risk – Investments:* For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The FHLMC, FHLB, U.S. Treasury Notes, and Municipal Bonds investments are held by the District's agent in the District's name. The ISDLAF and Money Market funds are not subject to custodial credit risk. The District's investment policy does not address custodial credit risk for investments.

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application Risk*, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation on the inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs. Level 3 inputs are significant unobservable inputs.

The District has the following as of June 30, 2020:

	June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
U.S. agency securities	\$ 6,680,316	\$ -	\$ 6,680,316	\$ -
Municipal bonds	2,137,532	-	2,137,532	-
Participating certificates of deposit	4,615,701	-	4,615,701	-
Total debt securities	<u>\$ 13,433,549</u>	<u>\$ -</u>	<u>\$ 13,433,549</u>	<u>\$ -</u>

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 2. Cash and Investments (Continued)

##### *Investments measured at the net asset value (NAV) or amortized cost*

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Money Market	\$ 30,643,184	N/A	Daily	One Day
Municipal bonds	10,279,587	N/A	Daily	One Day
Participating Certificates of Deposit	24,020,000	N/A	Daily	One Day
U.S. Treasury securities	3,937,400	N/A	Daily	One Day
ISDLAF	840	N/A	Daily	One Day
Total investments measured at the NAV or amortized cost	<u>68,881,011</u>			
Total investments	<u><u>\$ 82,314,560</u></u>			

The above deposits and investments are presented in the basic financial statements as cash and investments as follows:

Statement of net position, governmental activities	\$ 157,599,230
Statement of fiduciary assets and liabilities, agency funds	<u>605,274</u>
	<u><u>\$ 158,204,504</u></u>

# **Schaumburg Community Consolidated School District No. 54**

## **Notes to Basic Financial Statements**

### **Note 3. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,309,087	\$ 55,170	\$ -	\$ 1,364,257
Construction in progress	6,852,928	6,914,454	10,956,965	2,810,417
Total capital assets not being depreciated	8,162,015	6,969,624	10,956,965	4,174,674
Capital assets, being depreciated:				
Improvements other than building	6,708,017	1,008,180	-	7,716,197
Buildings and improvements	290,094,703	6,019,914	-	296,114,617
Machinery and equipment	24,556,604	6,346,986	6,641,199	24,262,391
Total capital assets being depreciated	321,359,324	13,375,080	6,641,199	328,093,205
Less accumulated depreciation:				
Improvements other than building	(3,828,046)	(1,012,127)	-	(4,840,173)
Buildings and improvements	(119,571,971)	(5,884,206)	-	(125,456,177)
Machinery and equipment	(16,085,362)	(2,370,637)	(6,641,199)	(11,814,800)
Total accumulated depreciation	(139,485,379)	(9,266,970)	(6,641,199)	(142,111,150)
Total capital assets, being depreciated, net	181,873,945	4,108,110	-	185,982,055
Governmental activities				
Capital assets, net	\$ 190,035,960	\$ 11,077,734	\$ 10,956,965	\$ 190,156,729

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 3. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular programs	\$ 1,023,335
Special programs	1,336,142
Other instructional programs	28,734
Support services:	
Instructional staff	5,849,296
General administration	138,194
Central	163,958
Operations and maintenance	727,311
	<hr/>
	\$ 9,266,970

#### Note 4. Long-Term Obligations

As of June 30, 2020, the District has no outstanding long-term debt and there was no activity for the year then ended.

Per Illinois school code (105 ILCS 5/prec. Sec. 19-1 heading), the legal debt limit of the District was \$360,009,661 based upon 6.9 percent of its 2019 equalized assessed valuation of \$5,217,531,312. The District has no outstanding debt subject to the legal debt margin as of June 30, 2020.

#### Note 5. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for medical and dental benefits that are provided for its employees up to \$200,000 per plan year for each employee, but maintains coverage with an insurance carrier for excess amounts. Settlements have not exceeded coverages for each of the past three fiscal years. The plan is administered by a third party administrator who processes the claims for a monthly fee. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administrative fees.

At June 30, 2019, total unpaid claims, including an estimate of claims incurred but not yet reported are developed based on reports prepared by the administrative agent, are summarized as follows:

	2020	2019
Self-insurance liability, July 1	\$ 1,246,530	\$ 1,913,585
Current year claims and changes in estimate	19,961,811	20,250,882
Actual claims paid	(19,994,530)	(20,917,937)
	<hr/>	<hr/>
Self-insurance liability, June 30	\$ 1,213,811	\$ 1,246,530



## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 5. Risk Management (Continued)

The District's liability for medical and dental claims is included in accrued liabilities in the statement of net position. Of this amount, the District recorded \$210,395 in the General Fund.

The District purchases commercial insurance for all other risks of loss, including general liability, property and equipment, workers' compensation, and umbrella coverages. The insurance coverage is consistent with the prior year and the amounts of settled claims have not exceeded commercial insurance coverage in any of the past three years.

#### Note 6. Retirement Plan Commitments

The following is a summary of all pension related items presented in the governmental activities. Details related to these plans are presented separately on the following pages.

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expenses
Teachers' Retirement System (TRS)	\$ 11,962,371	\$ 2,043,880	\$ 6,615,956	\$92,044,880
Illinois Municipal Retirement Fund (IMRF)	16,382,004	5,371,884	6,802,639	5,291,828
Total	<u>\$28,344,375</u>	<u>\$ 7,415,764</u>	<u>\$13,418,595</u>	<u>\$97,336,708</u>

#### Teachers' Retirement System

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

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

**Benefits Provided.** TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 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. Disability and death benefits are also provided.

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.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

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 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

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

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

**On behalf contributions to TRS.** The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2020, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$92,435,263 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$50,554,131 in the General Fund based on the current financial resources measurement basis.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$685,223 and are reported as a deferred outflow of resources on the statement of net position 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 District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost.

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 \$1,686,614 were paid from federal and special trust funds that required District contributions of \$179,793. Actual contributions were \$202,800 and reported as a deferred outflow of resources on the statement of net position because they were paid after the June 30, 2019, measurement date.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 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. Additionally PA 100-0023 requires school districts to pay for a portion of the cost of a member's pension if that member's salary, determined on a full-time equivalent basis, is greater than the governor's statutory salary (currently \$177,500). The amount charged to the employer is the employer normal cost, or 10.66 percent.

For the year ended June 30, 2020, the District paid \$3,134 to TRS for employer contributions due on salary increases in excess of the statutory limit. There were no payments for sick leave days granted in excess of the normal annual allotment and the District paid \$35,224 for member salaries in excess of the governor's statutory salary.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2020, 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	\$ 11,962,371
State's proportionate share of the net pension liability associated with the District	<u>851,348,913</u>
Total	<u><u>\$ 863,311,284</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The 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 contributions of all participating TRS employers and the state during that period. At June 30, 2019, the employer's proportion was 0.0147 percent, which was a decrease of 0.0008 from its proportion measured as of June 30, 2018.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

#### Note 6. Retirement Plan Commitments (Continued)

For the year ended June 30, 2020, the employer recognized an offset to expenses of \$92,044,880 in the governmental activities based on the economic resources measurement basis and expenditures in the amount of \$51,442,154 in the General Fund based on the current financial resources measurement basis. 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
Differences between expected and actual experience	\$ 196,150	\$ -
Net difference between projected and actual earnings on pension plan investments	18,950	-
Changes in proportion and differences between District contributions and proportionate share of contributions	672,718	6,386,340
Changes of assumptions	268,039	229,616
Total deferred amounts to be recognized in pension expense in future periods	1,155,857	6,615,956
District contributions subsequent to the measurement date	888,023	-
	<u>\$ 2,043,880</u>	<u>\$ 6,615,956</u>

The District reported \$888,023 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

#### Year Ending June 30.

2021	\$ (1,597,668)
2022	(1,486,642)
2023	(1,573,966)
2024	(763,724)
2025	(38,099)
	<u>\$ (5,460,099)</u>

*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

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

#### Note 6. Retirement Plan Commitments (Continued)

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

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

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

**Discount Rate.** At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was unchanged from 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 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.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 14,610,898	\$ 11,962,371	\$ 9,784,681

**Payables to TRS.** As of June 30, 2020, the District reported no payables to TRS.

**TRS Fiduciary Net Position.** Detailed information about TRS' fiduciary net position as of June 30, 2018, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

#### Illinois Municipal Retirement Fund

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

**Benefits Provided.** The District participates in the Regular Plan (RP). 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 credits. 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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 services, divided by 48. Under Tier 1, the pension is increased by 3 percent of the original amount on January 1 every year after retirement.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent of the original pension amount, or
- ½ 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:

Retirees and beneficiaries currently receiving benefits	782
Inactive Plan Members entitled to but not yet receiving benefits	893
Active Plan Members	766
Total	<u>2,441</u>

**Contributions.** As set by statute, the District's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rates for calendar years 2020 and 2019 were 12.64 percent and 10.70 percent, respectively. For the fiscal year ended June 30, 2019, the District contributed \$3,427,988 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability.** The District's net pension liability was measured as of December 31, 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 percent.
- **Salary Increases** were expected to be 3.35 percent to 14.25 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25 percent.
- **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 of the period 2014-2016.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

#### Note 6. Retirement Plan Commitments (Continued)

- 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:

Asset Class	Target Allocation	Projected Returns / Risk	
		One year Arithmetic	Ten Year Geometric
Domestic equity	37.0 %	7.05 %	5.75 %
International equity	18.0	8.10	6.50
Fixed income	28.0	3.70	3.25
Real estate	9.0	6.35	5.20
Alternative investments	7.0		
Private equity		11.30	7.60
Commodities		4.65	3.60
Cash equivalents	1.0	1.85	1.85
	<u>100.0 %</u>		

**Discount rate.** A single discount rate of 7.25 percent 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 (7.25 percent) 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 (2.75 percent) 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.



## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

#### Note 6. Retirement Plan Commitments (Continued)

Based on those assumptions, IMRF's fiduciary net position at December 31, 2019, was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25 percent and the municipal bond rate was not used.

**Changes in the Net Pension Liability.** The following table shows the components of the District's annual pension liability and related plan fiduciary net position for the calendar year ended December 31, 2019:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at January 1, 2019	\$ 167,958,659	\$ 137,958,929	\$ 29,999,730
Changes for the year:			
Service cost	2,983,631	-	2,983,631
Interest on the total pension liability	11,952,787	-	11,952,787
Difference between expected and actual experience of the Total Pension Liability	2,295,479	-	2,295,479
Contributions - employer	-	3,048,415	(3,048,415)
Contributions - employees	-	1,295,597	(1,295,597)
Net investment income	-	26,272,681	(26,272,681)
Benefit payments, including refunds of employee contributions	(9,168,896)	(9,168,896)	-
Other (net transfer)	-	232,930	(232,930)
Balances at December 31, 2019	<u>\$ 176,021,660</u>	<u>\$ 159,639,656</u>	<u>\$ 16,382,004</u>

**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 percent, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1.0 percent lower or 1.0 percent higher:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net pension liability	\$ 37,184,703	\$ 16,382,004	\$ (938,908)

# Schaumburg Community Consolidated School District No. 54

## Notes to Basic Financial Statements

### Note 6. Retirement Plan Commitments (Continued)

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2020, the District recognized pension expense of \$5,291,828. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,968,953	\$ -
Changes of assumptions	1,259,112	-
Net difference between projected and actual earnings on pension plan investments	-	6,802,639
Total deferred amounts to be recognized in pension expense in future periods	3,228,065	6,802,639
District contributions subsequent to the measurement date	2,143,819	-
	<u>\$ 5,371,884</u>	<u>\$ 6,802,639</u>

The District reported \$2,143,819 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as reduction of the net pension liability in the reporting year ending June 30, 2021. 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:

2021	\$ 557,044
2022	(1,421,112)
2023	576,919
2024	(3,287,425)
	<u>\$ (3,574,574)</u>

### Note 7. Post Employment Benefit Plans Other Than Pensions

	OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expenses
District Retiree Health Plan	\$ 19,249,204	\$ 3,881,484	\$ -	\$ 5,874,974
Teachers' Health Insurance Security Fund	129,661,221	7,026,496	17,066,325	14,699,442 *
Total	<u>\$ 148,910,425</u>	<u>\$ 10,907,980</u>	<u>\$ 17,066,325</u>	<u>\$ 20,574,416</u>

\* Represents OPEB expenses in the governmental activities. General Fund OPEB expense is \$2,552,441.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 7. Post Employment Benefit Plans Other Than Pensions (Continued)

##### Retiree Health Plan

*Plan Description.* The District provides District paid retiree medical coverage (including prescription drugs) to current and future eligible retirees ranging from three years to age 65 depending on employment classification. Dependents are provided access to coverage on a fully contributory basis. This is a single-employer plan. The Retiree Health Plan does not issue a publicly available financial report.

*Benefits Provided.* Certified retirees receive coverage under the TRS health plan with a District contribution set at the TRS HMO Manual Care Insurance Plan rate. Non-certified retirees receive coverage under the District health plan with the District contribution set at the existing District Plan premium rate for HMO coverage.

*Employees Covered by Benefit Terms.* At June 30, 2020, the following employees were covered by the benefit terms:

Inactive Plan Members currently receiving benefits	125
Active Plan Members	<u>2,155</u>
Total	<u><u>2,280</u></u>

*Total OPEB Liability.* The District's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balances at June 30, 2019	\$ 11,740,001
Changes for the year:	
Service cost	560,763
Interest on the total OPEB liability	323,090
Difference between expected and actual experience of the Total OPEB Liability	171,958
Changes of assumptions	7,579,319
Benefit payments	<u>(1,125,927)</u>
Balances at June 30, 2020	<u><u>\$ 19,249,204</u></u>

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total OPEB liability at June 30, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Discount Rate** was assumed to be 2.21 percent based on the S&P Municipal Bond 20 Year High-Grade Rate Index.
- **Salary Increases** was assumed to be 2.50 percent.
- For **Healthcare Cost Trend Rates**, the actual trend rate was used for fiscal year 2020. For fiscal years on and after 2020, the trend rate for the PPO plan starts at 5.50 percent and decreases to a ultimate trend rate of 5.00 percent in the 2023 fiscal year Trend rates for the HMO and TRIP Managed Care Option starts and remains constant at 4.50 percent and 5.00 percent, respectively.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

#### Note 7. Post Employment Benefit Plans Other Than Pensions (Continued)

- 90 percent of IMRF employees and 100 percent of TRS employees are assumed to elect coverage at retirement.
- **Retirement rates, termination rates and disability rates** for IMRF employees were based on rates from the IMRF Experience Study Report dated November 8, 2017 and for TRS employees from the TRS Experience Study Report dated September 18, 2018.
- **Mortality rates** for IMRF employees were from RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study date November 8, 2017 and for TRS employees were from RP-2014 with White Collar Adjustments and MP-2017 Improvement, weighted per TRS Experience Study dated September 18, 2018.

The following actuarial assumptions were changed from the prior year:

- The discount rate was changed from 2.79 percent in 2019 to 2.21 percent in 2020 to reflect the change in the rate on high quality 20-year tax exempt general obligation bonds.
- The percentage of IMRF employees who elect coverage at retirement was changed from 40 percent to 90 percent to reflects the District's actual experience.
- Trend rates were updated to better reflect current market conditions.
- Assumptions for TRS employees were updated to reflect with the assumptions used in the TRS actuarial valuation.
- Assumptions for IMRF employees were updated to reflect those based on the IMRF Experience Study Report dated November 8, 2017; assumptions for TRS employees were updated to reflect those based on the TRS Experience Study Report dated September 18, 2018

*Sensitivity of the Employer's Proportionate Share of the Total OPEB Liability to Changes in the Single Discount Rate.* The following presents the District's total OPEB liability, calculated using a Single Discount Rate of 2.21 percent, as well as what the District's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
District's proportionate share of the collective total OPEB liability	\$ 20,593,637	\$ 19,249,204	\$ 17,968,596

*Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the District's total OPEB liability, calculated using the healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

	1% Decrease(a)	Healthcare Cost Trend Rates Assumption	1% Increase(b)
District's proportionate share of the collective total OPEB liability	\$ 17,056,859	\$ 19,249,204	\$ 21,853,957

- (a) One percentage point decrease in healthcare trend rates are 4.50 percent 2021 for the PPO plans, decreasing to an ultimate trend rate of 4.00 percent in 2023. The PPO and TRIP Managed Care Option reflects flat annual trend rates of 3.50 percent and 4.00 percent, respectively.
- (b) One percentage point increase in healthcare trend rates are 6.50 percent 2021 for the PPO plans, decreasing to an ultimate trend rate of 6.00 percent in 2023. The PPO and TRIP Managed Care Option reflects flat annual trend rates of 5.50 percent and 6.00 percent, respectively.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 7. Post Employment Benefit Plans Other Than Pensions (Continued)

*OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB.* For the year ended June 30, 2020, the District recognized OPEB expense of \$5,874,974. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 292,664	\$ -
Changes of assumptions	3,588,820	-
Total deferred amounts to be recognized in expense in future periods	<u>\$ 3,881,484</u>	<u>\$ -</u>

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

#### Fiscal Year Ending June 30:

2021	\$ 323,946
2022	323,946
2023	323,946
2024	323,946
2025	323,946
Thereafter	<u>2,261,754</u>
	<u>\$ 3,881,484</u>

#### Teachers' Health Insurance Security Fund

*Plan Description.* The District participates in the Teachers' Health Insurance Security Fund (THIS) of the State of Illinois. THIS is a cost-sharing multiple-employer defined benefit post-employment healthcare plan (OPEB) established by the Illinois legislature for the benefit of eligible retired Illinois public school teachers employed outside the City of Chicago (members). All District employees receiving monthly benefits from the Teachers' Retirement System (TRS) who have at least eight years of creditable service with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in THIS.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan and amendments to the Plan can be made only by legislative action with the Governor's approval. The Plan is administered by the Illinois Department of Central Management Services. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 7. Post Employment Benefit Plans Other Than Pensions (Continued)

*Benefits Provided.* THIS provides medical, prescription, and behavioral health benefits for eligible retirees and their dependents, 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 premiums charged reflect approximately a 75 percent subsidy for members that elect a managed care plan or elect the Teachers' Choice Health Plan (TCHP) if a managed care plan is either not available or only partially available. Members receive approximately a 50 percent subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

*Contributions.* The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2020, required contributions are as follows:

- Active members contribute 1.24 percent of covered payroll.
- Employers contribute 0.92 percent of covered payroll. 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. For the year ended June 30, 2020, the District paid \$1,087,151 to the THIS Fund, which was 100 percent of the required contribution and are reported as a deferred outflow of resources on the statement of net position because they were paid after the June 30, 2019, measurement date.
- The State of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed 1.24 percent of covered payroll. For the year ended June 30, 2020, the District recognized revenue and expense of \$7,688,640 in the governmental activities based on the economic resources measurement basis and revenue and expenditures of \$1,465,290 in the General Fund based on the current financial resources measurement.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent per year by statute. The Federal Government provides a Medicare Part D subsidy.

*OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources.* At June 30, 2020, the District reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for state pension support provided for the District. The state's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

District's proportionate share of the collective total OPEB liability	\$ 129,661,221
The State's proportionate share of the collective total OPEB liability associated with the District	175,577,689
Total THIS total collective OPEB liability associated with the District	<u>\$ 305,238,910</u>

The collective total OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as June 30, 2018, and rolled forward to June 30, 2019. The employer's proportionate share of the total OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the contributions of all participating employers and the State during that period. At June 30, 2019, the District's proportion was 0.468 percent, which was an increase of 0.001 from its proportion measured as of June 30, 2018.

**Schaumburg Community Consolidated School District No. 54****Notes to Basic Financial Statements**

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**Note 7. Post Employment Benefit Plans Other Than Pensions (Continued)**

For the year ended June 30, 2020, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contribution - OPEB revenue and expense/expenditure	\$ 7,688,640	\$ 1,465,290
District OPEB expense/expenditure	7,010,802	1,087,151
Total OPEB expense/expenditure	<u>\$ 14,699,442</u>	<u>\$ 2,552,441</u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,151,625
Changes in proportion and differences between District contributions and proportionate share of contributions	5,890,189	47,055
Net difference between projected and actual investment earnings	-	4,245
Changes of assumptions	49,156	14,863,400
Total deferred amounts to be recognized in expense in future periods	5,939,345	17,066,325
District contributions subsequent to the measurement date	1,087,151	-
	<u>\$ 7,026,496</u>	<u>\$ 17,066,325</u>

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 7. Post Employment Benefit Plans Other Than Pensions (Continued)

The District reported \$1,087,151 as deferred outflows of resources resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the collective net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

##### Fiscal Year Ending June 30:

2021	\$ (2,241,031)
2022	(2,241,031)
2023	(2,240,811)
2024	(2,240,355)
2025	(1,522,382)
Thereafter	<u>(641,370)</u>
	<u><u>\$ (11,126,980)</u></u>

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, based on the entry age normal cost method and using the following actuarial assumptions:

Discount rate	3.13% at June 30, 2019
Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50 percent at 1 year of service to 4.00 percent at 19 or more years of service. Salary increase includes a 3.25 percent wage inflation assumption.
Investment rate of return	0 percent, net of OPEB 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 percent and 9.00 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.81 and 4.50 percent, respectively. Additional trend rate of 0.31 percent% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.
Mortality	<u>Healthy life mortality, post-retirement:</u> RP-2014 White Collar Annuitant Tables, sex distinct with female rates multiplied by 70 percent for ages under 78 and 110 percent for ages 78 to 114 and male rates multiplied by 94 percent for ages under 81 and 110 percent for ages 81 to 114 <u>Healthy life mortality, post-retirement beneficiary:</u> RP2015 Annuitant Tables, sex distinct with female and male rates multiplied by 96 percent and 116 percent, respectively, for ages 50 to 114 <u>Healthy life mortality, pre-retirement:</u> RP-2014 White Collar Mortality Tables, sex distinct with female and male rates multiplied by 104 percent for all ages



## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 7. Post Employment Benefit Plans Other Than Pensions (Continued)

Disabled life mortality, post-retirement: RP-2014  
Disabled Tables, sex distinct with female and male rates  
multiplied by 117 percent for ages 45 to 99  
(Future annual improvements in mortality are based on  
the Society of Actuaries Mortality Projections Scale MP-  
2017.)

Eighty percent of future retirees that are currently active are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Seventy percent of current deferred vested participants with at least seven years of service and younger than 70 as of June 30, 2018, are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Thirty-five percent of current deferred vested participants with five to seven years of service and younger than age 70 as of June 30, 2018, are assumed to be eligible under SEDIP or TRIP before retirement and elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. The liability for this group is allocated equally to TRIP and SEGIP.

The pension-related assumptions disclosed in the TRS experience study for the period July 1, 2014 through June 30, 2017, were applied to the THIS actuarial valuation as of June 30, 2018.

The following OPEB-related assumption changes were made since the June 30, 2014 OPEB actuarial valuation date:

- The discount rate was changed from 3.62 percent at June 30, 2018 to 3.13 percent at June 30, 2019;
- The inflation rate was changed from 2.75 percent at June 30, 2018 to 2.5 percent at June 30, 2019;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year end June 30, 2019, premium changes through plan year end 2020, and expectation of future trend increases after June 30, 2019;
- The Excise trend rate adjustment was updated based on available premium and enrollment information as of June 30, 2019;
- Per capita claim costs for plan year end June 30, 2019, were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year 2020; and
- Healthcare plan participation rates by plan were updated based on observed experience.

In December 2019, the Patient Protection Affordability and Care Act (PPACA) excise tax was repealed. Since the repeal of the excise tax occurred after the June 30, 2019 measurement date, the impact was not included in the plan's actuarial valuation. The impact on the total OPEB liability is unknown at this time.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

*Discount Rate.* Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2019, was 3.13 percent, which was a decrease from the June 30, 2018, rate of 3.62 percent. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily-required rates. Based on those assumptions, THIS's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 7. Post Employment Benefit Plans Other Than Pensions (Continued)

*Sensitivity of the Employer's Proportionate Share of the Total OPEB Liability to Changes in the Single Discount Rate.* The following presents the District's total OPEB liability, calculated using a Single Discount Rate of 3.13 percent, as well as what the District's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
District's proportionate share of the collective total OPEB liability	\$ 155,899,845	\$ 129,661,221	\$ 108,938,334

*Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the District's total OPEB liability, calculated using the healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

	1% Decrease(a)	Healthcare Cost Trend Rates Assumption	1% Increase(b)
District's proportionate share of the collective total OPEB liability	\$ 104,755,690	\$ 129,661,221	\$ 163,299,285

(a) One percentage point decrease in healthcare trend rates are 7.00 percent in 2020 decreasing to an ultimate trend rate of 3.81 percent in 2027, for non-Medicare coverage, and 8.00 percent in 2020 decreasing to an ultimate trend rate of 3.50 percent in 2029 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00 percent in 2020 decreasing to an ultimate trend rate of 5.81 percent in 2027, for non-Medicare coverage, and 10.00 percent in 2020 decreasing to an ultimate trend rate of 5.50 percent in 2029 for Medicare coverage.

*OPEB plan fiduciary net position.* Detailed information about the THIS plan fiduciary net position is available in the separately issued THIS financial report.

*Payable to the OPEB plan.* The District had no outstanding amount of contributions to the THIS plan for the year ended June 30, 2020.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 8. Operating Leases

The District leases office equipment under a noncancelable operating lease that expires in July 2026. Total lease costs were approximately \$257,000 for the year ended June 30, 2020.

Future minimum lease payments for this lease are as follows:

Year Ending June 30,

2021	\$	245,736
2022		244,714
2023		244,714
2024		244,714
2025		244,714
Thereafter		20,393
		<hr/>
	\$	1,244,985

#### Note 9. Contingencies

The District is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the District's management through consultation with legal counsel, the resolution of these matters does not impose a material commitment of the District's net position at June 30, 2020.

#### Note 10. Pronouncements Issued But Not Yet Adopted

In May 2020, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, that provides temporary relief in light of the COVID-19 pandemic. The effective dates of various pronouncements are postponed. The pronouncements below have been updated for the applicable implementation dates. The statements that might impact the District are as follows:

GASB Statement No. 84, *Fiduciary Activities*, will be effective for the District beginning with its year ending June 30, 2021. This statement establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement 84 provides that governments should report activities meeting certain criteria in a fiduciary fund in the basic financial statements and present a statement of fiduciary net position and a statement of changes in fiduciary net position. Statement 84 also describes four fiduciary funds that should be reported, if applicable: pension/employee benefit trust funds; investment trust funds; private purpose trust funds; and custodial funds with fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 87, *Leases*, will be effective for the District beginning with its year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

## Schaumburg Community Consolidated School District No. 54

### Notes to Basic Financial Statements

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#### Note 10. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, will be effective for the District beginning with its year ended June 30, 2022. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and 61*, will be effective for the District beginning with its year ended June 30, 2021. This Statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously were reported inconsistently. In addition, it requires reporting of information about component units if the government acquires 100 percent equity interest in the component unit.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the District beginning with its year ending June 30, 2023. This Statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. Under Statement 91 a government entity no longer reports a liability for any conduit debt that it has issued; however, the issuer should recognize a liability for any additional commitments or voluntary commitments to support the debt service.

GASB Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB statements and other technical pronouncements. The Statement addresses a variety of topics. The Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The statement will be effective for the District with its year ending June 30, 2022.

GASB No. 93, *Replacement of Interbank Offered Rates*, establishes how the District will report the change of any of its variable payment debt that are tied to the London Interbank Offered Rate (LIBOR) when the LIBOR standard is no longer used after December 31, 2021. This statement will be effective for the District with its year ending June 30, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the District with its year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement will be effective for the District with its year ending June 30, 2023.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The statement will be effective for the District with its year ending June 30, 2022.

Management of the District is still in the process of determining what effect, if any, the above Statements will have on the basic financial statements and related disclosures.

## **Schaumburg Community Consolidated School District No. 54**

### **Notes to Basic Financial Statements**

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#### **Note 11. Subsequent Event**

On January 30, 2020, the World Health Organization declared the coronavirus disease 2019 (Covid19) outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the District. To date, the District, as with most local municipalities in the State and Country, is experiencing declining revenue, and significant changes in the fair value of assets.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, including expected credit losses on receivables and investments; Net Pension and OPEB liabilities and related deferred assets and liabilities; and contingent obligations.

**Required Supplementary  
Information**

**Schaumburg Community Consolidated School District No. 54**

**Schedule of the Employer's Proportionate Share of the Net Pension Liability  
Teachers' Retirement System**

<b>For the fiscal year ending*</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employer's proportion of the net pension liability	0.0147%	0.0155%	0.0270%	0.0247%	0.0287%	0.0282%
Employer's proportionate share of the net pension liability	\$ 11,962,371	\$ 12,044,237	\$ 20,672,297	\$ 19,521,124	\$ 18,822,678	\$ 17,177,868
State's proportionate share of the net pension liability associated with the employer	851,348,913	825,080,726	774,641,207	793,190,732	647,303,317	598,668,353
Total	<u>\$ 863,311,284</u>	<u>\$ 837,124,963</u>	<u>\$ 795,313,504</u>	<u>\$ 812,711,856</u>	<u>\$ 666,125,995</u>	<u>\$ 615,846,221</u>
Employer's covered-employee payroll	\$ 115,140,880	\$ 110,730,632	\$ 104,599,023	\$ 101,822,289	\$ 98,114,868	\$ 96,967,218
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.4%	10.9%	19.8%	19.2%	19.2%	17.7%
Plan fiduciary net position as a percentage of the total pension liability	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

**Notes to Schedules**

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

The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

Information is presented for those years for which information is available.

Schaumburg Community Consolidated School District No. 54

**Schedule of Employer Contributions  
Teachers' Retirement System**

For the fiscal year ending	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily-required contribution	\$ 865,171	\$ 861,704	\$ 796,071	\$ 1,116,879	\$ 1,020,043	\$ 985,730	\$ 989,375	\$ 995,212	\$ 959,093	\$ 967,020
Contributions in relation to the statutorily-required contribution	888,023	839,473	801,687	1,035,800	1,016,530	1,047,954	989,375	995,212	959,093	967,020
Contribution (excess) deficiency	<u>\$ (22,852)</u>	<u>\$ 22,231</u>	<u>\$ (5,616)</u>	<u>\$ 81,079</u>	<u>\$ 3,513</u>	<u>\$ (62,224)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 118,168,586	\$ 115,140,880	\$ 110,730,632	\$ 104,599,023	\$ 101,822,289	\$ 98,114,868	\$ 96,967,218	\$ 94,990,435	\$ 91,270,000	\$ 93,238,333
Contributions as a percentage of covered-employee payroll	0.75%	0.73%	0.72%	0.99%	1.00%	1.07%	1.02%	1.05%	1.05%	1.04%

**Notes to Schedules**

**Changes of Assumptions**

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

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

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. However, salary increases were assumed to vary by age.



**Schaumburg Community Consolidated School District No. 54**

**Schedule of Changes in the Net Pension Liability and Related Ratios  
Illinois Municipal Retirement Fund**

<b>For calendar year ended</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total Pension Liability						
Service cost	\$ 2,983,631	\$ 2,772,747	\$ 2,886,796	\$ 2,853,844	\$ 2,817,449	\$ 3,006,159
Interest on the total pension liability	11,952,787	11,496,772	11,285,212	10,853,362	10,256,836	9,302,058
Differences between expected and actual experience of the total pension liability	2,295,479	1,672,680	1,601,363	(592,520)	1,859,255	1,129,619
Changes of assumptions	-	4,435,476	(4,736,486)	(530,559)	173,524	5,963,048
Benefit payments, including refunds of employee contributions	(9,168,896)	(8,645,878)	(7,672,227)	(7,175,319)	(6,736,826)	(5,684,172)
Net change in total pension liability	8,063,001	11,731,797	3,364,658	5,408,808	8,370,238	13,716,712
Total pension liability - beginning	167,958,659	156,226,862	152,862,204	147,453,396	139,083,158	125,366,466
Total pension liability - ending	<u>\$ 176,021,660</u>	<u>\$ 167,958,659</u>	<u>\$ 156,226,862</u>	<u>\$ 152,862,204</u>	<u>\$ 147,453,396</u>	<u>\$ 139,083,178</u>
Plan fiduciary net position						
Contributions - employer	\$ 3,048,415	\$ 3,437,356	\$ 3,372,105	\$ 3,322,485	\$ 3,030,875	\$ 3,082,835
Contributions - employee	1,295,597	1,238,742	1,194,893	1,190,705	1,141,629	1,115,359
Net investment income	26,272,681	(8,300,964)	22,997,912	8,498,277	615,154	7,168,645
Benefit payments, including refunds of employee contributions	(9,168,896)	(8,645,878)	(7,672,227)	(7,175,319)	(6,736,826)	(5,684,172)
Other (net transfer)	232,930	2,603,214	(2,142,099)	712,443	963,500	368,532
Net change in plan fiduciary net position	21,680,727	(9,667,530)	17,750,584	6,548,591	(985,668)	6,051,199
Plan fiduciary net position - beginning	137,958,929	147,626,459	129,875,875	123,327,284	124,312,952	118,261,753
Plan fiduciary net position - ending	<u>\$ 159,639,656</u>	<u>\$ 137,958,929</u>	<u>\$ 147,626,459</u>	<u>\$ 129,875,875</u>	<u>\$ 123,327,284</u>	<u>\$ 124,312,952</u>
Net pension liability	<u>\$ 16,382,004</u>	<u>\$ 29,999,730</u>	<u>\$ 8,600,403</u>	<u>\$ 22,986,329</u>	<u>\$ 24,126,112</u>	<u>\$ 14,770,226</u>
Plan fiduciary net position as a percentage of the total pension liability	90.69%	82.14%	94.40%	84.96%	83.64%	83.64%
Covered valuation payroll	\$ 28,490,907	\$ 27,224,543	\$ 26,160,626	\$ 25,218,136	\$ 24,383,549	\$ 23,879,426
Net pension liability as a percentage of covered valuation payroll	57.50%	110.19%	32.88%	91.15%	98.94%	60.21%

**Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Schaumburg Community Consolidated School District No. 54**

**Schedule of Employer Contributions  
Illinois Municipal Retirement Fund**

Fiscal Year Ended June 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2020	\$ 3,439,889	\$ 3,427,988	\$ 11,901	\$ 29,073,378	11.79%
2019	3,234,626	3,234,626	-	28,116,434	11.50%
2018	3,403,509	3,393,325	10,184	26,717,134	12.70%
2017	3,328,026	3,328,026	-	24,800,843	13.42%
2016	3,184,143	3,184,143	-	24,131,488	13.19%
2015	3,097,829	3,097,829	-	24,205,135	12.80%
2014	3,245,923	3,245,923	-	24,508,224	13.24%
2013	3,195,789	3,195,789	-	24,226,684	13.19%
2012	2,982,577	2,982,577	-	23,663,499	12.60%
2011	2,839,359	2,839,359	-	23,511,390	12.08%
2010	2,638,615	2,638,615	-	23,462,625	11.25%

**Notes to Schedule:**

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate\*

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2019 Contribution Rates:**

Actuarial Cost Method: Aggregate entry age normal  
Amortization Method: Level percentage of payroll, closed  
Remaining Amortization Period: 24-year closed period  
Asset Valuation Method: 5-year smoothed market; 20% corridor  
Wage Growth: 3.25%  
Price Inflation: 2.50%  
Salary Increases: 3.35% to 14.25%, including inflation  
Investment Rate of Return: 7.50%  
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.  
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current 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 adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

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

**Schaumburg Community Consolidated School District No. 54**

**Schedule of Changes in the Total OPEB Liability and Related Ratios  
District OPEB Plan**

<b>For fiscal year ended</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB Liability			
Service cost	\$ 560,763	\$ 545,542	\$ 443,035
Interest on the total OPEB liability	323,090	372,591	321,024
Differences between expected and actual experience of the total OPEB liability	171,958	-	181,528
Changes of assumptions	7,579,319	569,179	369,021
Benefit payments, including refunds of employee contributions	(1,125,927)	(319,430)	(196,174)
Other (net transfer)	-	(202,737)	412,338
Net change in total OPEB liability	7,509,203	965,145	1,530,772
Total OPEB liability - beginning	11,740,001	10,774,856	9,244,084
Total OPEB liability - ending	<u>\$ 19,249,204</u>	<u>\$ 11,740,001</u>	<u>\$ 10,774,856</u>
Covered employee payroll	\$ 133,054,904	\$ 128,122,756	\$ 128,122,756
Total OPEB liability as a percentage of covered employee payroll	14.47%	9.16%	8.41%

**Notes to Schedule:**

Changes to actuarial assumptions - 2020

- The discount rate was changed from 2.79 percent in 2019 to 2.21 percent in 2020 to reflect the change in the rate on high quality 20-year tax exempt general obligation bonds
- The percentage of IMRF employees who elect coverage at retirement was changed from 40 percent to 90 percent to reflect the District's actual experience.
- Trend rates were updated to better reflect current market conditions
- Assumptions for TRS employees were updated to reflect with the assumptions used in the TRS actuarial valuation.
- Assumptions for IMRF employees were updated to reflect those based on the IMRF Experience Study Report dated November 8, 2017; assumptions for TRS employees were updated to reflect those based on the TRS Experience Study Report dated September 18, 2018

Changes to actuarial assumptions - 2019

- The discount rate was changed from 3.51 percent in 2018 to 2.79 percent in 2019 to reflect the change in the rate on high quality 20-year tax exempt general obligation bonds

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Schaumburg Community Consolidated School District No. 54**

**Schedule of the District's Proportionate Share of the Collective Net OPEB Liability  
Teachers' Health Insurance Security Fund**

<b>For the fiscal year ending June 30,*</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
District's proportion of the collective total OPEB liability	0.468472%	0.466999%	0.454834%
District's proportionate share of the collective total OPEB liability	\$ 129,661,221	\$ 123,034,985	\$ 118,027,391
The State's proportionate share of the collective total OPEB liability associated with the District	175,577,689	165,209,237	154,999,232
<b>Total</b>	<b>\$ 305,238,910</b>	<b>\$ 288,244,222</b>	<b>\$ 273,026,623</b>
Employee covered payroll	\$ 115,140,880	\$ 110,730,632	\$ 104,599,023
Collective total OPEB liability as a percentage of the employee covered payroll	112.6%	111.1%	112.8%
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%

**Notes to Schedules**

The following actuarial assumptions were changed for:

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Discount rate	3.13%	3.62%	3.56%
Prior year discount rate	3.62%	3.56%	N/A
Inflation rate	2.50%	2.75%	2.75%

The healthcare trend assumption was updated based on:

Claim and enrollment experience through:	June 30, 2018	June 30, 2017	June 30, 2016
Projected plan cost for plan year end: 2020, and expectation of	June 30, 2019	June 30, 2018	June 30, 2017
Premium changes through plan year end:	2020	2019	2018
Expectation of future trend increases after:	June 30, 2019	June 30, 2018	June 30, 2017

The Excise trend rate adjustment was updated based on available premium and enrollment information as of;

June 30, 2019	June 30, 2018	June 30, 2017
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Per capita claim costs for the year were updated based on

Projected claims and enrollment experience through:	June 30, 2019	June 30, 2018	June 30, 2017
Updated premium rates through plan year:	2020	2019	2018

Healthcare plan participation rates by plan were updated based on observed experience for each year.

\* The amounts presented for each fiscal year were determined as of the prior fiscal year end.

Schaumburg Community Consolidated School District No. 54

Schedule of District Contributions  
Teachers' Health Insurance Security Fund

For the fiscal year ending June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily-required contribution	\$ 1,087,151	\$ 1,059,296	\$ 974,430	\$ 1,116,879	\$ 814,578	\$ 745,673	\$ 698,164	\$ 655,434	\$ 602,382	\$ 615,373
Contributions in relation to the statutorily-required contribution	1,087,151	1,059,296	974,430	1,035,800	814,578	745,673	698,164	655,434	602,382	615,373
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ 81,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 118,168,586	\$ 115,140,880	\$ 110,730,632	\$ 104,599,023	\$ 101,822,289	\$ 98,114,868	\$ 96,967,218	\$ 94,990,435	\$ 91,270,000	\$ 93,238,333
Contributions as a percentage of covered-employee payroll	0.92%	0.92%	0.88%	0.99%	0.80%	0.76%	0.72%	0.69%	0.66%	0.66%

**Schaumburg Community Consolidated School District No. 54**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance
Revenues:			
Property and replacement taxes	\$ 166,111,968	\$ 166,951,096	\$ 839,128
State aid	19,905,000	19,868,751	(36,249)
State on-behalf contributions - TRS and THIS	45,000,000	52,019,421	7,019,421
Federal aid	8,400,000	6,732,645	(1,667,355)
Interest	3,752,600	3,318,382	(434,218)
Other	4,093,000	2,908,283	(1,184,717)
<b>Total revenues</b>	<b>247,262,568</b>	<b>251,798,578</b>	<b>4,536,010</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	81,499,122	81,424,670	74,452
Special programs	38,179,792	36,617,877	1,561,915
Other instructional programs	14,162,696	12,556,630	1,606,066
State on-behalf contributions - TRS and THIS	45,000,000	52,019,421	(7,019,421)
Support services:			
Pupils	15,765,580	15,972,180	(206,600)
Instructional staff	12,596,221	10,886,518	1,709,703
General administration	1,200,642	1,122,155	78,487
School administration	11,090,919	11,206,002	(115,083)
Business	5,209,688	5,230,419	(20,731)
Operations and maintenance	14,840,758	13,476,328	1,364,430
Central	1,394,198	1,242,615	151,583
Payments to other governments	1,158,194	1,472,793	(314,599)
Capital outlay	15,837,180	17,446,423	(1,609,243)
<b>Total expenditures</b>	<b>257,934,990</b>	<b>260,674,031</b>	<b>(2,739,041)</b>
<b>Change in fund balance</b>	<b>\$ (10,672,422)</b>	<b>(8,875,453)</b>	<b>\$ 1,796,969</b>
Fund balance:			
July 1, 2019		<u>127,361,650</u>	
June 30, 2020		<u>\$ 118,486,197</u>	

See note to required supplementary information.

## Schaumburg Community Consolidated School District No. 54

### Notes to Required Supplementary Information

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#### **Note 1. Budgetary Information**

Annual budgets are adopted for all governmental fund types. The annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America at the fund level. All budgets, except those of the capital projects fund, which is prepared on a project-by-project basis lapse at fiscal year-end.

On or before July 1 of each year, the Superintendent is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by fund and by function. The General Fund budget is further detailed by account (Education, Operations and Maintenance, and Working Cash). The Board of Education may make transfers between functions within a fund not exceeding in the aggregate 10 percent of the total of such fund, and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level. No supplemental budget was required.

#### **Note 2. Budget Overexpenditures**

The following fund over expended their budget for the year ended June 30, 2020:

##### Budget over expenditures

General Fund	\$ 2,739,041
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## Schaumburg Community Consolidated School District No. 54

### Notes to Required Supplementary Information

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#### **Note 3. Note to Schedule of Contributions - Teachers' Health Insurance Security Fund**

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Fiscal Year End	June 30, 2020

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

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2020, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts and 1.42% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation
Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at less than 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.



## **Supplementary Information**

**Schaumburg Community Consolidated School District No. 54**

**Combining Balance Sheet  
General Fund, by Accounts  
June 30, 2020**

	Educational Account	Operations and Maintenance Account	Working Cash	Total
<b>Assets</b>				
Cash and investments	\$ 100,834,121	\$ 5,706,679	\$ 40,685,500	\$ 147,226,300
Receivables:				
Property taxes, net	69,941,500	9,522,418	24,277	79,488,195
Due from other governmental units - grants receivable	3,255,472	-	-	3,255,472
Prepaid items	1,017,318	-	-	1,017,318
<b>Total assets</b>	<b>\$ 175,048,411</b>	<b>\$ 15,229,097</b>	<b>\$ 40,709,777</b>	<b>\$ 230,987,285</b>
<b>Liabilities</b>				
Accounts payable	\$ 4,909,398	\$ 4,700,164	\$ -	\$ 9,609,562
Accrued payroll	16,560,461	41,110	-	16,601,571
Unearned revenue	14,046	-	-	14,046
Accrued liabilities	675,894	-	-	675,894
<b>Total liabilities</b>	<b>22,159,799</b>	<b>4,741,274</b>	<b>-</b>	<b>26,901,073</b>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for subsequent years	74,083,777	10,086,381	25,715	84,195,873
Deferred other revenues	1,404,142	-	-	1,404,142
<b>Total deferred inflows of resources</b>	<b>75,487,919</b>	<b>10,086,381</b>	<b>25,715</b>	<b>85,600,015</b>
<b>Fund Balance</b>				
Nonspendable:				
Prepaid items	1,017,318	-	-	1,017,318
Unassigned	76,383,375	401,442	40,684,062	117,468,879
<b>Total fund balance</b>	<b>77,400,693</b>	<b>401,442</b>	<b>40,684,062</b>	<b>118,486,197</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 175,048,411</b>	<b>\$ 15,229,097</b>	<b>\$ 40,709,777</b>	<b>\$ 230,987,285</b>

**Schaumburg Community Consolidated School District No. 54**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund, by Accounts  
Year Ended June 30, 2020**

	Educational Account		Operations and Maintenance Account	
	Budget	Actual	Budget	Actual
Revenues:				
Property and replacement taxes	\$ 144,133,398	\$ 145,144,122	\$ 21,928,100	\$ 21,757,515
State aid	19,905,000	19,760,291	-	108,460
State on-behalf contributions - TRS and THIS	45,000,000	52,019,421	-	-
Federal aid	8,400,000	6,732,645	-	-
Interest	2,825,000	2,405,469	30,000	(34,197)
Other	3,773,000	1,814,830	320,000	1,093,453
<b>Total revenues</b>	<b>224,036,398</b>	<b>227,876,778</b>	<b>22,278,100</b>	<b>22,925,231</b>
Expenditures:				
Current:				
Instruction:				
Regular programs	81,499,122	81,424,670	-	-
Special programs	38,179,792	36,617,877	-	-
Other instructional programs	14,162,696	12,556,630	-	-
State on-behalf contributions - TRS and THIS	45,000,000	52,019,421	-	-
Support services:				
Pupils	15,765,580	15,972,180	-	-
Instructional staff	12,596,221	10,886,518	-	-
General administration	1,200,642	1,122,155	-	-
School administration	11,090,919	11,206,002	-	-
Business	5,087,282	4,908,135	122,406	322,284
Operations and maintenance	-	-	14,840,758	13,476,328
Central	1,394,198	1,242,615	-	-
Payments to other governments	1,158,194	1,472,793	-	-
Capital outlay	4,547,376	5,645,181	11,289,804	11,801,242
<b>Total expenditures</b>	<b>231,682,022</b>	<b>235,074,177</b>	<b>26,252,968</b>	<b>25,599,854</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,645,624)</b>	<b>(7,197,399)</b>	<b>(3,974,868)</b>	<b>(2,674,623)</b>
Other financing sources (uses):				
Transfers in	-	-	5,000,000	5,000,000
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>5,000,000</b>
<b>Change in fund balance</b>	<b>\$ (7,645,624)</b>	<b>(7,197,399)</b>	<b>\$ 1,025,132</b>	<b>2,325,377</b>
Fund balance:				
July 1, 2019		84,598,092		(1,923,935)
June 30, 2020		<u>\$ 77,400,693</u>		<u>\$ 401,442</u>

Working Cash		Total	
Budget	Actual	Budget	Actual
\$ 50,470	\$ 49,459	\$ 166,111,968	\$ 166,951,096
-	-	19,905,000	19,868,751
-	-	45,000,000	52,019,421
-	-	8,400,000	6,732,645
897,600	947,110	3,752,600	3,318,382
-	-	4,093,000	2,908,283
948,070	996,569	247,262,568	251,798,578

-	-	81,499,122	81,424,670
-	-	38,179,792	36,617,877
-	-	14,162,696	12,556,630
-	-	45,000,000	52,019,421
-	-	15,765,580	15,972,180
-	-	12,596,221	10,886,518
-	-	1,200,642	1,122,155
-	-	11,090,919	11,206,002
-	-	5,209,688	5,230,419
-	-	14,840,758	13,476,328
-	-	1,394,198	1,242,615
-	-	1,158,194	1,472,793
-	-	15,837,180	17,446,423
-	-	257,934,990	260,674,031

948,070	996,569	(10,672,422)	(8,875,453)
-	-	5,000,000	5,000,000
(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
(5,000,000)	(5,000,000)	-	-
<u>\$ (4,051,930)</u>	(4,003,431)	<u>\$ (10,672,422)</u>	(8,875,453)

44,687,493	127,361,650
<u>\$ 40,684,062</u>	<u>\$ 118,486,197</u>

### **Nonmajor Governmental Funds**

**Transportation Fund** – Accounts for resources accumulated and payments made for transportation costs of the District.

**Social Security / Municipal Retirement Fund** – Accounts for resources accumulated and payments made for employer share of Illinois Municipal Retirement, Social Security, and Medicare.

**Debt Service Fund** – Accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**Life Safety Fund** – Accounts for resources accumulated and payments made for life safety projects performed by the District.

**Schaumburg Community Consolidated School District No. 54**

**Combining Balance Sheet - by Fund Type  
Nonmajor Governmental Funds  
June 30, 2020**

	Special Revenue Funds	
	Transportation Fund	Social Security / Municipal Retirement Fund
<b>Assets</b>		
Cash and investments	\$ 4,932,408	\$ 3,257,384
Receivables:		
Property taxes, net	2,688,734	3,350,182
Due from other governmental units - grants receivable	7,626,761	-
<b>Total assets</b>	<b>\$ 15,247,903</b>	<b>\$ 6,607,566</b>
<b>Liabilities</b>		
Accounts payable	\$ 2,734,767	\$ -
Accrued payroll	-	389,762
Unearned revenue	28,032	-
<b>Total liabilities</b>	<b>2,762,799</b>	<b>389,762</b>
<b>Deferred Inflows of Resources</b>		
Property taxes levied for subsequent years	2,847,973	3,548,596
Deferred other revenues	5,874,902	-
<b>Total deferred inflows of resources</b>	<b>8,722,875</b>	<b>3,548,596</b>
<b>Fund Balances</b>		
Restricted for:		
Retirement benefits	-	2,669,208
Transportation	3,762,229	-
Debt service	-	-
Capital projects	-	-
<b>Total fund balances</b>	<b>3,762,229</b>	<b>2,669,208</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,247,903</b>	<b>\$ 6,607,566</b>

Debt Service Fund	Capital Project Fund Life Safety	Total Nonmajor Governmental Funds
\$ 2,078,004	\$ 105,134	\$ 10,372,930
-	24,277	6,063,193
-	-	7,626,761
<u>\$ 2,078,004</u>	<u>\$ 129,411</u>	<u>\$ 24,062,884</u>
\$ -	\$ -	\$ 2,734,767
-	-	389,762
-	-	28,032
<u>-</u>	<u>-</u>	<u>3,152,561</u>
-	25,715	6,422,284
-	-	5,874,902
<u>-</u>	<u>25,715</u>	<u>12,297,186</u>
-	-	2,669,208
-	-	3,762,229
2,078,004	-	2,078,004
-	103,696	103,696
<u>2,078,004</u>	<u>103,696</u>	<u>8,613,137</u>
<u>\$ 2,078,004</u>	<u>\$ 129,411</u>	<u>\$ 24,062,884</u>

**Schaumburg Community Consolidated School District No. 54**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
by Fund Type**

**Nonmajor Governmental Funds**

**Year Ended June 30, 2020**

	Special Revenue Funds	
	Transportation Fund	Social Security / Municipal Retirement Fund
Revenues:		
Property taxes	\$ 5,591,996	\$ 6,953,175
State aid	6,928,663	-
Interest	111,785	83,268
Other	389,134	-
<b>Total revenues</b>	<b>13,021,578</b>	<b>7,036,443</b>
Expenditures:		
Current:		
Instruction:		
Regular programs	-	1,830,380
Special programs	-	1,669,837
Other instructional programs	-	796,609
Support services:		
Pupils	-	594,459
Instructional staff	-	801,915
General administration	-	16,227
School administration	-	247,673
Business	-	484,410
Transportation	13,130,120	31,730
Operations and maintenance	-	831,564
Central	-	46,377
Capital outlay	-	-
<b>Total expenditures</b>	<b>13,130,120</b>	<b>7,351,181</b>
<b>Change in fund balances</b>	<b>(108,542)</b>	<b>(314,738)</b>
Fund balances:		
July 1, 2019	3,870,771	2,983,946
June 30, 2020	<b>\$ 3,762,229</b>	<b>\$ 2,669,208</b>



Debt Service Fund	Capital Project Fund Life Safety	Total Nonmajor Governmental Funds
\$ (3,186)	\$ 48,699	\$ 12,590,684
-	-	6,928,663
43,383	2,801	241,237
-	-	389,134
40,197	51,500	20,149,718
-	-	1,830,380
-	-	1,669,837
-	-	796,609
-	-	594,459
-	-	801,915
-	-	16,227
-	-	247,673
-	-	484,410
-	-	13,161,850
-	-	831,564
-	-	46,377
-	53,693	53,693
-	53,693	20,534,994
40,197	(2,193)	(385,276)
2,037,807	105,889	8,998,413
\$ 2,078,004	\$ 103,696	\$ 8,613,137

**Schaumburg Community Consolidated School District No. 54**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual  
Special Revenue Funds  
Year Ended June 30, 2020**

	Transportation Fund		Social Security / Municipal Retirement Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Property taxes	\$ 5,777,699	\$ 5,591,996	\$ 6,964,860	\$ 6,953,175
State aid	5,766,550	6,928,663	-	-
Interest	66,430	111,785	59,625	83,268
Other	430,000	389,134	-	-
<b>Total revenues</b>	<b>12,040,679</b>	<b>13,021,578</b>	<b>7,024,485</b>	<b>7,036,443</b>
Expenditures:				
Current:				
Instruction:				
Regular programs	-	-	1,863,497	1,830,380
Special programs	-	-	1,729,511	1,669,837
Other instructional programs	-	-	444,614	796,609
Support services:				
Pupils	-	-	452,356	594,459
Instructional staff	-	-	571,533	801,915
General administration	-	-	18,064	16,227
School administration	-	-	539,486	247,673
Business	-	-	559,916	484,410
Transportation	13,202,820	13,130,120	43,338	31,730
Operations and maintenance	-	-	1,194,809	831,564
Central	-	-	71,791	46,377
<b>Total expenditures</b>	<b>13,202,820</b>	<b>13,130,120</b>	<b>7,488,915</b>	<b>7,351,181</b>
<b>Change in fund balances</b>	<b><u>\$ (1,162,141)</u></b>	<b>(108,542)</b>	<b><u>\$ (464,430)</u></b>	<b>(314,738)</b>
Fund balances:				
July 1, 2019		<u>3,870,771</u>		<u>2,983,946</u>
June 30, 2020		<u><u>\$ 3,762,229</u></u>		<u><u>\$ 2,669,208</u></u>

**Schaumburg Community Consolidated School District No. 54**

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds - Student Activity Funds  
Year Ended June 30, 2020**

	Assets/ Liabilities Balance at July 1, 2019	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2020
Cash	\$ 603,439	\$ 187,343	\$ 185,508	\$ 605,274
Due to Student Activity Funds	\$ 603,439	\$ 187,343	\$ 185,508	\$ 605,274

## Statistical Section

<b>Financial Trends Information</b>	<b>74 – 81</b>
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity Information</b>	<b>82 – 85</b>
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.	
<b>Debt Capacity Information</b>	<b>86 – 88</b>
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>89 – 90</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>91 – 94</b>
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

**Schaumburg Community Consolidated School District No. 54**

**Net Position by Component  
Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 132,860,381	\$ 140,756,497	\$ 150,025,544	\$ 162,555,602	\$ 183,055,093	\$ 184,324,710	\$ 180,238,957	\$ 180,608,525	\$ 190,035,960	\$ 190,156,729
Restricted	80,677,332	80,502,412	30,952,514	21,833,789	8,798,364	11,900,587	14,881,498	15,032,758	14,764,963	14,488,039
Unrestricted	93,139,507	94,725,709	139,340,729	115,450,902	112,736,544	112,887,929	114,380,246	(33,530,897)	(52,254,217)	(70,998,649)
Total primary government net position	<u>\$ 306,677,220</u>	<u>\$ 315,984,618</u>	<u>\$ 320,318,787</u>	<u>\$ 299,840,293</u>	<u>\$ 304,590,001</u>	<u>\$ 309,113,226</u>	<u>\$ 309,500,701</u>	<u>\$ 162,110,386</u>	<u>\$ 152,546,706</u>	<u>\$ 133,646,119</u>

Note: The 2014 net position was restated in 2015 due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No.27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date - An Amendment of GASB Statement No. 68*.

The 2017 net position was restated in 2018 due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Source of information: District's Comprehensive Annual Financial Report

## Schaumburg Community Consolidated School District No. 54

### Expenses, Program Revenues, and Net (Expense) Revenue Last Ten Fiscal Years

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities:				
Instruction:				
Regular programs	\$ 83,065,378	\$ 76,823,486	\$ 83,290,778	\$ 88,468,318
Special programs	27,893,516	30,873,327	30,343,308	33,423,778
Other instructional programs	11,681,279	12,188,337	12,879,482	14,008,616
State on-behalf contributions - TRS and THIS	-	-	-	-
Support services:				
Pupils	16,770,351	13,420,179	17,991,809	17,456,534
Instructional staff	14,481,250	17,389,863	16,094,612	14,505,380
General administration	1,845,075	2,125,341	2,041,363	2,107,828
School administration	10,998,914	10,788,538	11,211,393	11,858,463
Business	6,805,705	6,290,268	7,863,792	10,098,821
Transportation	8,694,483	9,059,162	8,231,664	8,697,869
Operations and maintenance	12,301,688	25,502,053	15,857,229	17,009,468
Central	1,618,431	1,199,183	1,506,564	1,606,004
Community services	-	-	-	-
Payments to other governments	514,879	469,157	487,387	557,447
Interest and charges	110,993	16,765	-	-
Total primary government expenses	196,781,942	206,145,659	207,799,381	219,798,526
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Regular programs	1,026,921	952,382	841,389	950,187
Business	113,061	182,477	170,160	145,784
Transportation	434,511	392,062	370,061	456,577
Operations and maintenance	272,495	280,319	404,885	351,943
Operating grants and contributions	43,820,688	43,752,153	47,714,496	53,445,950
Total primary government program revenues	45,667,676	45,559,393	49,500,991	55,350,441
<b>Net Expense</b>				
Total primary government net expense	\$ (151,114,266)	\$ (160,586,266)	\$ (158,298,390)	\$ (164,448,085)

Note: Beginning in fiscal year 2018, the State on-behalf contributions - TRS and THIS were reclassified from Instruction and Support services.

Source of information: District's Comprehensive Annual Financial Report

	2015		2016		2017		2018		2019		2020
\$	102,688,748	\$	100,537,734	\$	121,914,289	\$	89,421,633	\$	91,641,203	\$	90,417,205
	34,775,646		42,428,904		45,133,237		33,679,520		36,907,959		43,140,418
	14,039,526		16,094,130		18,402,983		15,960,283		12,990,190		14,244,633
	-		-		-		87,235,143		86,065,433		100,123,902
	18,125,547		19,536,019		20,915,975		15,699,708		15,123,980		17,645,992
	13,394,597		17,736,376		20,261,964		15,722,687		17,454,921		23,238,885
	2,007,146		1,526,002		1,518,674		1,150,875		1,155,328		1,325,245
	12,661,831		13,114,142		14,245,044		10,661,283		10,867,280		12,317,496
	10,862,150		7,191,156		7,910,641		5,578,723		5,326,686		6,020,388
	8,886,376		9,156,336		10,051,886		12,233,933		13,587,039		13,161,850
	19,013,109		18,116,081		16,345,748		22,302,535		19,127,389		15,671,897
	1,476,952		1,679,039		1,520,468		1,451,278		1,530,557		1,596,480
	-		-		-		-		-		-
	633,759		732,232		1,261,901		1,272,506		1,418,512		1,472,793
	-		-		-		-		-		-
	238,565,387		247,848,151		279,482,810		312,370,107		313,196,477		340,377,184
	687,016		928,349		951,507		941,808		968,751		1,093,473
	118,697		144,232		176,169		173,027		166,213		145,674
	334,272		375,276		368,081		384,941		419,681		414,869
	352,304		362,681		330,103		312,439		293,509		260,317
	67,866,228		72,913,746		99,455,666		100,456,274		104,497,657		118,065,156
	69,358,517		74,724,284		101,281,526		102,268,489		106,345,811		119,979,489
\$	(169,206,870)	\$	(173,123,867)	\$	(178,201,284)	\$	(210,101,618)	\$	(206,850,666)	\$	(220,397,695)

## Schaumburg Community Consolidated School District No. 54

### General Revenues and Total Change in Net Position Last Ten Fiscal Years

	2011	2012	2013	2014
<b>Net Expense</b>				
Total primary government net expense	\$ (151,114,266)	\$ (160,586,266)	\$ (158,298,390)	\$ (164,448,085)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	156,073,445	159,991,255	152,332,087	158,605,593
Corporate property replacement taxes	2,141,088	1,888,321	1,998,613	2,094,562
General state aid	6,715,259	7,143,031	7,433,886	8,007,182
Investment earnings	1,811,500	511,277	592,786	910,355
Miscellaneous	354,962	359,780	275,187	294,137
Total primary government	167,096,254	169,893,664	162,632,559	169,911,829
<b>Change in Net Position</b>				
Total primary government	\$ 15,981,988	\$ 9,307,398	\$ 4,334,169	\$ 5,463,744

Source of information: District's Comprehensive Annual Financial Report



2015	2016	2017	2018	2019	2020
\$ (169,206,870)	\$ (173,123,867)	\$ (178,201,284)	\$ (210,101,618)	\$ (206,850,666)	\$ (220,397,695)
162,322,341	165,548,648	156,073,445	167,533,439	174,703,745	177,333,091
2,191,588	2,017,477	2,141,088	2,187,939	2,042,652	2,208,689
8,273,790	8,639,031	6,715,259	16,091,938	16,500,631	17,028,072
823,046	981,737	1,811,500	2,617,649	3,562,189	3,559,619
345,813	460,199	354,962	669,320	477,769	1,367,637
173,956,578	177,647,092	167,096,254	189,100,285	197,286,986	201,497,108
\$ 4,749,708	\$ 4,523,225	\$ (11,105,030)	\$ (21,001,333)	\$ (9,563,680)	\$ (18,900,587)

## Schaumburg Community Consolidated School District No. 54

### Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	2011	2012	2013	2014
<b>Revenues:</b>				
Property and replacement taxes	\$ 158,214,533	\$ 161,879,576	\$ 154,330,700	\$ 160,700,155
State aid	42,631,118	43,481,177	50,089,495	54,390,941
State on-behalf contributions - TRS and THIS	-	-	-	-
Federal aid	7,826,230	8,122,444	5,721,735	6,035,335
Interest	1,811,500	511,277	592,786	910,355
Other	2,201,950	2,167,020	2,061,682	2,198,628
Total revenues	212,685,331	216,161,494	212,796,398	224,235,414
<b>Expenditures:</b>				
Instruction	125,901,038	126,669,418	134,341,491	145,557,273
Support services	69,175,139	71,883,075	75,003,977	65,772,018
Payments to other governments	446,652	404,356	413,054	451,755
Capital outlay	8,234,421	8,347,220	7,795,105	21,422,292
<b>Debt service:</b>				
Principal	8,530,000	8,700,000	-	-
Interest and fees	348,695	130,850	-	-
Total expenditures	212,635,945	216,134,919	217,553,627	233,203,338
<b>Excess (deficiency) of revenues over (under) expenditures</b>	49,386	26,575	(4,757,229)	(8,967,924)
<b>Other Financing Sources (Uses):</b>				
Bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
Transfers in	20,004,747	133,778	4,597,763	4,689,816
Transfers (out)	(20,004,747)	(133,778)	(4,597,763)	(4,689,816)
Total other financing sources (uses)	-	-	-	-
<b>Net Change in Fund Balances</b>	\$ 49,386	\$ 26,575	\$ (4,757,229)	\$ (8,967,924)
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	4.54%	4.48%	0.00%	0.00%

Note: Beginning in fiscal year 2018, the On-behalf contributions were reclassified from State aid.

Source of information: District's Comprehensive Annual Financial Report

	2015		2016		2017		2018		2019		2020
\$	164,513,929	\$	167,566,125	\$	167,709,489	\$	169,721,378	\$	176,746,397	\$	179,541,780
	69,925,015		72,098,268		99,559,860		26,554,632		28,014,305		26,797,414
	-		-		-		43,627,489		47,943,743		52,019,421
	8,506,093		6,976,615		7,358,603		7,705,743		9,168,148		6,732,645
	823,046		981,737		1,202,068		2,617,649		3,562,189		3,559,619
	1,838,102		2,270,737		2,209,520		2,481,535		2,325,923		3,297,417
	245,606,185		249,893,482		278,039,540		252,708,426		267,760,705		271,948,296
	159,820,841		168,844,564		200,918,015		169,388,813		182,609,912		186,915,424
	63,766,803		64,445,514		64,765,104		71,579,989		74,837,645		75,320,692
	481,402		541,245		843,797		1,272,506		1,418,512		1,472,793
	31,702,652		12,747,673		6,084,366		15,877,815		20,676,831		17,500,116
	-		-		-		-		-		-
	-		-		-		-		-		-
	255,771,698		246,578,996		272,611,282		258,119,123		279,542,900		281,209,025
	(10,165,513)		3,314,486		5,428,258		(5,410,697)		(11,782,195)		(9,260,729)
	-		-		-		-		-		-
	-		-		-		-		-		-
	2,788,627		3,273,112		1,939,465		-		-		5,000,000
	(2,788,627)		(3,273,112)		(1,939,465)		-		-		(5,000,000)
	-		-		-		-		-		-
\$	(10,165,513)	\$	3,314,486	\$	5,428,258	\$	(5,410,697)	\$	(11,782,195)	\$	(9,260,729)
	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%

**Schaumburg Community Consolidated School District No. 54**

**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ 665,428	\$ 718,619	\$ 764,635	\$ 2,075	\$ 738,293	\$ 780,594	\$ 799,891	\$ 863,562	\$ 850,800	\$ 1,017,318
Restricted	67,526,015	67,192,852	17,836,742	12,726,069	-	-	-	-	-	-
Committed	67,264,048	76,105,406	-	879,176	1,291,199	705,289	299,160	47,907	-	-
Unassigned	-	-	127,492,907	133,541,794	135,772,379	137,327,843	142,088,165	138,218,016	126,510,850	117,468,879
Total General Fund	\$ 135,455,491	\$ 144,016,877	\$ 146,094,284	\$ 147,149,114	\$ 137,801,871	\$ 138,813,726	\$ 143,187,216	\$ 139,129,485	\$ 127,361,650	\$ 118,486,197
All Other Governmental Funds:										
Restricted	\$ 13,171,997	\$ 13,309,560	\$ 10,015,772	\$ 6,007,720	\$ 5,448,364	\$ 11,250,436	\$ 10,365,739	\$ 9,012,773	\$ 8,998,413	\$ 8,613,137
Committed	20,046,814	9,374,440	5,833,592	4,593,327	4,772,553	-	-	-	-	-
Assigned	-	2,000,000	2,000,000	2,000,000	2,000,000	-	-	-	-	-
Unassigned, reported in:										
Capital project funds	-	-	-	(4,774,437)	(5,212,577)	(1,939,465)	-	-	-	-
Total all other governmental funds	\$ 33,218,811	\$ 24,684,000	\$ 17,849,364	\$ 7,826,610	\$ 7,008,340	\$ 9,310,971	\$ 10,365,739	\$ 9,012,773	\$ 8,998,413	\$ 8,613,137

Source of information: District's Comprehensive Annual Financial Report

## Schaumburg Community Consolidated School District No. 54

### Property Tax Levies and Collections Last Ten Levy Years

Tax Levy Year	Taxes Levied	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	Total Percentage of Levy
		Amount	Percentage of Levy			
2019	\$ 184,935,012	\$ 95,684,927	51.74 %	\$ -	\$ 95,684,927	51.74 %
2018	180,826,383	93,762,863	51.85	84,531,670	178,294,533	98.60
2017	176,326,485	92,057,311	52.21	83,702,099	175,759,410	99.68
2016	171,857,337	89,780,767	52.24	81,221,601	171,002,368	99.50
2015	170,014,004	88,310,985	51.94	80,963,616	169,274,601	99.57
2014	168,022,070	86,601,865	51.54	80,500,052	167,101,917	99.45
2013	165,153,037	84,334,820	51.06	79,159,597	163,494,417	99.00
2012	160,790,999	82,891,349	51.55	74,954,352	157,845,701	98.17
2011	155,737,585	85,414,654	54.85	66,947,279	152,361,933	97.83
2010	162,514,868	82,989,223	51.07	74,933,320	157,922,543	97.17

Note: Levy year 2019 is the current levy year for the District as the property tax levy is on a calendar year in the State of Illinois.

Source of information: Cook County Levy, Rate and Extension Reports

## Schaumburg Community Consolidated School District No. 54

### Property Tax Rates - Direct and Overlapping Governments \* Last Ten Levy Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Schaumburg Public Library	0.295	0.321	0.331	0.384	0.386	0.402	0.352	0.357	0.357	0.294
County of Cook	0.423	0.487	0.531	0.591	0.568	0.586	0.533	0.527	0.489	0.454
Forest Preserve District	0.051	0.058	0.063	0.069	0.069	0.069	0.063	0.062	0.062	0.059
Metropolitan Water Reclamation District	0.274	0.320	0.370	0.417	0.430	0.426	0.406	0.402	0.396	0.389
Township of Schaumburg	0.082	0.093	0.100	0.117	0.115	0.120	0.103	0.105	0.110	0.097
Village of Schaumburg	0.567	0.597	0.642	0.706	0.692	0.709	0.622	0.616	0.622	0.513
General Assistance of Schaumburg	0.008	0.009	0.011	0.013	0.016	0.017	0.015	0.016	0.017	0.015
Road and Bridge	0.020	0.023	0.026	0.031	0.032	0.034	0.030	0.031	0.033	0.030
Northwest Mosquito Abatement	0.009	0.010	0.011	0.013	0.013	0.011	0.010	0.010	0.011	0.010
Schaumburg Park District	0.488	0.551	0.606	0.700	0.704	0.729	0.643	0.653	0.682	0.604
Palatine High School District No. 211	2.204	2.482	2.772	3.197	3.213	3.309	2.871	2.922	3.044	2.749
Community College District No. 512	0.295	0.334	0.373	0.444	0.451	0.466	0.466	0.425	0.443	0.403
Total overlapping rate	4.716	5.285	5.836	6.682	6.689	6.878	6.114	6.126	6.266	5.617
Schaumburg Community Consolidated School District No. 54	2.995	3.195	3.578	4.148	4.168	4.332	3.790	3.844	4.030	3.545
<b>Total rate</b>	<b>7.711</b>	<b>8.480</b>	<b>9.414</b>	<b>10.830</b>	<b>10.857</b>	<b>11.210</b>	<b>9.904</b>	<b>9.970</b>	<b>10.296</b>	<b>9.162</b>

\* Tax rates are expressed in dollars per one hundred dollars of equalized assessed valuation (EAV).

Source of information: Cook County Clerk's Office.

Note: Levy year 2019 is the current levy year for the District as the property tax levy is on a calendar year in the State of Illinois.

Note: The totals depicted reflect the typical tax rates for individual taxpayers within the District. By showing all other overlapping rates, we would have materially distorted the true picture of tax rate burden within the District.

## Schaumburg Community Consolidated School District No. 54

### Assessed Value and Estimated Actual Value of Taxable Property

#### Last Ten Levy Years

(Modified accrual basis of accounting)

Levy Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2019	\$ 2,996,428,233	\$ 1,859,006,406	\$ 362,096,673	\$ 5,217,531,312	3.545	\$ 15,652,593,936
2018	2,553,071,603	1,607,223,635	326,649,583	4,486,944,821	4.030	13,460,834,463
2017	2,602,855,964	1,659,240,399	325,242,312	4,587,338,675	3.844	13,762,016,025
2016	2,621,141,444	1,649,527,325	263,825,603	4,534,494,372	3.790	13,603,483,116
2015	2,184,767,138	1,500,170,277	224,810,506	3,909,747,921	4.332	11,729,243,763
2014	2,249,431,742	1,539,933,558	241,874,381	4,031,239,681	4.168	12,093,719,043
2013	2,211,392,117	1,526,553,363	243,675,185	3,981,620,665	4.148	11,944,861,995
2012	2,591,811,303	1,624,141,962	268,149,336	4,484,102,601	3.578	13,452,307,803
2011	2,581,105,184	1,789,510,204	503,282,339	4,873,897,727	3.195	14,621,693,181
2010	2,789,176,195	2,060,097,479	576,650,753	5,425,924,427	2.995	16,277,773,281

Source of Information: Cook County Tax Extension Office

Note: Levy year 2019 is the current levy year for the District as the property tax levy is on a calendar year in the State of Illinois.

Note: The county assesses property at approximately 33.3 percent of actual value. Estimated actual taxable value is calculated by dividing taxable value by percentage. Tax rates are per \$100 of assessed value.

## Schaumburg Community Consolidated School District No. 54

### Representative Ten Largest Taxpayers Current Year and Nine Years Ago

Employer	Rank	2019 Equalized Assessed Valuation	Percentage of Total District Equalized Assessed Valuation	Rank	2010 Equalized Assessed Valuation	Percentage of Total District Equalized Assessed Valuation
Simon Property Group (Woodfield Mall)	1	\$ 218,223,671	4.18%	1	\$ 244,659,682	4.51%
Zurich (90 North Schaumburg)	2	104,186,688	2.00%	-	-	-
UrbanStreet Group (Motorola formerly)	3	62,290,117	1.19%	4	91,324,783	1.68%
Blackstone (Streets of Woodfield)	4	59,778,000	1.15%	6	70,853,191	1.31%
DDR Corporation (Woodfield Green)	5	49,246,668	0.94%	-	-	-
Glenstar Properties, LLC (Manulife formerly)	6	47,689,072	0.91%	2	118,327,945	2.18%
IRC (Woodfield Plaza)	7	44,695,646	0.86%	9	53,641,784	0.99%
Retail Properties of America	8	41,917,500	0.80%	8	64,451,959	1.19%
KBS Woodfield Preserve	9	40,254,383	0.77%	7	68,523,458	1.26%
Martingale Road LLC (Woodfield CC formerly)	10	37,908,000	0.73%	10	49,947,035	0.92%
Piedmont	-	-	-	3	117,526,151	2.17%
Marc Realty Corporate Office	-	-	-	5	71,071,958	1.31%
		<u>\$ 706,189,745</u>	<u>13.53%</u>		<u>\$ 950,327,946</u>	<u>17.51%</u>
Total District Equalized Assessed Valuation		<u>\$ 5,217,531,312</u>	<u>100.00%</u>		<u>\$ 5,425,924,427</u>	<u>100.00%</u>

Source: Village of Schaumburg 2020 CAFR.

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.



## Schaumburg Community Consolidated School District No. 54

### Ratio of General Bonded Debt to Equalized Assessed Valuation and General Bonded Debt Per Capita Last Ten Fiscal Years

Fiscal Year Ended June 30:	Tax Levy Year	General Bonded Debt	Equalized Assessed Valuation	Percentage of General Bonded Debt to Equalized Assessed Valuation	Estimated Population	General Bonded Debt Per Capita	Personal Income	Percentage Personal Income
2020	2019	\$ -	\$ 5,217,531,312	0.00%	72,887	\$ -	\$ 2,833,409,238	0.00%
2019	2018	-	4,486,944,821	0.00%	74,229	-	2,888,473,077	0.00%
2018	2017	-	4,587,338,675	0.00%	74,229	-	2,743,206,924	0.00%
2017	2016	-	4,534,494,372	0.00%	74,229	-	2,662,223,085	0.00%
2016	2015	-	3,909,747,921	0.00%	74,227	-	2,666,604,975	0.00%
2015	2014	-	4,031,239,681	0.00%	74,227	-	2,630,085,291	0.00%
2014	2013	-	3,981,620,665	0.00%	74,781	-	2,649,087,403	0.00%
2013	2012	-	4,484,102,601	0.00%	74,227	-	2,659,553,410	0.00%
2012	2011	-	4,873,897,727	0.00%	74,227	-	2,657,549,281	0.00%
2011	2010	8,700,000	5,425,924,427	0.16%	75,936	115	2,736,823,717	0.32%

Note: Population and income estimates were based on most recent census data.

Source of information: Village of Schaumburg and District Comprehensive Annual Financial Report

**Schaumburg Community Consolidated School District No. 54**

**Ratios of General Bonded Debt Outstanding and Legal Debt Margin  
Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Assessed Value (EAV)	\$ 5,425,924,427	\$ 4,873,897,727	\$ 4,484,102,601	\$ 3,981,620,665	\$ 4,031,239,681	\$ 3,909,747,921	\$ 4,534,494,372	\$ 4,587,338,675	\$ 4,486,944,821	\$ 5,217,531,312
Statutory Debt Limit Percentage	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%
Debt Percentage of EAV	0.32%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated Population	75,936	74,227	74,227	74,781	74,227	74,227	74,229	74,229	74,229	72,887
General Bonded Debt Per Capita	\$ 227	\$ 117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Statutory Debt Limit	\$ 374,388,785	\$ 336,298,943	\$ 309,403,079	\$ 274,731,826	\$ 278,155,538	\$ 269,772,607	\$ 312,880,112	\$ 316,526,369	\$ 309,599,193	\$ 360,009,661
General Bonded Debt	\$ 17,230,000	\$ 8,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 357,158,785	\$ 327,598,943	\$ 309,403,079	\$ 274,731,826	\$ 278,155,538	\$ 269,772,607	\$ 312,880,112	\$ 316,526,369	\$ 309,599,193	\$ 360,009,661
Amount Available in Debt Service Fund for the Payment of Debt	\$ 9,909,669	\$ 9,924,196	\$ 5,566,611	\$ 2,361,991	\$ 2,221,244	\$ 2,140,042	\$ 2,051,099	\$ 2,002,003	\$ 2,037,807	\$ 2,078,004

Note: Population estimates were based on most recent census data.

Source of information: District's Comprehensive Annual Financial Report and Cook County Tax Extension Office.

## Schaumburg Community Consolidated School District No. 54

### Computation of Direct and Overlapping Bonded Debt June 30, 2020

Taxing Authority	Outstanding Bonds	Estimated Percentage Applicable	Amount Applicable
Cook County	\$ 3,350,861,750	3.800 %	\$ 127,332,747
Cook County Forest Preserve	150,360,000	3.800	5,713,680
Metropolitan Water Reclamation District	2,765,549,316	3.880	107,303,313
DuPage Water Commission	-	0.290	-
Village of Elk Grove	112,570,000	15.240	17,155,668
Village of Hanover Park	14,512,658	22.150	3,214,554
Village of Hoffman Estates	173,649,963	50.250	87,259,106
City of Rolling Meadows	16,874,927	2.170	366,186
Village of Roselle	1,495,000	13.190	197,191
Village of Schaumburg	61,570,768	93.130	57,340,856
Village of Streamwood	21,539,808	3.020	650,502
High School District #211	-	62.140	-
Community College #509	162,385,622	1.040	1,688,810
Community College #512	118,626,697	24.530	29,099,129
Elk Grove Park District	-	14.260	-
Hanover Park Park District	1,995,000	14.730	293,864
Hoffman Estates Park District	66,835,000	55.020	36,772,617
Rolling Meadows Park District	2,291,000	2.600	59,566
Roselle Park District	1,323,445	0.590	7,808
Schaumburg Park District	13,198,305	97.840	12,913,222
<b>Total Overlapping General Obligation</b>			<b>487,368,819</b>
Schaumburg Community Consolidated School District No. 54			<b>-</b>
<b>Total direct and overlapping bonded debt</b>			<b>\$ 487,368,819</b>

Note: The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Source of information: Cook County Clerk's Office and various municipal web sites.

## Schaumburg Community Consolidated School District No. 54

### Demographic and Economic Statistics Last Ten Calendar Years

Year	Schaumburg Population	Personal Income	Per-Capita Personal Income	Median Age	Education Level in Years of Schooling	(1) School Enrollment	(2) Unemployment Rate
2020	72,887	\$ 2,833,409,238	\$ 38,874	37.8	14.6	15,420	16.1%
2019	74,229	2,888,473,077	38,913	37.8	14.7	15,282	2.9%
2018	74,229	2,743,206,924	36,956	37.8	14	14,939	2.7%
2017	74,229	2,662,223,085	35,865	37.8	14	14,714	3.4%
2016	74,227	2,666,604,975	35,925	37.7	14	14,482	5.1%
2015	74,227	2,630,085,291	35,433	37.8	14	14,354	4.6%
2014	74,781	2,649,087,403	35,425	37.8	14	14,538	5.5%
2013	74,227	2,659,553,410	35,830	37.8	14	14,168	7.1%
2012	74,227	2,657,549,281	35,803	37.8	14	14,056	6.9%
2011	75,936	2,736,823,717	36,041	35.3	14	14,249	7.0%

Source: Village of Schaumburg Comprehensive Annual Financial Report and Illinois Department of Employment Security.

Note 1: Children from District 54

Note 2: Unemployment rates are based on the District's fiscal year. FY 2020 impacted by COVID-19 pandemic.

## Schaumburg Community Consolidated School District No. 54

### Principal Employers Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Woodfield Shopping Center	4,000	1	5.33%	3,200	2	5.16%
Zurich American Insurance Group	2,600	2	3.47%	2,300	3	2.97%
Schaumburg School District 54	2,131	3	2.71%	1,890	4	2.49%
Motorola Solutions, Inc.	1,600	4	2.13%	7,000	1	9.03%
Catamaran/Optimum Rx	1,300	5	1.73%	-	-	-
IBM	900	6	1.20%	950	5	1
Genworth Financial Capital	850	7	1.13%	850	6	1.10%
Paylocity	800	8	1.07%	-	-	-
National Pizza Products	700	9	93.00%	510	9	0.66%
Friendship Village	650	10	87.00%	-	-	-
Comcast	-	-	-	725	7	0.94%
Verizon	-	-	-	625	8	0.81%
Village of Schaumburg	-	-	-	510	10	0.69%
Total	<u>15,531</u>		<u>20.57%</u>	<u>18,560</u>		<u>25.02%</u>

Source: Village of Schaumburg 2020 CAFR

## Schaumburg Community Consolidated School District No. 54

### Number of Full-Time Employees Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Administration:</b>										
Superintendent	1	1	1	1	1	1	1	1	1	1
Associate Superintendent	-	-	-	1	1	1	1	1	1	2
Assistant Superintendents	5	5	5	5	5	6	6	6	6	4
District Administrators	16	13	13	13	10	7	7	9	7	7
Principals and Assistants	46	45	45	46	47	45	46	48	48	51
	68	64	64	66	64	60	61	65	63	65
<b>Teachers:</b>										
K-6, Resource, Gifted	636	634	634	636	684	747	760	778	795	804
Junior High	147	141	141	143	141	142	146	148	159	160
Art, Music, P.E., Health	99	112	112	112	112	123	129	129	130	127
Special Education	280	247	247	254	246	243	253	286	282	291
Psychologists	26	26	26	27	29	28	28	30	31	32
	1,188	1,160	1,160	1,172	1,212	1,283	1,316	1,371	1,397	1,414
<b>Other Supporting Staff:</b>										
Library Clerks	27	27	27	27	27	27	27	27	27	27
Clerical 10/12 month	128	127	127	127	117	120	120	115	119	119
Aides	305	271	271	277	271	288	310	342	350	368
Tutors	44	39	40	25	-	-	-	-	-	-
Operations and Maintenance	130	130	130	132	135	124	130	134	143	138
	634	594	595	588	550	559	587	618	639	652
<b>Grand total</b>	<b>1,890</b>	<b>1,818</b>	<b>1,819</b>	<b>1,826</b>	<b>1,826</b>	<b>1,902</b>	<b>1,964</b>	<b>2,054</b>	<b>2,099</b>	<b>2,131</b>

Source of information: District personnel records.

Note: Student population has increased over the past few years and hence the District's overall employee count has increased accordingly.



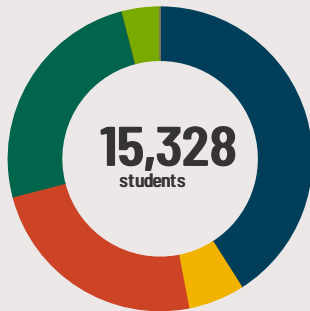
## Schaumburg CCSD 54

524 E Schaumburg Rd Schaumburg, IL 60194 (847) 357-5000

Grades: PK - 8

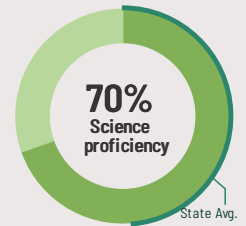
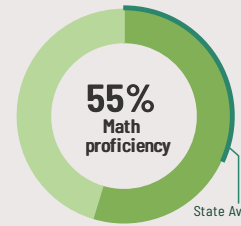
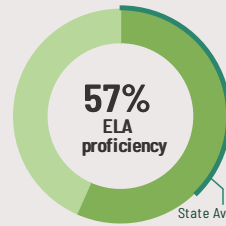
Superintendent: Mr. Andrew DuRoss

### Fast Facts



#### Student Characteristics

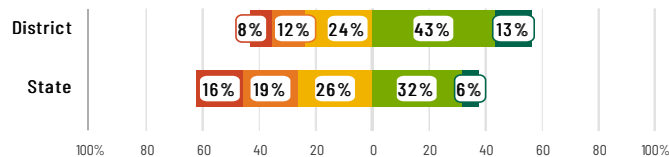
White	41%
Black	6%
Hispanic	24%
Asian	25%
American Indian	0%
Two or More Races	4%
Pacific Islander	0%
Low Income	18%
English Learners	21%
With IEPs	11%
With Disabilities	-
Homeless	1%



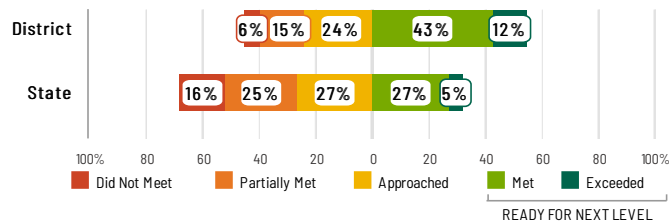
### Academic Success

All Illinois students in grades 3-8 take the IAR assessment each year. High school students take the SAT in English Language Arts and Math.

#### English Language Arts



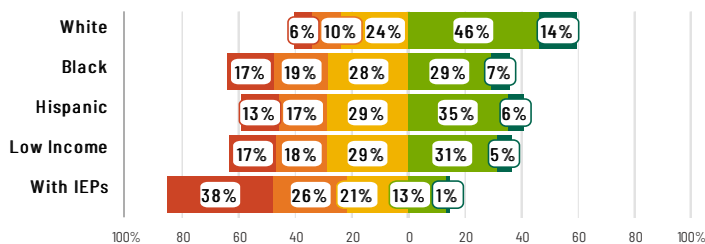
#### Mathematics



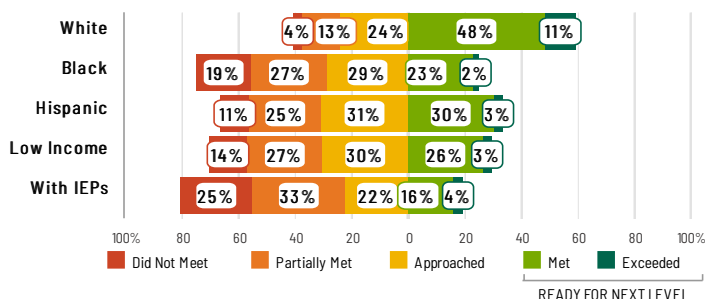
### Success by Student Group

This display shows IAR ELA & Math performance levels for each student group. No data is shown for groups with fewer than 10 students.

#### English Language Arts



#### Mathematics



### District Finance

**Instructional Spending per Pupil** includes only the activities directly dealing with the teaching of students or the interaction between teachers and students.

	2016	2017	2018	
District	\$8,624	\$9,057	\$9,153	\$9.50k
State	\$7,853	\$8,024	\$8,172	\$7.50k

**Operational Spending per Pupil** includes all costs for overall operations in this district, including Instructional Spending, but excluding summer school, adult education, capital expenditures, and long-term debt payments.

	2016	2017	2018	
District	\$13,018	\$13,400	\$13,902	\$14.5k
State	\$12,973	\$13,337	\$13,764	\$12.5k

### Student Attendance and Mobility

#### Attendance Rate

Rate at which students are present at school, not including excused or unexcused absences



#### Chronic Absenteeism

Percentage of students who miss 10% or more of school days per year either with or without a valid excuse



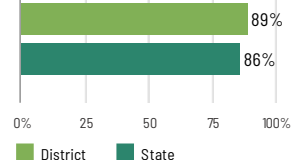
#### Student Mobility

Percentage of students who transfer in or out of the school during the school year, not including graduates



#### Teacher Retention

Percentage of full time teachers who return to the same school year to year





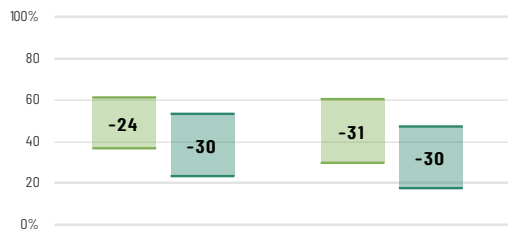
## Schaumburg CCSD 54

### Schools in District

School Name	Grades	Summative Designation	School Name	Grades	Summative Designation
Dwight D Eisenhower JHS	7 - 8	Commendable	Fairview Elem School	K - 6	Commendable
Helen Keller JHS	6 - 8	Commendable	Frederick Nerge Elem School	K - 6	Exemplary
Jane Addams JHS	4 - 8	Commendable	Hanover Highlands Elem School	K - 6	Commendable
Margaret Mead JHS	7 - 8	Commendable	Hoover Math and Science Academy	K - 6	Exemplary
Robert Frost JHS	7 - 8	Commendable	John Muir Literacy Academy	K - 6	Exemplary
Adlai Stevenson Elem School	K - 6	Exemplary	Lakeview Elem School	K - 6	Commendable
Adolph Link Elem School	K - 6	Commendable	Lincoln Prairie School	K - 8	Commendable
Albert Einstein Elem School	K - 6	Commendable	MacArthur International Spanish Academy	K - 6	Exemplary
Anne Fox Elem School	K - 6	Commendable	Michael Collins Elem School	K - 6	Exemplary
Buzz Aldrin Elem School	K - 6	Exemplary	Nathan Hale Elem School	K - 6	Exemplary
Campanelli Elem School	K - 6	Exemplary	Neil Armstrong Elem School	K - 6	Exemplary
Elizabeth Blackwell Elem School	K - 6	Commendable	Thomas Dooley Elem School	K - 6	Exemplary
Enders-Salk Elem School	K - 6	Commendable	Winston Churchill Elem School	K - 6	Commendable
Everett Dirksen Elementary Sch	K - 6	Commendable	The District 54 Early Learning Center	PK	

### Achievement Gap

Achievement gaps display the differences in academic performance between student groups. The display below shows the gap in readiness for the next level between low income (LI) students and non-low income (non-LI) students on the IAR assessment for both English Language Arts (ELA) and Math.



	IAR ELA		IAR Math	
	District	State	District	State
Non-Low Income	61%	53%	60%	47%
Low Income	37%	23%	30%	17%
Gap	-24	-30	-31	-30

### Educator Measures

This district has had an average of **2 principal(s)** at the same school over the past 6 years. District wide in the last three years, an average of **89% of teachers** return to the same school each year.

### FOR MORE INFORMATION

Visit [IllinoisReportCard.com](http://IllinoisReportCard.com) to see additional details about each item of information for this school. There you will find charts spanning multiple years, detailed explanations, resources, more of the school's programs and activities, and powerful tools that let you dig deeper into data.

Most of this data has been collected by ISBE from school districts through data systems. Some information, such as the School Highlights, is entered directly by principals and can be updated throughout the year.



## Schaumburg Community Consolidated School District No. 54

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