

**WILCO AREA CAREER CENTER
WILL COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

WILCO AREA CAREER CENTER

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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Control
Wilco Area Career Center
Romeoville, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Wilco Area Career Center as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Wilco Area Career Center as of June 30, 2021, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilco Area Career Center basic financial statements. The Other Information, including Notes to Other Information, and the Supplementary Information, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Notes to Other Information and TRS and THIS schedules have 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 them.

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Wilco Area Career Center for the year ended June 30, 2020, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated September 15, 2020, we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2021, on our consideration of the Wilco Area Career Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilco Area Career Center's internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 21, 2021

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position
Modified Cash Basis
June 30, 2021

	Governmental Activities	
	2021	2020
<u>Assets</u>		
Cash	\$ 1,335,715	1,124,971
Accounts Receivable	18,808	-
Capital Assets:		
Land	90,524	90,524
Buildings	8,372,701	8,068,865
Transportation Equipment	84,684	36,010
Equipment	1,830,357	1,827,561
Accumulated Depreciation	(5,540,008)	(5,267,277)
Total Assets	6,192,781	5,880,654
<u>Liabilities</u>		
Long-Term Liabilities:		
Due Within One Year	215,000	210,000
Due in More Than One Year	920,000	1,135,000
Total Long-Term Liabilities	1,135,000	1,345,000
Total Liabilities	1,135,000	1,345,000
<u>Net Position</u>		
Net Investment in Capital Assets	3,703,258	3,410,683
Unrestricted Net Position	1,354,523	1,124,971
Total Net Position	\$ 5,057,781	4,535,654

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

Government-wide Financial Statement
 Statement of Activities
 Modified Cash Basis
 For the Year Ended June 30, 2021

Program Activities	Expenditures	Program Revenues			Net (Expenditures) Revenue And Changes in Net Position	
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2021	2020
Governmental Activities:						
Instruction	\$ 2,328,374	2,117,623	733,267	-	522,516	346,256
Support	1,984,136	1,833,381	115,580	-	(35,175)	(74,887)
On-Behalf Payments	189,807	-	189,807	-	-	-
Unallocated Interest	33,937	-	-	-	(33,937)	(40,088)
Total Government	\$ 4,536,254	3,951,004	1,038,654	-	453,404	231,281
General Revenues:						
Interest on Investments					\$ 319	958
Miscellaneous					27,260	6,289
Total General Revenues					27,579	7,247
Change in Net Position					480,983	238,528
Net Position at Beginning of Year					4,535,654	4,297,126
Adjustment to include Student Activity Accounts					41,144	-
Net Position at End of Year					\$ 5,057,781	4,535,654

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

Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis
 Governmental Funds
 June 30, 2021

	Educational Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	
				2021	2020
<u>Assets</u>					
Cash in Bank	\$ 1,331,573	-	4,142	1,335,715	1,124,971
Accounts Receivable	18,808	-	-	18,808	-
Total Assets	<u>\$ 1,350,381</u>	<u>-</u>	<u>4,142</u>	<u>1,354,523</u>	<u>1,124,971</u>
<u>Fund Balances</u>					
Fund Balances:					
Unassigned Fund Balance	\$ 1,196,344	-	-	1,196,344	988,082
Committed Fund Balance	154,037	-	4,142	158,179	136,889
Total Fund Balance	<u>\$ 1,350,381</u>	<u>-</u>	<u>4,142</u>	<u>1,354,523</u>	<u>1,124,971</u>

Reconciliation of Statement of Net Position:

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

Capital assets used in governmental activities of \$10,378,266 (net of accumulated depreciation of \$5,540,008), are not financial resources and, therefore, are not reported in the funds.

\$ 4,838,258 4,755,683

Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(1,135,000) (1,345,000)

Net Position of Governmental Activities

\$ 5,057,781 4,535,654

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

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2021

	Educational Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	
				2021	2020
Revenues Received:					
Local Sources	\$ 3,734,641	243,937	5	3,978,583	3,685,778
State Sources	733,267	-	-	733,267	599,629
Federal Sources	115,580	-	-	115,580	129,973
On Behalf Payments	189,807	-	-	189,807	182,958
Total Revenues Received	4,773,295	243,937	5	5,017,237	4,598,338
Expenditures Disbursed:					
Current:					
Instruction	2,164,735	-	-	2,164,735	2,078,256
Supporting Services	1,875,044	-	-	1,875,044	1,805,300
Debt Service:					
Interest Payment of Long-term Debt	-	33,937	-	33,937	40,088
Principal Payment of Long-term Debt	-	210,000	-	210,000	200,000
Capital Outlay	355,306	-	-	355,306	195,706
Intergovernmental:					
On Behalf Payments	189,807	-	-	189,807	182,958
Total Expenditures Disbursed	4,584,892	243,937	-	4,828,829	4,502,308
Excess (deficiency) of Revenues Received Over (under) Expenditures Disbursed	188,403	-	5	188,408	96,030
Fund Balances, beginning of year	1,120,834	-	4,137	1,124,971	1,028,941
Fund Balance adjustment to include Student Activity Accounts	41,144	-	-	41,144	-
Fund Balances, end of year	\$ 1,350,381	-	4,142	1,354,523	1,124,971
Reconciliation to the Statement of Activities:					
Net Change in Fund Balances - governmental activities				\$ 188,408	96,030
Amounts reported for governmental activities in the Statement of Activities are different because:					
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position					
Principal Payments of Long-term Debt				210,000	200,000
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.					
Capital asset additions				355,306	195,706
Depreciation				(272,731)	(253,208)
Change in net position of governmental activities (Statement B)				\$ 480,983	238,528

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

NOTES TO BASIC FINANCIAL STATEMENTS

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wilco Area Career Center (the "Center") is a joint agreement agency comprised of six member Districts. The Center operates under the applicable laws and regulations of the State of Illinois. It is governed by a five member Board of Control (the "Board") appointed by the member Districts. The Center provides career/technical training to students of the member Districts. The Center prepares its basic financial statements in conformity with the modified cash basis of accounting.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Center's accounting policies are described below.

Reporting Entity

The Center has developed criteria to determine whether outside agencies with activities which benefit the members of the Center, including joint agreements which serve pupils from numerous Districts, should be included within its financial reporting entity. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public services, and special financing relationships. There are no component units as defined above that are included in the Center's reporting entity, also the Center is not included in any other governmental "reporting entity."

A. Basis of Presentation

The Center's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Individual funds are not displayed but the statements distinguish governmental activities which are generally supported by member assessment and general revenues.

The Statement of Net Position presents the financial condition of the governmental activities of the Center at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Center.

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

A. *Basis of Presentation - (Continued)*

Fund Financial Statements - During the year, the Center segregates transactions related to certain Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Center at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. The fiduciary funds are reported by type.

The accounts of the Center are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund is summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenue, and expenditures. The Center maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. The Center resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Center or meets the following criteria:

- a. total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

There are two categories of funds utilized by the Center: governmental and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Center's major governmental funds:

The Educational Fund is the general operating fund of the Center. It is used to account for all financial resources except those required to be accounted for in another fund.

The Bond & Interest Fund is a debt service fund which is used to account for principal and interest related to long-term debt issued by the Center. The fund balance in this fund is restricted for debt service related expenditures.

The Capital Projects Fund is used for various sources of funding that pertain to new building projects or upgrades and improvement to the building that are of a significant nature.

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus and the modified cash basis of accounting. This means that only balances resulting from previous cash transactions are shown on the Statement of Net Position, with two modifications: Capital assets net of related depreciation and long-term liabilities resulting from debt issuances are also included. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenditures) in total net position, with three modifications: capital acquisitions are not reported as expenditures but rather capitalized and shown as assets on the Statement of Net Position, depreciation expense is reported in the Statement of Activities and long-term debt principal payments are shown as a reduction of long-term liabilities on the Statement of Net Position rather than a disbursement on the Statement of Activities.

Fund Financial Statements - All governmental funds are accounted for using the current financial resources measurement focus and the cash basis of accounting. This means that only current assets, liabilities and fund balances resulting from previous cash transactions are shown on the Statement of Assets, Liabilities and Fund Balance arising from cash transactions. The Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance reports on the sources (i.e. revenues) and uses (i.e. expenditures). Revenues are recognized when cash is received. Expenditures are recognized when checks are written. Allocations of cost, such as depreciation, are not recognized in governmental funds. This approach differs from the manner in which the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

WILCO AREA CAREER CENTER

**Notes to Basic Financial Statements
For the Year Ended June 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Cash and Cash Equivalents

To improve cash management, the Center utilizes a pooled account. Monies for all funds, excluding fiduciary funds, are maintained in this pool. Individual fund integrity is maintained through Center records. Interest in the pool is presented as “cash.”

During the fiscal year, the Center had no investments.

D. Capital Assets

All capital assets of the Center are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Center maintains a capitalization threshold of five hundred dollars. Investments are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	40 years
Equipment	5 - 20 years

WILCO AREA CAREER CENTER

**Notes to Basic Financial Statements
For the Year Ended June 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Compensated Absences

Teachers do not receive paid vacation leave but are paid only for the number of days they are required to work each year. Other employees are granted vacation leave in varying amounts. In the event of termination, an employee is not reimbursed for any unused accumulated leave. The Center has no liability for unused vacation pay since all vacation leave is lost if not taken each fiscal year. Vacation pay is charged to operations when taken by the employees of the Center.

Sick leave is not paid upon termination and does not vest under the Center's policy and accordingly, employees can only utilize sick leave when sick. Full-time teacher certified employees are allowed to accrue 15 days of sick leave each year to a maximum of 340 days. Teachers can elect to have unused accrued sick days credited towards retirement in accordance with TRS guidelines. Full-time non-certified support staff working 12 months receives 12 days of sick leave. Part-time non-certified teacher aides and support staff receive 10 days of sick leave. Upon resignation they can elect to have those days used towards retirement in accordance with IMRF guidelines.

F. Net Position

In the Government-wide financial statements net position represents the difference between assets and liabilities, and is displayed in three components:

1. Net Position invested in capital assets - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of these assets. At June 30, 2021, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 10,378,266
Less: Accumulated depreciation	<u>(5,540,008)</u>
Capital assets, net	4,838,258
Less:	
General obligation bonds	<u>(1,135,000)</u>
Net investment in capital assets	<u>\$ 3,703,258</u>

2. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

WILCO AREA CAREER CENTER

**Notes to Basic Financial Statements
For the Year Ended June 30, 2021**

NOTE 2: CASH

The Center is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 85, Sections 902 and 906; and Chapter 122, Section 8-7 and limited by their own local ordinance. The Center has adopted a formal written investment and cash management policy. The institution in which investments are made must be approved by the Board of Control.

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

The Center's deposits are entirely covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Center's deposits at each financial institution. Deposit balances over \$250,000 (\$1,400,676) are collateralized with securities held by the pledging financial institution. At June 30, 2021 the carrying amount of the Center's deposits was \$1,335,715 and the bank balance was \$1,650,676.

NOTE 3: COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all Center funds; instead, cash of certain funds is combined in one common bank account. Individual accounting records are maintained showing the cash balance attributed to each fund. As of June 30, 2021, the funds participating in the common bank account had the following cash balances:

<u>Fund</u>	<u>Balance</u>
Educational Fund	\$ 1,331,573
Capital Projects Fund	4,142
Total	<u>\$ 1,335,715</u>

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 4: CAPITAL ASSETS

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Capital Assets, not being depreciated:				
Land	\$ 90,524	-	-	90,524
Total Capital Assets, not being depreciated	<u>90,524</u>	<u>-</u>	<u>-</u>	<u>90,524</u>
Capital Assets, being depreciated:				
Building	8,068,865	303,836	-	8,372,701
Transportation Equipment	84,684	-	-	84,684
Equipment	1,778,887	51,470	-	1,830,357
Total Capital Assets, being depreciated	<u>9,932,436</u>	<u>355,306</u>	<u>-</u>	<u>10,287,742</u>
Total Capital Assets	<u>10,022,960</u>	<u>355,306</u>	<u>-</u>	<u>10,378,266</u>
Less Accumulated Depreciation:				
Building	(3,684,036)	(181,608)	-	(3,865,644)
Transportation Equipment	(39,869)	(5,371)	-	(45,240)
Equipment	(1,543,372)	(85,752)	-	(1,629,124)
Total Accumulated Depreciation	<u>(5,267,277)</u>	<u>(272,731)</u>	<u>-</u>	<u>(5,540,008)</u>
Governmental Activities Capital Assets, net	<u>\$ 4,755,683</u>	<u>82,575</u>	<u>-</u>	<u>4,838,258</u>

Current year depreciation is allocated as follows:

Instruction	\$163,639
Support Services	<u>109,092</u>
Total Current Year Depreciation	<u>\$272,731</u>

Significant capital additions includes the following:

Building and Classroom Renovations	\$230,700
Mechanical Work (Roof Project)	73,136
Welding Equipment	32,575

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 5: LEASE COMMITMENTS

The Center entered into a lease on December 19, 2018 with McGrath Office Equipment, Inc. for a copier. The lease term is 36-months and requires monthly payments of \$372.

	<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$	1,860
Total	\$	<u>1,860</u>

NOTE 6: LONG TERM OBLIGATIONS

The following is a summary of the Center's general long-term obligations for the year ended June 30, 2021:

	<u>7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding 6/30/2021</u>	<u>Amount Due in One Year</u>
Debt Certificates, Series 2016	\$ 1,345,000	-	210,000	1,135,000	215,000
Total Long-Term Debt	<u>\$ 1,345,000</u>	<u>-</u>	<u>210,000</u>	<u>1,135,000</u>	<u>215,000</u>

Debt Certificates: The Center issued \$2,100,000 Debt Certificates, Series 2016, authorizing an Installment Purchase Agreement related to building and equipping additions to, and altering, improving, equipping and repairing school facilities of the Wilco Area Career Center with Stifel, Nicolaus & Company, Incorporated on June 6, 2016. These bonds bear interest at rates ranging from 2.375% to 4.000% to be compounded semi-annually on each June 1 and December 1. The bond payments are due June 1 and December 1, beginning on December 1, 2016, with a final maturity on December 1, 2025. Principal and interest payments are made from the Capital Projects fund with receipts from each Member District based on a proportion equal to a percentage of the five year average of the eleventh and twelfth grade fall enrollment counts for Fiscal Years 2011 through 2015. The proportionate share of the bond payments are disclosed in the table below:

<u>Participating District</u>	<u>Allocation %*</u>
Lemont Township High School District 210	9.18%
Plainfield Community Consolidated School District 202	52.82%
Reed-Custer Community Unit School District 255-U	3.25%
Valley View Community Unit School District 365-U	31.84%
Wilmington Community Unit School District 209-U	2.91%

**Any District's payment amount exceeding \$100,000 annually will be capped at \$100,000. The additional amount in excess of \$100,000 will be equally divided amongst the remaining Districts.*

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 6: LONG TERM OBLIGATIONS – (Continued)

Principal and interest required to retire Debt Certificates, Series 2016 outstanding as of June 30, 2021 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 215,000	27,563	242,563
2023	220,000	21,038	241,038
2024	225,000	14,363	239,363
2025	235,000	8,345	243,345
2026	240,000	2,850	242,850
Totals	<u>\$ 1,135,000</u>	<u>74,158</u>	<u>1,209,158</u>

NOTE 7: RETIREMENT FUND COMMITMENTS

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

General Information about the Plan

Plan Description

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

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/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 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

A. *Teachers' Retirement System of the State of Illinois – (Continued)*

Benefits Provided – (Continued)

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but has not yet gone into effect.

Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

Contributions

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

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

On Behalf Contributions to TRS – The state of Illinois makes employer pension contributions on behalf of the Center. For the year ended June 30, 2021, state of Illinois contributions recognized by the Center were reported as revenue and expenditures of \$169,604 in pension contributions from the State of Illinois.

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

A. *Teachers' Retirement System of the State of Illinois – (Continued)*

Contributions – (Continued)

2.2 Formula Contributions – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$9,450.

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

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

For the year ended June 30, 2021, the employer pension contribution was 10.44 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, \$20,988 of salaries were paid from federal and special trust funds that required \$2,185 in employer contributions.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the Center paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan

IMRF Plan Description

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

The Center participates in the Will County Regular Plan. Only the plan description and benefits provided are described as presenting Will County information would be misleading to readers. For IMRF actuarial information, please refer to Will County's Annual Financial Report. Center contribution information is presented on the next page.

Benefits Provided

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

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

WILCO AREA CAREER CENTER

**Notes to Basic Financial Statements
For the Year Ended June 30, 2021**

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan - (Continued)

Benefits Provided - (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% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Contributions

As set by statute, the Center's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Center's annual contribution rate and actual Center contributions for calendar year 2020 and the fiscal year ended June 30, 2021 are summarized below. The Center 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.

Plan member required contribution rate	4.50%
Center required contribution rate for 2020	11.33%
Center required contribution rate for 2021	11.20%
Center actual contributions for 2020	\$ 61,984
Center actual contributions for fiscal year 2021	\$ 62,736

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. *Teachers' Health Insurance Security Fund*

The Center participates in the Teachers' Health Insurance Security (THIS) Fund 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 Center 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>).

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, 2021, 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, 2021, the Center paid \$14,989 to the THIS Fund, which was 100 percent of the required contribution.

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (Continued)

A. *Teachers' Health Insurance Security Fund – (Continued)*

- The State of Illinois makes contributions on behalf of the Center. 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, 2021, State of Illinois contributions on behalf of the Center's employees were \$20,203 and the Center recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.
- 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 by year by statute. The Federal Government provides a Medicare Part D subsidy.

NOTE 9: CONTINGENCIES

Grant Programs: The Center has received funding from state and federal grants which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the granting agencies. Any disallowed claims resulting from such audits could become a liability of the Center. In the opinion of the Center, any such disallowed claims will not have a material adverse effect on the overall financial position of the Center.

NOTE 10: OTHER CONTRACTUAL COMMITMENTS

Teacher's contracts for services rendered during the school year for teachers electing twelve month pay schedules are recorded in the fiscal year when such checks are drawn. Unpaid teacher's contracts for services performed during the year ended June 30, 2021 amounted to \$154,037.

NOTE 11: RISK MANAGEMENT- CLAIMS AND JUDGMENTS

The Center's risk management activities were recorded in the Educational Fund. No liability has been recorded in the books for future expenses related to risk management; these expenses are reported as the expenditures are made.

The Center is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the Center carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

On September 20, 2016, the Center approved a resolution authorizing membership in the School Employees Loss Fund ("SELF"). SELF is an intergovernmental workers compensation loss fund created by Illinois School Districts. The Center's participation in the intergovernmental agreement requires limited financial contributions, and the Center shall not be held responsible in any way for claims due to property losses of, or claims in tort or contract made against any other member of the agency.

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 12: EMPLOYEE BENEFIT PLAN

Effective in 1984, the Center entered into an agreement with the Lincoln-Way Area Affiliation of Participating School Centers Employee Benefit Plan, which through its risk-sharing provisions provides the Center with its insurance coverage for medical claims.

The Plan is self-funded employee benefit plan which covers substantially all employees of the members, all of which are located in northeastern Illinois. The members, as well as covered employees, contribute to the Plan. The contributions are based on the Plan's prior experience and projected claim costs.

The Plan utilized the services of Professional Benefits Administrators, Inc. as the claims paying agent during the year ended June 30, 2021.

Benefits provided include hospitalization, surgical, medical, dental, vision and temporary disability coverage for all full-time employees of Plan members. The Plan is self-insured to \$300,000 per individual member employee. Liabilities in excess of these limits are covered by stop-loss insurance coverage. As of June 30, 2021, there were no insurance and stop-loss claims due to the Plan. Contributions to the Plan are paid monthly by each member based upon rates determined annually by the Board of Trustees.

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 12: EMPLOYEE BENEFIT PLAN – (Continued)

The following is a financial summary (cash basis) of the Plan for the year ended June 30, 2020, the most recent financial information available. A complete audited financial report can be obtained by contacting the Shorewood Agency at 501 Parkshore, Shorewood, IL 60431.

	Year Ended 6/30/2020
Receipts:	
Contributions from Participants	\$ 30,759,313
Recovered Claims	523,129
Investment Income	452,635
Total Receipts	<u>31,735,077</u>
Disbursements:	
Claims Paid	12,885,616
HMO Premiums	11,088,216
Prescription Card Reimbursements	4,119,926
Administration Fees	375,311
Stop Loss Premiums	667,679
Section 125 Expenses	483,990
Life and Other Premiums	439,203
Transition Reinsurance Payment	3,780
Consultant Fees	86,250
Professional Fees	9,330
Fiduciary Liability Premiums	10,800
Other Expense	57
Total Disbursements	<u>30,170,158</u>
Excess of Disbursements Over Receipts	1,564,919
Cash at beginning of year	<u>23,196,359</u>
Cash at end of year	<u>\$ 24,761,278</u>

WILCO AREA CAREER CENTER

Notes to Basic Financial Statements For the Year Ended June 30, 2021

NOTE 13: MEMBER DISTRICT INFORMATION

The Center is a joint venture involving the following School Districts in Will County: Lemont #210, Lockport #205, Plainfield #202, Reed-Custer #225U, Valley View #356U, and Wilmington #209U.

Tuition

The Center receives a majority of its revenue from the participating Districts in the form of tuition. The departure of any Member District from the joint venture would have a significant impact on the programs offered by the Center.

The following table displays the amounts received from each Member District for tuition and fees during the fiscal year ending June 30, 2021:

Lemont #210	\$ 98,576
Plainfield #202	1,470,000
Reed-Custer #225U	175,000
Valley View #356U	1,285,000
Wilmington #209U	220,000
Lockport #205	291,500
Non-Member Districts	<u>73,850</u>
	<u>\$ 3,613,926</u>

NOTE 14: FUND BALANCE REPORTING – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences that apply to the Center and a reconciliation of how these balances are reported.

A. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for these specified purposes. Debt Service funds were fully spent during the 2021 fiscal year, resulting in no restricted fund balance.

B. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Control). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

WILCO AREA CAREER CENTER

**Notes to Basic Financial Statements
For the Year Ended June 30, 2021**

NOTE 14: FUND BALANCE REPORTING – GASB 54 PRESENTATION – (Continued)

B. Committed Fund Balance (Continued)

The Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2021, unpaid contracts for services performed amounted to \$154,037.

The Center issued bonds in 2016 for capital improvements. At June 30, 2021, the remaining Capital Projects fund balance of \$4,142 has been committed for the purpose of financing the capital projects.

C. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Board itself or (b) the finance committee or by the Director when the Board has delegated the authority to assign amounts to be used for specific purposes.

D. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the Educational Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the Educational Fund. Unassigned Fund balance amounts are shown in the financial statements as Unassigned fund balances in the Educational Fund.

E. Reconciliation of Fund Balance Reporting

The following table represents Fund balance reporting according to generally accepted accounting principles.

	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total Fund Balance</u>
Funds:				
Educational	\$ 154,037	-	1,196,344	1,350,381
Capital Projects	4,142	-	-	4,142
	<u>\$ 158,179</u>	<u>-</u>	<u>1,196,344</u>	<u>1,354,523</u>

WILCO AREA CAREER CENTER

**Notes to Basic Financial Statements
For the Year Ended June 30, 2021**

NOTE 14: FUND BALANCE REPORTING – GASB 54 PRESENTATION – (Continued)

F. Expenditures of Fund Balance

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

NOTE 15: SUBSEQUENT EVENTS

Management evaluated subsequent events through September 21, 2021, the date which the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of June 30, 2021.

OTHER INFORMATION

**WILCO AREA CAREER CENTER
EDUCATIONAL FUND**

**Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2021**

		<u>Educational Fund</u>
<u>Assets</u>		
Cash in Bank		\$ 1,331,573
Accounts Receivable		<u>18,808</u>
Total Assets		<u>\$ 1,350,381</u>
<u>Fund Balance</u>		
Unassigned Fund Balance		\$ 1,196,344
Committed Fund Balance		<u>154,037</u>
Total Fund Balance		<u>\$ 1,350,381</u>

**WILCO AREA CAREER CENTER
EDUCATIONAL FUND**

SCHEDULE A-2

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual**

**For the Year Ended June 30, 2021
(With Comparative Figures for 2020)**

	Original Budget	Final Budget	Year Ended June 30,	
			2021	2020
Revenues Received:				
Local Sources:				
CTE Tuition from Other Districts	\$ 3,368,576	3,617,525	3,613,926	3,363,576
Adult Tuition from Pupils or Parents	11,635	11,634	25,105	-
Interest Income	800	236	319	958
Student Fees	34,355	23,398	16,137	34,981
Textbook Rentals	8,724	8,724	8,474	7,920
Sale of Vocational Projects	36,500	18,535	19,257	31,949
Other Local Revenues	17,000	27,000	27,260	6,289
Student Activity Fund Revenue	24,370	24,370	24,163	-
Total Local Revenues	3,501,960	3,731,422	3,734,641	3,445,673
State Sources:				
School Maintenance Grant	50,000	50,000	50,000	-
CTEI - Secondary Program Imprv.	670,292	500,000	609,397	594,549
CTEI - Education Career Pathway	78,850	78,850	71,750	-
CTEI - Agriculture Education	2,780	1,647	2,120	5,080
Total State Sources	801,922	630,497	733,267	599,629
Federal Sources:				
CTE - Perkins - Title III E Tech Prep	119,584	110,156	91,970	129,973
ESSER Grant	23,610	23,610	23,610	-
Total Federal Sources	143,194	133,766	115,580	129,973
On Behalf Payments	157,449	157,449	189,807	182,958
Total Revenues Received	4,604,525	4,653,134	4,773,295	4,358,233

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2021
(With Comparative Figures for 2020)

	Original Budget	Final Budget	Year Ended June 30,	
			2021	2020
Expenditures Disbursed:				
Instruction:				
Adult/Continuing Education Programs:				
Salaries	\$ 7,500	7,500	7,310	5,000
Employee Benefits	2,500	2,500	-	84
Purchased Services	500	500	996	160
Supplies and Materials	400	400	1,400	66
Total Adult/Continuing Education Programs	10,900	10,900	9,706	5,310
CTE Programs:				
Salaries	1,557,168	1,512,900	1,497,915	1,442,598
Employee Benefits	301,803	246,475	245,157	264,407
Purchased Services	6,700	13,000	12,241	2,564
Supplies and Materials	166,625	210,741	210,277	183,897
Capital Outlay	15,305	2,900	2,926	42,495
Other Objects	495,375	376,202	377,021	254,409
Total CTE Programs	2,542,976	2,362,218	2,345,537	2,190,370
Student Activity Fund Expenditures	20,797	20,797	22,676	-
Total Instruction	2,574,673	2,393,915	2,377,919	2,195,680
Support Services:				
Guidance Services:				
Salaries	199,848	199,848	200,013	193,811
Employee Benefits	37,052	37,052	37,386	35,728
Purchased Services	22,500	27,000	27,332	23,151
Supplies and Materials	2,000	2,000	1,985	1,174
Other Objects	1,500	1,500	1,434	995
Total Guidance Services	262,900	267,400	268,150	254,859
Health Services:				
Capital Outlay	-	3,998	3,727	-

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2021
(With Comparative Figures for 2020)

	Original Budget	Final Budget	Year Ended June 30,	
			2021	2020
Expenditures Disbursed (Continued):				
Support Services (Continued):				
Improvement of Instruction Services:				
Salaries	\$ 188,992	167,161	165,748	123,722
Employee Benefits	40,211	43,431	40,053	42,437
Purchased Services	28,500	18,295	16,581	44,945
Supplies and Materials	79,755	86,403	86,222	55,414
Capital Outlay	20,000	30,000	30,000	166,335
Total Improvement of Instruction Services	357,458	345,290	338,604	432,853
Assessment and Testing:				
Supplies and Materials	4,500	4,500	4,500	-
Board of Education Services:				
Purchased Services	26,700	26,700	19,997	16,144
Supplies and Materials	250	250	187	175
Total Board of Education Services	26,950	26,950	20,184	16,319
Executive Administration:				
Salaries	183,291	187,001	187,583	177,952
Employee Benefits	41,806	48,306	47,413	38,208
Purchased Services	15,000	8,930	9,181	16,266
Supplies and Materials	5,750	5,750	5,710	6,328
Capital Outlay	2,500	2,500	2,104	-
Other Objects	3,000	1,887	1,887	2,792
Total Executive Administration	251,347	254,374	253,878	241,546
Fiscal Services:				
Salaries	59,519	59,519	59,519	57,785
Employee Benefits	25,870	25,870	25,532	24,892
Purchased Services	8,000	8,500	7,832	7,984
Supplies and Materials	2,000	1,000	928	1,338
Other Objects	3,000	3,500	3,475	2,723
Total Fiscal Services	98,389	98,389	97,286	94,722

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2021
(With Comparative Figures for 2020)

	Original Budget	Final Budget	Year Ended June 30,	
			2021	2020
Expenditures Disbursed (Continued):				
Support Services (Continued):				
Operations & Maintenance:				
Salaries	\$ 188,922	196,276	176,659	175,655
Employee Benefits	52,998	48,846	46,149	36,349
Purchased Services	213,000	262,451	262,379	202,344
Supplies and Materials	126,000	110,431	110,419	125,199
Capital Outlay	234,000	426,926	426,836	303,120
Other Objects	20,000	20,000	8,395	616
Total Operations & Maintenance	<u>834,920</u>	<u>1,064,930</u>	<u>1,030,837</u>	<u>843,283</u>
Total Support Services	<u>1,836,464</u>	<u>2,065,831</u>	<u>2,017,166</u>	<u>1,883,582</u>
On Behalf Payments	<u>157,449</u>	<u>157,449</u>	<u>189,807</u>	<u>182,958</u>
Total Expenditures Disbursed	<u>4,568,586</u>	<u>4,617,195</u>	<u>4,584,892</u>	<u>4,262,220</u>
Excess (deficiency) of Revenues Received over (under) Expenditures Disbursed	<u>\$ 35,939</u>	<u>35,939</u>	188,403	96,013
Fund Balance, beginning of year			<u>1,120,834</u>	<u>1,024,821</u>
Fund Balance adjustment to include Student Activity Accounts			<u>41,144</u>	-
Fund Balance, end of year			<u>1,350,381</u>	<u>1,120,834</u>

NOTES TO OTHER INFORMATION

WILCO AREA CAREER CENTER

Notes to Other Information For the Year Ended June 30, 2021

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The Center's budget for all governmental funds is prepared on the cash basis of accounting (Non-GAAP) which is the same basis that is used in fund financial statements. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 122, Paragraph 17.1 of the Illinois Revised Statutes. The budget was passed on August 18, 2020, and was amended on May 27, 2021.

For each fund, total fund expenses paid may not legally exceed the budgeted amounts. The budget lapses at the end of the fiscal year. The Center follows these procedures in establishing the budgetary data reflected in the financial statements.

Prior to July 1, the Director submits to the Board of Control a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them. The proposed operating budget is placed on file and a public hearing is held to obtain comments from the community.

Prior to September 1, the budget is legally adopted by the Board of Control through passage of a resolution. Formal Budgetary integration is employed as a management control device at the function/object level during the year.

The Board of Control may make transfers between the various items in any fund not exceeding in the aggregate 10 percent of the total of such fund as set forth in the budget. The Board of Control may amend the budget (in other ways) by the same procedures required of its original adoption.

NOTE 2: BUDGETARY COMPARISONS

The table below includes budgetary comparisons for the Center's major funds.

Description	Budget	Actual	Variance	Percent Variance
Educational Revenues Received	\$ 4,653,134	4,773,295	120,161	2.52%
Educational Expenditures Disbursed	4,617,195	4,584,892	32,303	0.70%

SUPPLEMENTARY INFORMATION

**WILCO AREA CAREER CENTER
DEBT SERVICE FUND**

SCHEDULE B-1

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions**

June 30, 2021

<u>Assets</u>	
Cash in bank	\$ -
Total Assets	<u>\$ -</u>
<u>Fund Balance</u>	
Fund Balance	<u>\$ -</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual**

SCHEDULE B-2

**For the Year Ended June 30, 2021
(With Comparative Figures for 2020)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Year Ended June 30,</u>	
			<u>2021</u>	<u>2020</u>
Revenues Received				
Payments from Other Districts	\$ 243,938	243,938	243,937	240,088
Total Revenues Received	<u>243,938</u>	<u>243,938</u>	<u>243,937</u>	<u>240,088</u>
Expenditures Disbursed				
Debt Service - Interest	33,938	33,938	33,937	40,088
Debt Service - Principal	210,000	210,000	210,000	200,000
Total Expenditures Disbursed	<u>243,938</u>	<u>243,938</u>	<u>243,937</u>	<u>240,088</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ -</u>	<u>-</u>	-	-
Fund balance, beginning of year			<u>-</u>	<u>-</u>
Fund balance, end of year			<u>-</u>	<u>-</u>

WILCO AREA CAREER CENTER
CAPITAL PROJECTS FUND

SCHEDULE C-1

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions

June 30, 2021

<u>Assets</u>	
Cash in bank	\$ 4,142
Total Assets	<u>\$ 4,142</u>
<u>Fund Balance</u>	
Committed Fund Balance	<u>\$ 4,142</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual

SCHEDULE C-2

For the Year Ended June 30, 2021
(With Comparative Figures for 2020)

	Original Budget	Final Budget	Year Ended June 30,	
			2021	2020
Revenues Received				
Interest Income	\$ 18	18	5	17
Total Revenues Received	<u>18</u>	<u>18</u>	<u>5</u>	<u>17</u>
Expenditures Disbursed				
Professional and Technical Services	-	-	-	-
Total Expenditures Disbursed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ -</u>	<u>-</u>	5	17
Fund balance, beginning of year			<u>4,137</u>	<u>4,120</u>
Fund balance, end of year			<u>4,142</u>	<u>4,137</u>

WILCO AREA CAREER CENTER

**Supplementary Information
Teachers' Retirement System of the State of Illinois**

Schedule E-1

Schedule of Wilco Area Career Center's Share of the Net Pension Liability

	Fiscal Year*						
	2020	2019	2018	2017	2016	2015	2014
Wilco Area Career Center's Proportion of the Net Pension Liability	0.0001772775%	0.0001843301%	0.0001950521%	0.0001862485%	0.0001746933%	0.0002144364%	0.0001990432%
Wilco Area Career Center's Proportionate Share of the Net Pension Liability	\$ 152,840	149,507	152,033	142,290	137,896	140,477	121,134
State's Proportionate Share of the Net Pension Liability Associated with Wilco Area Career Center	11,971,239	10,640,231	10,414,902	9,795,561	9,258,584	8,388,346	7,554,052
Total	\$ 12,124,079	10,789,738	10,566,935	9,937,851	9,396,480	8,528,823	7,675,186
Wilco Area Career Center's Covered-Employee Payroll	\$ 1,537,466	1,419,738	1,397,281	1,323,555	1,146,071	1,295,587	1,241,650
Wilco Area Career Center's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	9.94%	10.53%	10.88%	10.75%	12.03%	10.84%	9.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.80%	39.60%	40.00%	39.30%	36.40%	41.50%	43.00%

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

Schedule E-2

Schedule of Contributions

	Fiscal Year						
	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 9,449	8,917	8,234	8,104	7,677	6,647	7,514
Contributions in Relation to the Statutorily Required Contribution	9,449	8,917	8,234	8,104	7,677	6,647	7,514
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-
Wilco Area Career Center's Covered-Employee Payroll	\$ 1,629,245	1,537,466	1,419,738	1,397,281	1,323,555	1,146,071	1,295,587
Contributions as a Percentage of Covered-Employee Payroll	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%

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

For the 2020, 2019, 2018, 2017 and 2016 measurement years, the assumed investment rate was 7.0 percent, including an inflation rate of 2.5 percent and a real 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 was 7.5 percent, including an inflation rate of 3.0 percent and a 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.

WILCO AREA CAREER CENTER

Supplementary Information
Teachers' Health Insurance Security Fund of the State of Illinois

Schedule E-3

Schedule of Center's Share of the Collective Net OPEB Liability

	Fiscal Year*			
	2020	2019	2018	2017
Center's Proportion of the Collective Net OPEB Liability	0.006077%	0.005776%	0.005888%	0.005754%
Center's Proportionate Share of the Collective Net OPEB Liability	\$ 1,624,828	1,598,660	1,551,355	1,493,092
State's Proportionate Share of the Collective Net Pension OPEB Associated with the Center	1,624,847	1,596,877	2,083,151	1,915,021
Total	\$ 3,249,675	3,195,537	3,634,506	3,408,113
Center's Covered Payroll	\$ 1,537,466	1,419,738	1,397,281	1,323,555
Center's Proportionate Share of the Collective Net OPEB Liability as a Percentage of Covered Payroll	105.68%	112.60%	111.03%	112.81%
Plan Fiduciary Net Position as a Percentage of the Collective Total OPEB Liability	-0.70%	-0.25%	-0.07%	0.23%

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

Schedule E-4

Schedule of Contributions

	Fiscal Year			
	2021	2020	2019	2018
Statutorily Required Contribution	\$ 14,989	14,145	13,062	12,296
Contributions in Relation to the Statutorily Required Contribution	14,989	14,145	13,062	12,296
Contribution Deficiency (Excess)	\$ -	-	-	-
Center's Covered Payroll	\$ 1,629,245	1,537,466	1,419,738	1,397,281
Contributions as a Percentage of Covered Payroll	0.92%	0.92%	0.92%	0.88%

Notes to Schedule:

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.



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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed In Accordance with Government Auditing Standards**

To the Board of Control
Wilco Area Career Center
Romeoville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Wilco Area Career Center, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Wilco Area Career Center's basic financial statements, and have issued our report thereon dated September 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wilco Area Career Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wilco Area Career Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Wilco Area Career Center's internal control.

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

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

We noted certain matters that we reported to management of Wilco Area Career Center in a separate letter dated September 21, 2021.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wilco Area Career Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 21, 2021