Due to ROE on Tuesday, October 15th
Due to ISBE on Friday, November 15th
SD/JA19

X School District
Joint Agreement

ILLINOIS STATE BOARD OF EDUCATION
School Business Services Division
100 North First Street, Springfield, Illinois 62777-0001
217/785-8779

Illinois School District/Joint Agreement
Annual Financial Report *
June 30, 2019

School District/Joint Agreement Information	Accounting Basis:	Certified Public Accountant Information
(See instructions on inside of this page.)	CASH	
School District/Joint Agreement Number: 34-049-0950-26	X ACCRUAL	Name of Auditing Firm: EDER, CASELLA & CO.
County Name: LAKE		Name of Audit Manager: CHERYDEN JUERGENSEN
Name of School District/Joint Agreement: LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95		Address: 5400 WEST ELM STREET, SUITE 203
Address: 832 SOUTH RAND ROAD	**Filing Status:** Submit electronic AFR directly to ISBE	City: MCHENRY; State: IL; Zip Code: 60050
City: LAKE ZURICH	Click on the Link to Submit:	Phone Number: 815-344-1300; Fax Number: 815-344-1320
Email Address: VICKY.CULLINAN@LZ95.ORG	Send ISBE a File	IL License Number (9 digit): 066-005142; Expiration Date: 11/30/2021
Zip Code: 60047	0	Email Address: CPAS@EDERCASELLA.COM

Annual Financial Report
Type of Auditor's Report Issued:
Qualified X Unqualified
Adverse
Disclaimer

Single Audit Status:
X YES NO Are Federal expenditures greater than $750,000?
X YES NO Is all Single Audit Information completed and attached?
YES x NO Were any financial statement or federal award findings issued?

ISBE Use Only

Reviewed by District Superintendent/Administrator	Reviewed by Township Treasurer (Cook County only) Name of Township:	Reviewed by Regional Superintendent/Cook ISC
District Superintendent/Administrator Name (Type or Print): Kelley Gallt	Township Treasurer Name (type or print)	RegionalSuperintendent/Cook ISC Name (Type or Print):
Email Address: Kelley.Gallt@lz95.org	Email Address:	Email Address:
Telephone: 847-540-4964 Fax Number: 847-438-6702	Telephone: Fax Number:	Telephone: Fax Number:
Signature & Date: Kelley Gallt	Signature & Date:	Signature & Date:

* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100).
ISBE Form SD50-35/JA50-60 (05/19-version1)

This form is based on 23 Illinois Administrative Code, Subtitle A, Chapter I, Subchapter C, Part 100.
In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule.
Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

TABLE OF CONTENTS

INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)
This form complies with Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing).
23, Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100)

1. **Round all amounts to the nearest dollar.** Do not enter cents. (Exception: 9 Month ADA on page 27, line 78)
2. Any errors left unresolved by the Audit Checklist/Balancing Schedule must be explained in the itemization page.
3. Before submitting AFR - **be sure to break all links in AFR** before submitting to ISBE. If links are not broken, amounts entered have changed when opening the AFR.
4. **Submit AFR Electronically**
   - The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor (not from the school district) on before November 15 with the exception of Extension Approvals (Please see AFR Instructions for complete submission procedures). **Note: CD/Disk no longer accepted.**

     Attachment Manager Link
   - AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (*.wpd) or Adobe (*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.

     Note: In Windows 7 and above, files can be saved in Adobe Acrobat (.pdf) and embedded even if you do not have the software. If you have problems embedding the files you may attach them as separate (.docx) in the Attachment Manager and ISBE will embedded them for you.*
5. **Submit Paper Copy of AFR with Signatures**
   a) The auditor must send three paper copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.
      Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as neccessary.
   b) Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.
   c) Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.
      - If the 15th falls on a Saturday, the due date is the Friday before. If the 15th falls on a Sunday, the due date is the Monday after.
      - Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Auditing Standards" were utilized.
        Federal Single Audit 2 CFR 200.500
6. **Requesting an Extension of Time** must be submitted in writing via email or letter to the Regional Office of Education (at the descretion of the ROE). Approval may be provided up to and no later than December 15 annually. After December 15, audits are considered late and out of compliance per Illinois School Code.
7. **Qualifications of Auditing Firm**
   - School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program, for the current peer review period.
   - A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

{ec&co.} 815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Lake Zurich Community Unit School District No. 95
Lake Zurich, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information (audited financial statements) (not presented here) of

Lake Zurich Community Unit School District No. 95

as of and for the year ended June 30, 2019 and have issued our report dated October 10, 2019, which collectively comprise Lake Zurich Community Unit School District No. 95's basic financial statements. The basic financial statements have been audited; however, they are not presented as part of this Annual Financial Report form. The basic financial statements should be read in conjunction with the following auditors' opinion. Our opinion reads as follows:

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

Lake Zurich Community Unit School District No. 95

as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Zurich Community Unit School District No. 95 as of June 30, 2019, 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 Management's Discussion and Analysis and budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 10, 2019 on our consideration of Lake Zurich Community Unit School District No. 95'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 Lake Zurich Community Unit School District No. 95's internal control over financial reporting and compliance.

These regulatory-based financial statements are issued to comply with regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than, and differs from, accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying regulatory-based financial statements as listed in the table of contents of this Annual Financial Report form are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. Such information, except for the financial profile information, estimated financial profile summary, supplementary schedules, statistical section, estimated indirect cost rate for federal programs, administrative cost worksheet, and itemization schedules, which were not audited, has been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management of the District, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 10, 2019

{ec&co.} 815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

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

To the Board of Education
Lake Zurich Community Unit School District No. 95
Lake Zurich, 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, each major fund, and the aggregate remaining fund information of

Lake Zurich Community Unit School District No. 95

as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Lake Zurich Community Unit School District No. 95's basic financial statements, and have issued our report thereon dated October 10, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake Zurich Community Unit School District No. 95'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 Lake Zurich Community Unit School District No. 95's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake Zurich Community Unit School District No. 95'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake Zurich Community Unit School District No. 95'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.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 10, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake Zurich Community Unit School District No. 95's (District) accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

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

A. *Reporting Entity*

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

B. *Basic Financial Statements – Government-Wide Financial Statements*

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

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

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

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

The District does not allocate indirect costs.

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

C. *Basic Financial Statements – Fund Financial Statements*

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

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

The following fund types are used by the District:

1. Governmental Fund Types

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

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

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

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

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

2. Fiduciary Funds

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

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

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

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

D. *Basis of Accounting*

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

1. Accrual

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

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. An exception was made to the 60 day recognition period for State Aid revenues due to delayed payments from the State of Illinois. The exception was made to preserve the consistency of revenue recognition between years. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

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

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

No District fund had a cash overdraft at June 30, 2019.

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

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

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Expenses*

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

H. *Inventories*

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

I. *Interfund Activity*

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

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

K. *Deferred Outflows and Inflows of Resources*

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

L. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts up to specified maximums depending on tenure with the District. A portion of unused vacation time can accumulate and carryover to the subsequent year depending upon which department the employee is employed in.

M. *Long-Term Obligations*

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

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

N. *Government-Wide Net Position*

Net position is divided into three components:

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

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

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

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

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

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

Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in special revenue, debt services, and capital projects funds.

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

P. *Property Tax Calendar and Revenues*

The District's property tax is levied each calendar year on all taxable real property located in the District's district on or before the last Tuesday in December. The 2018 levy was passed by the Board on November 29, 2018. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

Q. *Estimates*

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

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

Investments

As of June 30, 2019, the District had the following investments and maturities:

		Investment Maturities (in Years)			
Investment	Fair Value	Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pool	$ 63,459,446	$ 63,459,446	$ -	$ -	$ -
U.S. Treasury Bills	1,999,654	1,999,654	-	-	-
U.S. Treasury Notes	1,998,361	1,998,361	-	-	-
Total	$ 67,457,461	$ 67,457,461	$ -	$ -	$ -

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

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

Credit Risk. State law limits investments based on credit risk. The District has an investment policy that would further limit its investment choices. As of June 30, 2019, the District's investments were rated as follows:

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

NOTE 3 - FAIR VALUE MEASUREMENT

Lake Zurich Community Unit School District No. 95 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2019:

		Fair Value Measurements Using:	
Investments by fair value level	6/30/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
US Treasury Securities:	$ 3,998,014	$ 3,998,014	$ -
Certificates of Deposit	43,872,940	-	43,872,940
Term Series	17,200,000	-	17,200,000
Total Investments by fair value level	$ 65,070,954	$ 3,998,014	$ 61,072,940

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

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities				
Capital Assets not being depreciated				
Land	$ 11,953,158	$ -	$ -	$ 11,953,158
Construction in Progress	77,710	3,189,114	13,184	3,253,640
Total Capital Assets not being depreciated	$ 12,030,868	$ 3,189,114	$ 13,184	$ 15,206,798
Other Capital Assets				
Building and Building Improvements	$ 138,403,663	$ 2,542,660	$ -	$ 140,946,323
Site Improvements and Infrastructure	11,782,862	339,505	-	12,122,367
Capitalized Equipment	9,089,468	1,377,839	505,614	9,961,693
Total Other Capital Assets at historical cost	$ 159,275,993	$ 4,260,004	$ 505,614	$ 163,030,383
Less Accumulated Depreciation for				
Building and Building Improvements	$ 53,051,391	$ 2,807,414	$ -	$ 55,858,805
Site Improvements and Infrastructure	3,729,747	582,633	-	4,312,380
Capitalized Equipment	3,441,381	1,016,568	136,600	4,321,349
Total Accumulated Depreciation	$ 60,222,519	$ 4,406,615	$ 136,600	$ 64,492,534
Other Capital Assets, Net	$ 99,053,474	$ (146,611)	$ 369,014	$ 98,537,849
Governmental Activities Capital Assets, Net	$ 111,084,342	$ 3,042,503	$ 382,198	$ 113,744,647

Depreciation expense was charged to functions as follows:

Governmental Activities		
Transportation	$	688,344
Food Services		20,490
Unallocated		3,697,781
Total Governmental Activities Depreciation Expense	$	4,406,615

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2019 was as follows:

The District received a debt extinguishment in the amount of $103,508 for one of their capital leases. It is listed below as an adjustment.

	Balance July 1, 2018	Adjustments	Interest Accretion	Additions	Retirement	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities:							
Long-Term Debt							
Capital Appreciation Bonds, 2000B	$ 7,068,478	$ -	$ -	$ -	$ 2,509,229	$ 4,559,249	$ 2,352,156
Accreted Interest 2000B Bonds	11,148,365	-	1,046,586	-	4,275,771	7,919,180	3,712,752
Building Bonds, 2008A	233,265	-	-	-	233,265	-	-
GO Limited Tax School Bonds, Series 2017	3,950,000	-	-	-	1,055,000	2,895,000	1,095,000
GO Bond, Series 2019	-	-	-	36,750,000	-	36,750,000	-
Lease/Purchase Agreements	103,508	(103,508)	-	747,727	158,710	589,017	139,371
Admin Building Capital Lease	3,127,497	-	-	-	175,856	2,951,641	183,935
Admin Building Capital Lease Build Out	510,218	-	-	-	510,218	-	-
Total Long-Term Debt	$ 26,141,331	$ (103,508)	$ 1,046,586	$ 37,497,727	$ 8,918,049	$ 55,664,087	$ 7,483,214
Other Long-Term Liabilities							
Net Pension Liability - IMRF	$ 461,541	$ -	$ -	$ 3,685,961	$ -	$ 4,147,502	$ -
Net Pension Liability - TRS	6,009,691	-	-	-	1,312,581	4,697,110	-
Net OPEB Liability - IMRF	209,354	-	-	-	1,743	207,611	-
Net OPEB Liability - THIS	46,336,444	-	-	1,637,228	-	47,973,672	-
Bond Premiums	249,665	-	-	4,419,130	49,933	4,618,862	270,890
Compensated Absences	228,037	-	-	-	6,553	221,484	-
Total Other Long-Term Liabilities	$ 53,494,732	$ -	$ -	$ 9,742,319	$ 1,370,810	$ 61,866,241	$ 270,890
Governmental Activities Long-Term Liabilities	$ 79,636,063	$ (103,508)	$ 1,046,586	$ 47,240,046	$ 10,288,859	$ 117,530,328	$ 7,754,104

Bonds and notes payable consisted of the following at June 30, 2019:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Capital Appreciation Bonds, 2000B	12/1/2020	4.89% - 5.71%	$ 28,852,880	$ 12,478,429
Building Bonds, 2008A	10/1/2018	3.00% - 5.00%	1,755,440	-
GO Limited Tax School Bonds, Series 2017	1/1/2022	2.01%	4,000,000	2,895,000
GO Bond Series 2019	1/15/2039	4.00%	36,750,000	36,750,000
Copier Lease	11/5/2022	2.35%	504,924	589,017
Admin Building Capital Lease	4/30/2024	4.50%	3,142,345	2,951,641
Admin Building Capital Lease Build Out	4/30/2024	0.00%	625,429	-
Total			$ 75,631,018	$ 55,664,087

At June 30, 2019 the annual debt service requirements to service long-term debt are:

Year Ending June 30	Principal	Interest	Total
2020	$ 7,483,214	$ 1,673,791	$ 9,157,005
2021	7,870,406	1,894,206	9,764,612
2022	2,466,041	1,494,897	3,960,938
2023	1,855,795	1,418,319	3,274,114
2024	3,713,631	1,410,508	5,124,139
Thereafter	32,275,000	11,266,200	43,541,200
	$ 55,664,087	$ 19,157,921	$ 74,822,008

Payments for compensated absences are made from the fund(s) from which the salaries are paid for each individual employee (i.e. General Fund or Transportation Fund).

Reconciliation to the Statement of Net Position

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

	Due Within One Year	Due in More Than One Year	Total
Bonds and Notes Payable	$ 7,483,214	$ 48,180,873	$ 55,664,087
Bond Premiums, net of amortization	270,890	4,347,972	4,618,862
Other Long-Term Liabilities	-	57,247,379	57,247,379
	$ 7,754,104	$ 109,776,224	$ 117,530,328

NOTE 6 - DEFICIT FUND BALANCE

No fund had a deficit fund balance at June 30, 2019.

NOTE 7 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2018 tax levy. The unavailable revenue is 50% of the 2018 tax levy. These taxes are unavailable as only a portion of the taxes (approximately 50%) are collected before the end of the fiscal year and the District does not consider the remaining amounts to be available and does not budget for their use until the following fiscal year. The District has determined that 50% of the 2018 tax levy ($42,245,119) and 50% of the 2017 tax levy, plus back taxes, less uncollectible amounts ($40,772,127) are allocable for use in fiscal year 2019. Therefore, 50% of each of these levies are recorded in these financial statements as property taxes revenue. A summary of tax rates, assessed valuations, and extensions for tax years 2018, 2017, and 2016 is as follows:

TAX YEAR	2018		2017		2016	
ASSESSED VALUATION	$1,682,812,325		$1,646,893,698		$1,581,386,865	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.7160	$ 62,533,693	3.6192	$ 59,604,212	3.6383	$ 57,535,598
Special Education	0.0315	529,817	0.0368	606,650	0.0416	657,857
Operations and Maintenance	0.6092	10,251,844	0.6434	10,595,900	0.6320	9,994,365
Debt Service	0.4764	8,016,211	0.4856	7,997,233	0.5044	7,975,899
Transportation	0.0720	1,211,911	0.0755	1,244,047	0.0797	1,259,575
Municipal Retirement	0.0322	542,067	0.0251	412,596	0.0351	555,067
Social Security	0.0696	1,171,540	0.0649	1,068,192	0.0800	1,265,109
Working Cash	0.0139	233,154	0.0098	161,774	0.0100	158,138
	5.0208	$ 84,490,237	4.9603	$ 81,690,604	5.0211	$ 79,401,608

NOTE 8 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2019, the expenditures of the following funds exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Debt Service	$ 9,299,639	$ 9,491,230	$ 191,591
Capital Projects	6,206,756	7,612,965	1,406,209

The excess of expenditures over budget in the Debt Service Fund was a result of an increase in the principal payments on long-term debt as well as the payment of $510,218 to pay off the remaining balance on the capital lease for the administrative building build-out.

The excess of expenditures over budget in the Capital Projects Fund was a result of an increase in Facilities Acquisition and Construction expenditures relating to capital projects.

NOTE 9 - RETIREMENT FUND COMMITMENTS

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

#

General Information About the Pension Plan

Plan Description

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

TRS issues a publicly available financial report that can be obtained at http://www.trsil.org/financial/cafrs/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 ten 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 ten years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. 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 will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, 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 expenditures of $30,219,667 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019 were $254,634 and are deferred because they were paid after the June 30, 2018 measurement date.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2019, the District pension contribution was 9.85% of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling $248,184 were paid from federal and special trust funds that required District contributions of $24,446. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3% if members are not exempted by current collective bargaining agreements or contracts.

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, 2019, the District paid

$12,781 to TRS for employer contributions due on salary increases in excess of 6%, $0 for salary increases in excess of 3% and $0 for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	$ 4,697,110
State's proportionate share of the net pension liability associated with the District	321,771,705
Total	$ 326,468,815

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2018, the District's proportion was 0.0060262%, which was an decrease of 0.0018401 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $30,219,667 and revenue of $30,219,667 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	$ 94,403	$ (1,024)	$ 93,379
Net difference between projected and actual earnings on pension plan investments	-	(14,382)	(14,382)
Changes of assumptions	206,013	(133,126)	72,887
Changes in proportion and differences between employer contributions and proportionate share of contributions	337,506	(1,329,914)	(992,408)
Employer contributions subsequent to the measurement date	279,080	-	279,080
	$ 917,002	$ (1,478,446)	(561,444)

$279,080 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. 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		
2020	$	1,630
2021		(140,674)
2022		(331,403)
2023		(260,122)
2024		(109,955)
	$	(840,524)

Actuarial Assumptions

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

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

In the June 30, 2018 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, 2017 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%	6.7%
U.S. equities small/mid cap	2.0%	7.9%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.4%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.4%
International debt developed	2.2%	1.3%
Emerging international debt	2.6%	4.5%
Real estate	16.0%	5.4%
Real return	4.0%	1.8%
Absolute return	14.0%	3.9%
Private Equity	15.0%	10.2%
Total	100.0%	

Discount Rate

At June 30, 2018, the discount rate used to measure total pension liability was 7.00%, which was the same as the June 30, 2017 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, 2018 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	$ 5,760,561	$ 4,697,110	$ 3,840,711

TRS Fiduciary Net Position

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

B. *Illinois Municipal Retirement Fund*

Plan Description

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

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	181
Inactive plan members entitled to but not yet receiving benefits	228
Active plan members	250
Total	659

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2018 was 9.31%. For the fiscal year ended June 30, 2019, the District contributed $699,280 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2018, and a measurement date as of December 31, 2018,and a measurement date as of December 31, 2018, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	$	28,750,418
IMRF Fiduciary Net Position		24,602,916
District's Net Pension Liability		4,147,502
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		85.57%

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

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.50%
Salary Increases	3.39% to 14.25% including inflation
Interest Rate	7.25%
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study for the period 2014-2016.

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

Asset Class	Target Allocation	Projected Return
Equities	37.0%	7.15%
International Equities	18.0%	7.25%
Fixed Income	28.0%	3.75%
Real Estate	9.0%	6.25%
Alternatives	7.0%	
Private Equity		8.50%
Hedge Funds		5.50%
Commodities		3.20%
Cash	1.0%	2.50%
	100.0%	

Single Discount Rate

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

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

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

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.71%; and resulting single discount rate is 7.25%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (A)-(B)
Balances at December 31, 2017	$ 25,947,880	$ 25,486,339	$ 461,541
Changes for the year:			
Service Cost	$ 809,884	$ -	$ 809,884
Interest on the Total Pension Liability	1,934,315	-	1,934,315
Differences Between Expected and Actual Experience of the Total Pension Liability	385,281	-	385,281
Changes of Assumptions	796,973	-	796,973
Contributions - Employer	-	748,466	(748,466)
Contributions - Employee	-	362,433	(362,433)
Net Investment Income	-	(1,328,258)	1,328,258
Benefit Payments, including Refunds of Employee Contributions	(1,123,915)	(1,123,915)	-
Other (Net Transfer)	-	457,851	(457,851)
Net Changes	$ 2,802,538	$ (883,423)	$ 3,685,961
Balances at December 31, 2018	$ 28,750,418	$ 24,602,916	$ 4,147,502

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

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability/(Asset)	$ 7,754,675	$ 4,147,502	$ 1,164,380

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

For the year ended June 30, 2019, the District recognized pension expense/(income) of $820,928. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	$ 427,839	$ -	$ 427,839
Changes of assumptions	555,985	317,121	238,864
Net difference between projected and actual earnings on pension plan investments	2,947,123	1,326,571	1,620,552
Total deferred amounts to be recognized in pension expense in future periods	$ 3,930,947	$ 1,643,692	$ 2,287,255
Pension contributions made subsequent to the measurement date	341,428	-	341,428
Total deferred amounts related to pensions	$ 4,272,375	$ 1,643,692	$ 2,628,683

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

Year Ending December 31	Net Deferred Outflows of Resources
2019	$ 765,323
2020	551,770
2021	318,879
2022	651,283
2023	-
Thereafter	-
	$ 2,287,255

C. *Social Security*

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

NOTE 10 - POST-EMPLOYMENT BENEFIT COMMITMENTS – RETIREE INSURANCE PLAN

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

General Information About the OPEB Plan

Plan Description

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

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

Benefits Provided

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

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

Contributions

For the fiscal year ended June 30, 2019, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the THIS make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to .92% of each teacher's salary. For the fiscal year ended June 30, 2018, the employee contribution was 1.18% of salary and the employer contribution was .88% of each teacher's salary. The Department of Central Management Services determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THISF), an amount equal to the amount certified by the Board of Trustees of THIS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to THIS by the employer.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of $510,076 in benefit contributions from the State of Illinois.

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

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

District's proportionate share of the net pension liability	$	47,973,672
State's proportionate share of the net pension liability associated with the District		64,418,368
Total	$	112,392,040

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the contributions of all participating THIS employers and the State during that period. At June 30, 2018, the District's proportion was 0.182092%, which was an increase of 0.003529% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized benefit expense of $2,921,693 and on-behalf revenue/expense of $510,076 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	$ -	$ (172,130)	$ (172,130)
Net difference between projected and actual earnings on pension plan investments	-	(1,472)	(1,472)
Changes of assumptions	-	(6,985,772)	(6,985,772)
Changes in proportion and differences between employee contributions and proportionate share of contributions	2,031,320	(22,570)	2,008,750
Employer contributions subsequent to the measurement date	403,474	-	403,474
	$ 2,434,794	$ (7,181,944)	$ (4,747,150)

$403,474 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year Ending June 30	
2020	$ 9,988
2021	(862,032)
2022	(2,030,795)
2023	(1,593,994)
2024	(673,791)
	$ (5,150,624)

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Retur	0%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend C	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decrease to an ultimate trend of 4.5%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

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

The actuarial assumptions that were used in the June 30, 2017 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	1.30%
	100.0%	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.65% as of June 30, 2017, and 3.62% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, THIS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2018, the discount rate used to measure the total OPEB liability was 3.62%.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.62%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.62%) or 1 percentage-point higher (4.62%) than the current rate.

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Employer's proportionate share of the net OPEB liability	$ 135,138,560	$ 112,392,040	$ 94,435,628

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.5% in 2028 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Valuation Rate	1% Increase (b)
Employer's proportionate share of the net OPEB liability	$ 91,131,785	$ 112,392,040	$ 141,034,829

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.86% in 2026, for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

B. *Retiree Insurance Plan*

Plan Overview

In addition to the retirement plan described in Note 9, the District provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical Coverage

IMRF employees may continue coverage into retirement on the District plan if they pay the entire premium. Dependents may also continue coverage on a pay-all basis. Coverage may continue for as long as required contributions are paid.

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

Eligibility

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

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

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

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

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

Membership in the plan consisted of the following at July 1, 2018, the date of the latest actuarial valuation:

Active Employees	273
Inactive Employees Entitled to but not yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	1
Total	274

Contribution

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

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2019, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Method	Entry Age Normal
Discount rate	2.79%
Salary Rate Increase	4.00%
Expected long-term investment rate of return	N/A
Health Care Trend	
(1) Known rate	

Period	PPO	HMO IL	Blue Adv. HMO
IY18-IY19	5.50%	5.00%	5.00%
IY19-IY20	5.39%	4.94%	4.94%
IY20-IY21	5.28%	4.89%	4.89%
IY21-IY22	5.17%	4.83%	4.83%
IY22-IY23	5.06%	4.78%	4.78%
IY23-IY24	4.94%	4.72%	4.72%
IY24-IY25	4.83%	4.67%	4.67%
IY25-IY26	4.72%	4.61%	4.61%
IY26-IY27	4.61%	4.56%	4.56%
IY27-IY28	4.50%	4.50%	4.50%
Subsequent	4.50%	4.50%	4.50%

Retiree Contribution Trend: Same as Health Care Trend

Mortality: IMRF Employees and Retirees: Rates from the December 31, 2017 IMRF Actuarial Valuation
The Mortality Table reflects recent rates developed by the Society of Actuaries.

Disability Rates: IMRF Employees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report

Average Retirement Age: IMRF Tier 1: Age 60
IMRF Tier 2: Age 65

Termination/Turnover Rates: Age-based Turnover Rates developed based on Probability of Remaining Employed until Assumed Retirement Age.

Starting Per Capita Costs:

PPO			HMO IL		
Age	Retiree	Spouse	Age	Retiree	Spouse
55	$ 14,333	$ 22,071	55	$ 11,217	$ 17,252
57	15,652	24,102	57	12,249	18,840
60	17,861	27,504	60	13,979	21,500
62	19,505	30,035	62	15,265	23,478
64	21,300	32,799	64	16,670	25,639

Blue Adv. HMO		
Age	Retiree	Spouse
55	$ 9,205	$ 14,156
57	10,053	15,459
60	11,472	17,641
62	12,527	19,265
64	13,680	21,038

Retiree Contributions:

	Retiree	Spouse
PPO Plan	$ 9,645	$ 14,852
HMO Plan	7,548	11,609
Blue Adv. HMO	6,194	9,526

Election at Retirement: 5% of active employees are assumed to elect coverage at retirement

Marital Status: 40% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females.

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

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

Discount Rate

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

A rate of 2.79% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2019.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2018	$ 209,354	$ -	$ 209,354
Changes for the year:			
Service Cost	$ 11,754	$ -	$ 11,754
Interest on Total OPEB Liability	6,030	-	6,030
Actuarial Experience	-	-	-
Assumption Changes	1,620	-	1,620
Plan Changes	-	-	-
Contributions - Employer	-	-	-
Contributions - Employee	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(14,022)	-	(14,022)
Other Changes	(7,124)	-	(7,124)
Net Changes	$ (1,742)	$ -	$ (1,742)
Balances at June 30, 2019	$ 207,612	$ -	$ 207,612

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

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

Plan's Total OPEB Liability/(Asset)		
1% Increase	Valuation Rate	1% Decrease
$ 199,210	$ 207,611	$ 216,295

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

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

Plan's Total OPEB Liability/(Asset)		
1% Increase	Healthcare Cost Valuation Rate	1% Decrease
$ 222,846	$ 207,611	$ 194,094

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

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of $15,524. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Changes of Assumptions	$ 2,394	$ 17,532	$ (15,138)
Total	$ 2,394	$ 17,532	$ (15,138)

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (8.88 years, active and retired) in the postretirement plan.

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

Year ending June 30	Inflows
2020	$ (2,261)
2021	(2,261)
2022	(2,261)
2023	(2,261)
2024	(2,261)
2025	(2,261)
2026	(1,033)
2027	(539)
	$ (15,138)

NOTE 11 - INTERFUND TRANSFERS

The following funds were transferred for the year ended June 30, 2019:

Transfer from	Transfer to	Amount
General Fund	Debt Services Fund	$ 398,977
Operations and Maintenance Fund	Debt Services Fund	823,214
Debt Services Fund	Operations and Maintenance Fund	108,829

- The transfer from the General Fund to the Debt Services Fund was made to pay principal and interest on capital leases, debt certificates, and SEDOL debt.
- The transfer from the Operations and Maintenance Fund to the Debt Services Fund was made to pay principal and interest on capital leases, debt certificates, and SEDOL debt.
- The transfer from the Debt Services Fund to the Operations and Maintenance Fund was made to transfer interest earned in the Debt Services Fund.

NOTE 12 - JOINT VENTURE – LAKE COUNTY AREA VOCATIONAL SYSTEM (LCAVS)

The District and seventeen other districts within Lake and McHenry Counties have entered into a joint agreement to provide vocational programs for member districts that are not offering these services individually. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (cash basis) of LCAVS at June 30, 2018 (most recent information available) is as follows:

Assets	$ 31,604,706
Liabilities	$ 5,131
Fund Equity	31,599,575
	$ 31,604,706
Revenues Received	$ 11,699,423
Expenditures Disbursed	10,385,594
Net Increase/(Decrease) in Fund Balance	$ 1,313,829

Complete financial statements for LCAVS can be obtained from the Administrative Offices at 19525 W. Washington Street, Grayslake, Illinois 60030.

NOTE 13 - RISK MANAGEMENT

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

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

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

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

During the year ended June 30, 2019, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2019, there were no significant adjustments in premiums based on actual experience.

NOTE 14 - CONSTRUCTION COMMITMENTS

The District has entered into contracts for building repairs at various schools. The total amount of outstanding contracts is $3,766,801. As of June 30, 2019, $3,253,640 has been accrued to be paid on these contracts.

NOTE 15 - CONTINGENCIES

Two separate complaints have been filed against the District in Circuit Court. Both claims allege willful and wanton misconduct. Discovery responses and demand requests have not been received for either complaint, but, the potential exposure to the Board is approximately $70,000 and $100,000, respectively.

One due process complaint notice was filed and alleges that a student was the target of bullying and harassment and that the District failed to adequately address it. It is believed the likelihood of an unfavorable outcome is low, however, the District's potential loss is estimated at $36,000 for requested compensatory services and the parent's attorney's fees and costs (the latter of which is covered by the District's insurance).

NOTE 16 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 13.8% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2018 EAV		$ 1,682,812,325
Rate		13.8%
Debt Margin		$ 232,228,101
Current Debt	$ 55,664,087	
Less: Long-term debt not subject to limit	7,919,181	
		63,583,268
Remaining Debt Margin		$ 168,644,833

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2019

	BALANCE JULY 1, 2018	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2019
ASSETS				
Cash and Cash Equivalents	$ 85,429	$ 197,932	$ 164,033	$ 119,328
LIABILITIES				
Amount Due to Activity				
Lake Zurich High School	$ 85,429	$ 197,932	$ 164,033	$ 119,328

See Accompanying Independent Auditor's Report

{ec&co.}
815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Education
Lake Zurich Community Unit School District No. 95
Lake Zurich, Illinois

Report on Compliance for Each Major Federal Program

We have audited

Lake Zurich Community Unit School District No. 95's

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lake Zurich Community Unit School District No. 95's major federal programs for the year ended June 30, 2019. Lake Zurich Community Unit School District No. 95's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lake Zurich Community Unit School District No. 95's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lake Zurich Community Unit School District No. 95's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lake Zurich Community Unit School District No. 95's compliance.

Opinion on Each Major Federal Program

In our opinion, Lake Zurich Community Unit School District No. 95 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Lake Zurich Community Unit School District No. 95 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lake Zurich Community Unit School District No. 95's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lake Zurich Community Unit School District No. 95's internal control over compliance.

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

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

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

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 10, 2019

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Expenditure/Disbursements[4] Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients	Year 7/1/18-6/30/19 (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
U.S. Department of Agriculture Passed Through											
U.S. Department of Defense:											
Food Donation Program	10.555	19-4299-00		13,376			13,376			13,376	N/A
U.S. Department of Agriculture Passed Through											
Illinois State Board of Education:											
Food Donation Program	10.555	19-4299-00		30,931			30,931			30,931	N/A
National School Lunch Program	10.555	18-4210-00	148,466	25,254	148,466		25,254			173,720	N/A
National School Lunch Program (1)	10.555	19-4210-00		156,380			156,380			156,380	N/A
Total Child Nutrition Cluster			148,466	225,941	148,466		225,941			374,407	
Subtotal - CFDA "10"			148,466	225,941	148,466		225,941			374,407	
U.S. Department of Education Passed Through											
Illinois State Board of Education:											
Title I - Low Income	84.010	18-4300-00	208,282	55,843	208,282		55,843			264,125	363,197
Title I - Low Income (2)	84.010	19-4300-00		240,125			240,125			240,125	332,231
Title IVA Student Support & Academic Enrich (2)	84.424A	19-4400-00		5,091			5,091			5,091	25,769

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

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

The accompanying notes are an integral part of this schedule.

---

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

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

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

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Expenditure/Disbursements[4] Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients	Year 7/1/18-6/30/19 (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
U.S. Department of Education Passed Through										0	
Illinois State Board of Education:										0	
Special Education - Grants to States (M)	84.027	18-4620-00	1,105,007	7,612	1,105,007		7,612			1,112,619	1,159,495
Special Education - Grants to States (M)	84.027	19-4620-00		973,697			973,697		23,103	996,800	1,081,300
Fed. - Sp. Ed - I.D.E.A. - Room & Board (M)	84.027	18-4625-00	116,364	56,500	116,364		56,500			172,864	N/A
Fed. - Sp. Ed - I.D.E.A. - Room & Board (M)	84.027	19-4625-00		206,700			206,700			206,700	N/A
Fed. - Sp. Ed - I.D.E.A. - Room & Board (M)	84.027	18-4625-XC		105,668			105,668			105,668	N/A
Special Education - Preschool (M)	84.173	19-4600-00		40,021			40,021			40,021	45,188
Total Special Education Cluster (M)			1,221,371	1,390,198	1,221,371		1,390,198		23,103	2,634,672	
										0	
U.S. Department of Education Passed Through										0	
Illinois State Board of Education:										0	
Title III - Lang Inst Prog - Limited English LIPLEP	84.365	18-4909-00	32,057	24,113	32,057		24,113			56,170	64,910
Title III - Lang Inst Prog - Limited English LIPLEP	84.365	19-4909-00		48,216			48,216		8,450	56,666	56,740
Title II - Teacher Quality	84.367	19-4932-00		90,562			90,562			90,562	94,551
										0	
										0	

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

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

The accompanying notes are an integral part of this schedule.

---

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

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

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

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Expenditure/Disbursements[4] Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients	Year 7/1/18-6/30/19 (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
U.S. Department of Education Passed Through											
Lake County Area Vocational System:											
V.E. Perkins - Title IIC - Secondary	84.048	19-4745-00		15,432			15,432			15,432	15,432
Subtotal - CFDA "84"			1,461,710	1,869,580	1,461,710		1,869,580		31,553	3,362,843	
										0	
U.S. Department of Health and Human Services										0	
Passed Through Illinois Dept of Healthcare &										0	
Family Services:										0	
Medicaid Matching Funds - Administrative Outreach	93.778	19-4491-00		63,766			63,766			63,766	N/A
Subtotal - CFDA "93"				63,766			63,766			63,766	
										0	
Total Federal Assistance			1,610,176	2,159,287	1,610,176		2,159,287		31,553	3,801,016	
* Project End Date is 9/30											
**Project End Date is 8/31											

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

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

The accompanying notes are an integral part of this schedule.

---

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

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

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

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of Lake Zurich Community Unit School District No. 95 under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may offer from amounts presented in, and used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

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

NOTE 3 - INDIRECT COST RATE

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

NOTE 4 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2019.

NOTE 5 - FEDERAL LOANS

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

1) Summary of auditor's results:

a) The auditor's report expresses an unmodified on whether the financial statements of Lake Zurich Community Unit School District No. 95 were prepared in accordance with GAAP.

b) No significant deficiencies are reported during the audit of the financial statements. No material weaknesses are reported.

c) No instances of noncompliance material to the financial statements of Lake Zurich Community Unit School District No. 95, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

d) No significant deficiencies in internal control over major federal programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.

e) The auditor's report on compliance for the major federal award programs for Lake Zurich Community Unit School District No. 95 expresses as unmodified opinion on all major federal programs.

f) There are no audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a).

g) The program tested as a major program was: Special Education Cluster - CFDA numbers 84.027 and 84.173.

h) The threshold used for distinguishing between Type A and Type B programs was $750,000.

i) Lake Zurich Community Unit School District No. 95 was determined to be a low-risk auditee.

2) There were no findings relating to the financial statements which are required to be reported.

3) There were no findings and questioned costs for federal awards which are required to be reported.

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:[11] 2019 N/A **2. THIS FINDING IS:** ☐ New ☐ **Repeat from Prior Year?**
Year originally reported? ______

3. Criteria or specific requirement

4. Condition

5. Context[12]

6. Effect

7. Cause

8. Recommendation

9. Management's response[13]

For ISBE Review			
Date:	______	Resolution Criteria Code Number	______
Initials:	______	Disposition of Questioned Costs Code Letter	______

[11] A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).
[12] Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.
[13] See §200.521 *Management decision* for additional guidance on reporting management's response.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2019

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:[14] **2019 N/A** **2. THIS FINDING IS:** ☐ New ☐ Repeat from Prior year?
Year originally reported? ______

3. Federal Program Name and Year: ______

4. Project No.: ______ **5. CFDA No.:** ______

6. Passed Through: ______

7. Federal Agency: ______

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

9. Condition[15]

10. Questioned Costs[16]

11. Context[17]

12. Effect

13. Cause

14. Recommendation

15. Management's response[18]

For ISBE Review
Date: ______ Resolution Criteria Code Number ______
Initials: ______ Disposition of Questioned Costs Code Letter ______

[14] See footnote 11.
[15] Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).
[16] Identify questioned costs as required by §200.516 (a)(3 - 4).
[17] See footnote 12.
[18] To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
34-049-0950-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS[19]
Year Ending June 30, 2019

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

Finding Number	Condition	Current Status[20]
NONE		

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

[19] Explanation of this schedule - Title 2 CFR §200.511 (b)

[20] Current Status should include one of the following:

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

Page 2

AUDITOR'S QUESTIONNAIRE

INSTRUCTIONS: If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left and attach the appropriate findings/comments.

PART A - FINDINGS

	1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interested statements pursuant to the *Illinois Government Ethics Act. [5 ILCS 420/4A-101]*
X	2. One or more custodians of funds failed to comply with the bonding requirements pursuant to *Illinois School Code [105 ILCS 5/8-2;10-20.19;19-6].*
	3. One or more contracts were executed or purchases made contrary to the provisions *of the Illinois School Code [105 ILCS 5/10-20.21].*
	4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted *[30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.].*
	5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
	6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
	7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
	8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *Illinois State Revenue Sharing Act [30 ILCS 115/12].*
	9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization per *Illinois School Code [105 ILCS* 5/10-22.33, 20-4 and 20-5].
	10. One or more interfund loans were outstanding beyond the term provided by statute *Illinois School Code [105 ILCS 5/10-22.33, 20-4, 20-5].*
	11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization per *Illinois* School Code [105 ILCS 5/17-2A].
	12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
	13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to Illinois School Code *[105 ILCS 5/2-3.27; 2-3.28].*
X	14. At least one of the following forms was filed with ISBE late: The FY18 AFR (ISBE FORM 50-35), FY18 Annual Statement of Affairs (ISBE Form 50-37) and FY19 Budget (ISBE FORM 50-36). Explain in the comments box below in persuant to *Illinois School Code [105 ILCS 5/3-15.1; 5/10-17; 5/17-1]*.

PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to the *Illinois School Code [105 ILCS 5/1A-8]*.

	15. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by Illinois School Code *[105 ILCS 5/17-16 or 34-23 through 34-27].*
	16. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
	17. The district has issued school or teacher orders for wages as permitted in Illinois School Code *[105 ILCS 5/8-16, 32-7.2 and 34-76]* or issued funding bonds for this purpose pursuant to Illinois *School Code [105 ILCS 5/8-6; 32-7.2; 34-76; and 19-8].*
	18. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

PART C - OTHER ISSUES

	19. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
	20. Findings, other than those listed in Part A (above), were reported (e.g. student activity findings). These findings may be described extensively in the financial notes.
	21. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
X	22. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: **2/12/1995** (Ex: 00/00/0000)
	23. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3105, 3110, 3500, 3510, 3120, 3950) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score.
In FY2019, identify those late payments recorded as Intergovermental Receivables, Other Recievables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue.
Payments should only be listed once.

24. Enter the date that the district used to accrue mandated categorical payments — Date:

25. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

Account Name	3110	3500	3510	3100	3105	Total
Deferred Revenues (490)						
Mandated Categoricals Payments (3100, 3105, 3110, 3120, 3500, 3510, 3950)						0
Direct Receipts/Revenue						
Mandated Categoricals Payments (3100, 3105, 3110, 3120, 3500, 3510, 3950)		41,776	365,003	203,047		609,826
Total						609,826

- Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services, 3100-Sp Ed Private Facilities, 3120-Sp Ed Regular Orphanage Individual, 3950-Regual Orphans & Foster Children)

PART E - QUALIFICATIONS OF AUDITING FIRM

- School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review.
- A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

Comments Applicable to the Auditor's Questionnaire:

EDER CASELLA & CO.

Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.

Chrysten Juergensen — 10/11/19

Signature — *mm/dd/yyyy*

Note: A PDF with signature is acceptable for this page. Enter the location on signature line e.g. PDF in Opinion Page with signature

FINANCIAL PROFILE INFORMATION

Required to be completed for School Districts only.

A. Tax Rates (Enter the tax rate - ex: .0150 for $1.50)

Tax Year 2018 — Equalized Assessed Valuation (EAV): 1,682,812,325

	Educational		Operations & Maintenance		Transportation		Combined Total	Working Cash
Rate(s):	0.037160	+	0.006092	+	0.000720	=	0.043970	0.000139

B. Results of Operations *

Receipts/Revenues	Disbursements/ Expenditures	Excess/ (Deficiency)	Fund Balance
89,003,242	82,125,355	6,877,887	75,295,656

* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.

C. Short-Term Debt **

CPPRT Notes		TAWs		TANs		TO/EMP. Orders		GSA Certificates	
0	+	0	+	0	+	0	+	0	+

Other		Total
0	=	0

** The numbers shown are the sum of entries on page 24.

D. Long-Term Debt

Check the applicable box for long-term debt allowance by type of district.

- [ ] a. 6.9% for elementary and high school districts, 232,228,101
- [x] b. 13.8% for unit districts.

Long-Term Debt Outstanding:

c. Long-Term Debt (Principal only) Outstanding:............................... Acct 511 55,664,087

E. Material Impact on Financial Position

If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.
Attach sheets as needed explaining each item checked.

- [ ] Pending Litigation
- [ ] Material Decrease in EAV
- [ ] Material Increase/Decrease in Enrollment
- [ ] Adverse Arbitration Ruling
- [ ] Passage of Referendum
- [ ] Taxes Filed Under Protest
- [ ] Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)
- [ ] Other Ongoing Concerns (Describe & Itemize)

Comments:

ESTIMATED FINANCIAL PROFILE SUMMARY

(Go to the following website for reference to the Financial Profile)
https://www.isbe.net/Pages/School-District-Financial-Profile.aspx

District Name: LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT 95
District Code: 34-049-0950-26
County Name: LAKE

1. Fund Balance to Revenue Ratio:		**Total**	**Ratio**	**Score**	4
Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)	Funds 10, 20, 40, 70 + (50 & 80 if negative)	75,295,656.00	0.858	**Weight**	0.35
Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70,	87,781,051.00		**Value**	1.40
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	(1,222,191.00)			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)					
2. Expenditures to Revenue Ratio:		**Total**	**Ratio**	**Score**	4
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)	Funds 10, 20 & 40	82,125,355.00	0.936	**Adjustment**	0
Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)	Funds 10, 20, 40 & 70,	87,781,051.00		**Weight**	0.35
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	(1,222,191.00)			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)			0	**Value**	1.40
Possible Adjustment:					
3. Days Cash on Hand:		**Total**	**Days**	**Score**	4
Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)	Funds 10, 20 40 & 70	85,408,684.00	374.39	**Weight**	0.10
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)	Funds 10, 20, 40 divided by 360	228,125.99		**Value**	0.40
4. Percent of Short-Term Borrowing Maximum Remaining:		**Total**	**Percent**	**Score**	4
Tax Anticipation Warrants Borrowed (P24, Cell F6-7 & F11)	Funds 10, 20 & 40	0.00	100.00	**Weight**	0.10
EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)	(.85 x EAV) x Sum of Combined Tax Rates	62,894,269.24		**Value**	0.40
5. Percent of Long-Term Debt Margin Remaining:		**Total**	**Percent**	**Score**	4
Long-Term Debt Outstanding (P3, Cell H37)		55,664,087.00	76.03	**Weight**	0.10
Total Long-Term Debt Allowed (P3, Cell H31)		232,228,100.85		**Value**	0.40

Total Profile Score: **4.00** *

Estimated 2020 Financial Profile Designation: **RECOGNITION**

* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2019

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	ASSETS (Enter Whole Dollars)	Acct. #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	**CURRENT ASSETS (100)**										
4	Cash (Accounts 111 through 115) [1]		35,936,806	10,206,098	4,929,016	6,643,840	1,175,089	24,776,391	2,048,271	0	0
5	Investments	120	19,679,092	5,874,109	2,836,229	3,841,863	676,725	14,256,697	1,178,605		
6	Taxes Receivable	130	32,189,080	5,226,443	4,086,705	617,838	873,606	0	118,863	0	0
7	Interfund Receivables	140	0	0	0	0	0	0	0	0	0
8	Intergovernmental Accounts Receivable	150	812,790	0	0	406,779	0	0	0	0	0
9	Other Receivables	160	146,025	115,480	21,078	19,788	5,662	8,221	8,220	0	0
10	Inventory	170	0	0	0	0	0	0	0	0	0
11	Prepaid Items	180	477,296	37,580	179	305	0	0	0	0	0
12	Other Current Assets (Describe & Itemize)	190	0	0	0	0	0	0	0	0	0
13	**Total Current Assets**		89,241,089	21,459,710	11,873,207	11,530,413	2,731,082	39,041,309	3,353,959	0	0
14	**CAPITAL ASSETS (200)**										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	260									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	**Total Capital Assets**										
24	**CURRENT LIABILITIES (400)**										
25	Interfund Payables	410	0	0	0	0	0	0		0	0
26	Intergovernmental Accounts Payable	420	0	0	0	0	0	0	0	0	0
27	Other Payables	430	384,241	462,338	0	102,410	0	1,789,317	0	0	0
28	Contracts Payable	440	0	0	0	0	0	0	0	0	0
29	Loans Payable	460	0	0	0	0	0	0	0	0	0
30	Salaries & Benefits Payable	470	7,731,126	58,409	0	71,453	98,771	0	0	0	0
31	Payroll Deductions & Withholdings	480	200,307	3,479	0	17,346	0	0	0	0	0
32	Deferred Revenues & Other Current Liabilities	490	31,618,492	5,125,922	4,008,106	4,397,415	856,804	0	116,577	0	0
33	Due to Activity Fund Organizations	493	0	0	0	0	0	0	0	0	0
34	**Total Current Liabilities**		39,934,166	5,650,148	4,008,106	4,588,624	955,575	1,789,317	116,577	0	0
35	**LONG-TERM LIABILITIES (500)**										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	**Total Long-Term Liabilities**										
38	Reserved Fund Balance	714					581,522				
39	Unreserved Fund Balance	730	49,306,923	15,809,562	7,865,101	6,941,789	1,193,985	37,251,992	3,237,382	0	0
40	Investment in General Fixed Assets										
41	**Total Liabilities and Fund Balance**		89,241,089	21,459,710	11,873,207	11,530,413	2,731,082	39,041,309	3,353,959	0	0

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2019

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	A	B	L	M	N
1				Account Groups	
2	ASSETS (Enter Whole Dollars)	Acct. #	Agency Fund	General Fixed Assets	General Long-Term Debt
3	CURRENT ASSETS (100)				
4	Cash (Accounts 111 through 115) [1]		119,328		
5	Investments	120			
6	Taxes Receivable	130			
7	Interfund Receivables	140			
8	Intergovernmental Accounts Receivable	150			
9	Other Receivables	160			
10	Inventory	170			
11	Prepaid Items	180			
12	Other Current Assets (Describe & Itemize)	190			
13	**Total Current Assets**		119,328		
14	CAPITAL ASSETS (200)				
15	Works of Art & Historical Treasures	210			
16	Land	220		11,953,158	
17	Building & Building Improvements	230		140,946,323	
18	Site Improvements & Infrastructure	240		12,122,367	
19	Capitalized Equipment	250		9,961,693	
20	Construction in Progress	260		3,253,640	
21	Amount Available in Debt Service Funds	340			7,865,101
22	Amount to be Provided for Payment on Long-Term Debt	350			47,798,986
23	**Total Capital Assets**			178,237,181	55,664,087
24	CURRENT LIABILITIES (400)				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Loans Payable	460			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493	119,328		
34	**Total Current Liabilities**		119,328		
35	LONG-TERM LIABILITIES (500)				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			55,664,087
37	**Total Long-Term Liabilities**				55,664,087
38	Reserved Fund Balance	714			
39	Unreserved Fund Balance	730	0		
40	Investment in General Fixed Assets			178,237,181	
41	**Total Liabilities and Fund Balance**		119,328	178,237,181	55,664,087

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2019

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	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	**RECEIPTS/REVENUES**										
4	**LOCAL SOURCES**	1000	67,293,632	11,009,985	8,103,782	1,452,177	1,720,891	213,799	261,026	0	0
5	**FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT**	2000	0	0		0	0				
6	**STATE SOURCES**	3000	5,029,582	0	0	1,645,705	0	0	0	0	0
7	**FEDERAL SOURCES**	4000	2,311,135	0	0	0	103,867	0	0	0	0
8	Total Direct Receipts/Revenues		74,634,349	11,009,985	8,103,782	3,097,882	1,824,758	213,799	261,026	0	0
9	*Receipts/Revenues for "On Behalf" Payments* [2]	3998	30,729,743	0	0	0	0	0		0	0
10	Total Receipts/Revenues		105,364,092	11,009,985	8,103,782	3,097,882	1,824,758	213,799	261,026	0	0
11	**DISBURSEMENTS/EXPENDITURES**										
12	**Instruction**	1000	46,341,606				825,326				
13	**Support Services**	2000	23,799,109	7,746,675		3,597,341	1,090,567	7,612,965		0	0
14	**Community Services**	3000	80,690	0		0	4,581				
15	**Payments to Other Districts & Govermental Units**	4000	559,934	0	0	0	0	0		0	0
16	**Debt Service**	5000	0	0	9,491,230	0	0			0	0
17	Total Direct Disbursements/Expenditures		70,781,339	7,746,675	9,491,230	3,597,341	1,920,474	7,612,965		0	0
18	*Disbursements/Expenditures for "On Behalf" Payments* [2]	4180	30,729,743	0	0	0	0	0		0	0
19	Total Disbursements/Expenditures		101,511,082	7,746,675	9,491,230	3,597,341	1,920,474	7,612,965		0	0
20	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures [3]		3,853,010	3,263,310	(1,387,448)	(499,459)	(95,716)	(7,399,166)	261,026	0	0
21	**OTHER SOURCES/USES OF FUNDS**										
22	**OTHER SOURCES OF FUNDS (7000)**										
23	**PERMANENT TRANSFER FROM VARIOUS FUNDS**										
24	Abolishment of the Working Cash Fund [12]	7110									
25	Abatement of the Working Cash Fund [12]	7110	0	0	0	0	0	0		0	0
26	Transfer of Working Cash Fund Interest	7120	0	0	0	0	0	0		0	0
27	Transfer Among Funds	7130	0	0		0					
28	Transfer of Interest	7140	0	108,829	0	0	0	0	0	0	0
29	Transfer from Capital Project Fund to O&M Fund	7150		0							
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund [4]	7160		0							
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund [5]	7170			0						
32	**SALE OF BONDS (7200)**										
33	Principal on Bonds Sold	7210	747,727	0	939,216	0		35,810,785	0	0	0
34	Premium on Bonds Sold	7220	0	0	0	0		4,419,130	0	0	0
35	Accrued Interest on Bonds Sold	7230	0	0	0	0		0	0	0	0
36	Sale or Compensation for Fixed Assets [6]	7300	0	8,500	0	0	0	0		0	0
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			844,784						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			139,477						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			233,265						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			4,665						
41	Transfer to Capital Projects Fund	7800						0			
42	ISBE Loan Proceeds	7900	0	0	0	0	0	0			0
43	Other Sources Not Classified Elsewhere	7990	0	0	0	0	0	0	0	0	0
44	**Total Other Sources of Funds**		747,727	117,329	2,161,407	0	0	40,229,915	0	0	0
45	**OTHER USES OF FUNDS (8000)**										

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2019

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
46	**PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)**										
47	Abolishment or Abatement of the Working Cash Fund [12]	8110							0		
48	Transfer of Working Cash Fund Interest [12]	8120							0		
49	Transfer Among Funds	8130	0	0		0					
50	Transfer of Interest	8140	0	0	108,829	0	0	0		0	
51	Transfer from Capital Project Fund to O&M Fund	8150						0			
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund [4]	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund [5]	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410	158,710	0				0			
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420	0	0				0			
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430	0	686,074				0			
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440	0	0				0			
58	Taxes Pledged to Pay Interest on Capital Leases	8510	2,337	0				0			
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520	0	0				0			
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530	0	137,140				0			
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540	0	0				0			
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610	233,265	0							
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620	0	0							
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630	0	0							
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640	0	0							
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710	4,665	0							
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720	0	0							
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730	0	0							
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740	0	0							
70	Taxes Transferred to Pay for Capital Projects	8810	0	0							
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820	0	0							
72	Other Revenues Pledged to Pay for Capital Projects	8830	0	0							
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840	0	0							
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910	0	0		0	0	0			0
75	Other Uses Not Classified Elsewhere	8990	0	0	0	0	0	220,799	0	0	0
76	**Total Other Uses of Funds**		398,977	823,214	108,829	0	0	220,799	0	0	0
77	**Total Other Sources/Uses of Funds**		348,750	(705,885)	2,052,578	0	0	40,009,116	0	0	0
78	**Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds**		4,201,760	2,557,425	665,130	(499,459)	(95,716)	32,609,950	261,026	0	0
79	**Fund Balances - July 1, 2018**		45,105,163	13,252,137	7,199,971	7,441,248	1,871,223	4,642,042	2,976,356	0	0
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	**Fund Balances - June 30, 2019**		49,306,923	15,809,562	7,865,101	6,941,789	1,775,507	37,251,992	3,237,382	0	0