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**LAKE ZURICH COMMUNITY UNIT  
SCHOOL DISTRICT NO. 95  
STATE OF ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2019**

**eder, casella & co.**

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## INDEPENDENT AUDITOR'S REPORT

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

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

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.

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 10, 2019

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.*  
EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 10, 2019

REQUIRED SUPPLEMENTARY INFORMATION

# **Lake Zurich Community Unit School District No. 95**

## *MANAGEMENT'S DISCUSSION AND ANALYSIS*

JUNE 30, 2019

The Management's Discussion and Analysis of Lake Zurich Community Unit School District No. 95's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2019. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2019 by \$115,587,831 (net position).
- The District's total net position increased by \$5,829,059. This increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses.
- At June 30, 2019 the District's governmental funds reported combined ending fund balances of \$122,188,256, an increase of \$39,700,116 in comparison with the prior year.
- At June 30, 2019 the unassigned fund balance for the General Fund was \$49,581,331, or 49% of total General Fund expenditures.
- The District's total long-term debt increased by \$29,522,756 during the year ended June 30, 2019 due to the issuance of new long-term debt.

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

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include instruction, support services, operations and maintenance, transportation, food services, and certain other activities and expenses such as payments to other districts and governmental units and interest and fees.

The government-wide financial statements can be found on pages 12 and 13 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, and Capital Projects Funds, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is required supplementary information, has been provided for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

The basic fund financial statements can be found on pages 14 through 18 and the required supplementary information can be found on pages 47 through 66 of this report.

*Fiduciary Funds* - Fiduciary funds are used to account for assets held for others, such as student activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the District's operations.

The basic fiduciary fund financial statement can be found on page 19 of this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 46 of this report.

**Other Information** - In addition to the basic financial statements, accompanying notes, and required supplementary information, this report also presents certain supplementary information concerning the District's progress in meeting its obligation to provide fully adequate educational services and extracurricular activities to all of its resident's students.

Supplemental financial information can be found on pages 67 through 79 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$115,587,831 at the close of the most recent fiscal year.

The following table presents a summary of the District's net position for the years ended June 30, 2019 and 2018:

Lake Zurich Community Unit School District No. 95's Net Position at Year-End

	Governmental Activities	
	FY 2019	FY 2018
<b>Assets</b>		
Current and Other Assets	\$ 179,230,769	\$ 132,675,861
Capital Assets	113,744,647	111,084,342
<b>Total Assets</b>	<b>\$ 292,975,416</b>	<b>\$ 243,760,203</b>
<b>Deferred Outflows of Resources</b>		
Deferred Pension Expense	\$ 6,602,583	\$ 3,369,125
Deferred Employer Pension Contributions	1,023,982	1,043,673
<b>Total Deferred Outflows of Resources</b>	<b>\$ 7,626,565</b>	<b>\$ 4,412,798</b>
<b>Liabilities</b>		
Other Liabilities	\$ 11,125,629	\$ 9,386,546
Long-Term Liabilities Outstanding	117,530,328	79,636,063
<b>Total Liabilities</b>	<b>\$ 128,655,957</b>	<b>\$ 89,022,609</b>
<b>Deferred Inflows of Resources</b>		
Unavailable Revenue - Property Taxes	\$ 46,036,579	\$ 40,845,303
Deferred Pension Revenue	10,321,614	8,546,317
<b>Total Deferred Inflows of Resources</b>	<b>\$ 56,358,193</b>	<b>\$ 49,391,620</b>
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 90,517,913	\$ 96,074,976
Restricted	31,176,364	23,877,184
Unrestricted	(6,106,446)	(10,193,388)
<b>Total Net Position</b>	<b>\$ 115,587,831</b>	<b>\$ 109,758,772</b>

The net investment in capital assets (78% of total net position) represents assets such as land, buildings, and equipment less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (27%) represents resources that are subject to external restrictions on how they may be used.

The District's net position increased by \$5,829,059. Substantially all of this increase represents the degree to which increases in ongoing revenues exceeded similar increases in ongoing expenses

**Governmental Activities.** Governmental activities increased the District's net position by \$5,829,059. Key elements of this increase are as follows:

Lake Zurich Community Unit School District No. 95's Change in Net Position

	Governmental Activities	
	FY 2019	FY 2018
Revenues:		
Program Revenues		
Charges for Services	\$ 4,458,312	\$ 4,058,269
Operating Grants and Contributions	35,798,720	35,076,716
Capital Grants and Contributions	91,472	98,925
General Revenues:		
Property Taxes	83,017,246	79,940,235
Other Payments in Lieu of Taxes	243,634	218,938
Grants and Contributions not Restricted to Specific Activities	4,033,824	3,953,398
Unrestricted Investment Earnings	1,683,388	918,763
TIF Revenues	498,902	489,864
Gain/(Loss) on Debt Extinguishment	103,508	-
Gain/(Loss) on Sale of Capital Assets	(360,514)	939,737
Miscellaneous	49,828	157,883
Total Revenues	<u>\$ 129,618,320</u>	<u>\$ 125,852,728</u>
Expenses:		
Instruction	\$ 48,728,891	\$ 48,428,688
Support Services	38,120,113	35,524,444
Community Services	86,598	88,590
Payments to Other Districts and Governmental Units	559,934	944,864
Interest and Fees on Long-Term Debt	1,866,201	1,468,919
On-Behalf Retirement Contributions	30,729,743	30,385,254
Depreciation - Unallocated	3,697,781	3,680,265
Total Expenses	<u>\$ 123,789,261</u>	<u>\$ 120,521,024</u>
Change in Net Position	\$ 5,829,059	\$ 5,331,704
Net Position - Beginning	109,758,772	151,427,744
Net Assets Adjustment	-	(47,000,676)
Net Position - Ending	<u>\$ 115,587,831</u>	<u>\$ 109,758,772</u>

- Property Taxes increased by \$3,077,011 over the prior year due to an overall increase in the EAV for the District.
- Operating Grants and Contributions increased by \$722,004 primarily due to a \$344,489 increase in On-Behalf Retirement Contributions due to actuarial changes in calculating the On-Behalf payments to TRS.
- The District's total expenses increased \$3,268,237 (2.7%). Significant expense increases include Support Services which increased by \$2,595,669. Of this total Support Services, \$3,114,466 is attributed to Facilities Acquisition and Construction expenses.

### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2019, the District's six governmental funds reported combined ending fund balances of, \$122,188,256, an increase of \$39,700,116.

General Fund – The greatest variety and the largest volume of transactions shall be recorded in the General Fund because the General Fund covers transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional, health, and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this fund include educational and working cash tax levies, tuition, and textbook rentals.

At June 30, 2019 the General Fund had an unassigned fund balance of \$49,581,331. This unassigned fund balance represents 49% of total General Fund expenditures.

The remaining five funds had a combined fund balance of \$69,643,951. The significant transactions of these funds for the year ended June 30, 2019 are summarized as follows:

	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund
Beginning Fund Balance	\$ 13,252,137	\$ 7,199,971	\$ 7,441,248	\$ 1,871,223	\$ 4,642,042
Net Change in Fund Balance	2,557,425	665,130	(499,459)	(95,716)	32,609,950
Ending Fund Balance	<u>\$ 15,809,562</u>	<u>\$ 7,865,101</u>	<u>\$ 6,941,789</u>	<u>\$ 1,775,507</u>	<u>\$ 37,251,992</u>

The Operations and Maintenance Fund had an increase in fund balance due to having less expenditures than the revenues that were received for the year. This fund received \$11,009,985 of revenues and had \$7,746,675 of expenditures.

The Capital Projects Fund had an increase in fund balance due to issuing bonds this fiscal year. This fund issued \$35,810,785 of principal on bonds sold. Additional information on the District’s long-term debt can be found in note 5 on pages 27 and 28 of this report.

**General Fund Budgetary Highlights**

The District amended its budget ordinance during the year ended June 30, 2019.

Significant differences between budgeted and actual revenues and expenditures are summarized as follows:

- The difference between budgeted revenues and actual revenues was \$6,114,651 (favorable) which is 6% of total revenues. The most significant factor was Property Taxes being higher than budgeted by \$5,081,785.
- The difference between budgeted expenditures and actual expenditures was \$779,601 (favorable) which is .8% of total expenditures. The most significant factor contributing to this amount was the On-Behalf Retirement Contributions being lower than budgeted by \$487,257. When taking the On-Behalf Retirement Contribution out of the calculation, the difference in the District’s budgeted expenditures and actual expenditures was \$292,344 (favorable).

**Capital Asset and Debt Administration**

**Capital Assets.** At June 30, 2019 the District had invested \$113,744,647 (net of depreciation) in a broad range of capital assets, including land, building and building improvements, site improvements and infrastructure, capitalized equipment, and construction in progress. Total depreciation expense for the year was \$4,406,615.

Major capital asset events during the current fiscal year included the following:

- Air conditioning replacement for Middle School South and Isaac Fox in the amount of \$3,009,804;

- Removal of Master Phone System Equipment of \$505,615; and
- Replacement of Middle School South roof and Isaac Fox roof in the amount of \$2,532,732

Lake Zurich Community Unit School District No. 95's Capital Assets  
(net of depreciation)

	Governmental Activities	
	2019	2018
Land	\$ 11,953,158	\$ 11,953,158
Building and Building Improvements	85,087,518	85,352,272
Site Improvements and Infrastructure	7,809,987	8,053,115
Capitalized Equipment	5,640,344	5,648,087
Construction in Progress	3,253,640	77,710
	<u>\$ 113,744,647</u>	<u>\$ 111,084,342</u>

Additional information on the District's capital assets can be found in note 4 on pages 26 and 27 of this report.

**Long-Term Debt.** At June 30, 2019 the District had \$55,664,087 in long-term debt.

Lake Zurich Community Unit School District No. 95's Outstanding Debt

	Governmental Activities	
	2019	2018
Bonds	\$ 52,123,429	\$ 26,037,823
Lease/Purchase Agreements	3,540,658	103,508
Total	<u>\$ 55,664,087</u>	<u>\$ 26,141,331</u>

Additional information on the District's long-term debt can be found in note 5 on pages 27 and 28 of this report.

### Economic Factors and Next Year's Budget

Fiscal year 2019 represents the 12th consecutive balanced budget adopted by the District. The District annually completes a five-year long-range plan to anticipate and address the revenue and expenses of the District. The District's assessed property values have increased for the fifth year after four years of decline in property values. Property values are anticipated to continue to increase. The communities that make up the tax base of Lake Zurich Community Unit School District No. 95 have had a resurgence in new construction, both commercial and residential, that will increase the District's assessed valuation. During the current fiscal year, the District had a full bond rating review. Standard and Poor's reaffirmed the District's AAA bond rating. The communities served by District strongly supports the School District; this was illustrated by passing a building referendum for \$77,600,000 by a 2 to 1 vote. \$40,000,000 of these bonds were issued in May 2019. The remaining \$37,600,000 will be issued in spring 2020. The District has a stable workforce and has a labor agreement with the District's certified staff through the 2021-2022 school year.

### Requests for Information

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

Lake Zurich Community Unit School District No. 95  
832 South Rand Road  
Lake Zurich, IL 60047-2459



## BASIC FINANCIAL STATEMENTS

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 85,715,511
Investments, at Fair Value	48,343,320
Facility Rental Receivable, net of allowance of \$0	34,406
Interest Receivable, net of allowance of \$0	290,068
Taxes Receivable, net of allowance of \$0	43,112,535
Due from Other Governments, net of allowance of \$0	1,219,569
Prepaid Expenses	515,360
Capital Assets (Note 4):	
Land	11,953,158
Construction in Progress	3,253,640
Depreciable Buildings, Property, and Equipment, net of depreciation	<u>98,537,849</u>
<b>Total Assets</b>	<b><u>\$ 292,975,416</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Expense - IMRF	\$ 3,930,947
Deferred Pension Expense - TRS	637,922
Deferred OPEB Expense - THIS	2,031,320
Deferred OPEB Expense - IMRF/TRS	2,394
Deferred Employer Pension Contributions - IMRF	341,428
Deferred Employer Pension Contributions - TRS	279,080
Deferred Employer OPEB Contributions - THIS	<u>403,474</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 7,626,565</u></b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 2,738,306
Accrued Expenses	119,695
Payroll Liabilities	8,180,891
Unearned Revenue	86,737
Long-Term Liabilities	
Due Within One Year	7,754,104
Due in More Than One Year	<u>109,776,224</u>
<b>Total Liabilities</b>	<b><u>\$ 128,655,957</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Property Taxes	\$ 46,036,579
Deferred Pension Revenue - IMRF	1,643,692
Deferred Pension Revenue - TRS	1,478,446
Deferred OPEB Revenue - THIS	7,181,944
Deferred OPEB Revenue - IMRF/ TRS	<u>17,532</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 56,358,193</u></b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 90,517,913
Restricted for:	
Operations and Maintenance	10,958,196
Debt Service	6,855,628
Transportation	5,660,975
Retirement	1,568,195
Future Capital Projects	6,133,370
Unrestricted/(Deficit)	<u>(6,106,446)</u>
<b>Total Net Position</b>	<b><u>\$ 115,587,831</u></b>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction					
Regular Programs	\$ 32,558,993	\$ 260,233	\$ 407,053	\$ -	\$ (31,891,707)
Special Education Programs	7,283,511	57,060	1,484,624	-	(5,741,827)
Other Instructional Programs	8,886,387	2,109,181	124,879	-	(6,652,327)
Support Services					
Pupils	5,703,481	-	363,787	-	(5,339,694)
Instructional Staff	1,904,269	-	7,296	-	(1,896,973)
General Administration	2,024,106	-	-	-	(2,024,106)
School Administration	4,979,213	-	-	-	(4,979,213)
Business	750,880	-	-	-	(750,880)
Facilities Acquisition and Construction	3,114,466	-	-	91,472	(3,022,994)
Operations and Maintenance	6,360,951	299,481	33,331	-	(6,028,139)
Transportation	4,485,027	80,811	1,645,705	-	(2,758,511)
Food Services	1,719,065	1,651,546	184,938	-	117,419
Central	6,898,315	-	-	-	(6,898,315)
Other Support Services	180,340	-	-	-	(180,340)
Community Services	86,598	-	-	-	(86,598)
Payments to Other Districts and Governmental Units	559,934	-	817,364	-	257,430
Interest and Fees on Long-Term Debt	1,866,201	-	-	-	(1,866,201)
On-Behalf Retirement Contributions	30,729,743	-	30,729,743	-	-
Depreciation - Unallocated	3,697,781	-	-	-	(3,697,781)
Total Governmental Activities	<u>\$ 123,789,261</u>	<u>\$ 4,458,312</u>	<u>\$ 35,798,720</u>	<u>\$ 91,472</u>	<u>\$ (83,440,757)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					\$ 75,017,786
Property Taxes, Levied for Debt Service					7,999,460
Other Payments in Lieu of Taxes					243,634
Grants and Contributions not Restricted to Specific Activities					4,033,824
Unrestricted Investment Earnings					1,683,388
TIF Revenues					498,902
Gain/(Loss) on Debt Extinguishment					103,508
Gain/(Loss) on Sale of Capital Assets					(360,514)
Miscellaneous Income					49,828
Total General Revenues					<u>\$ 89,269,816</u>
Change in Net Position					\$ 5,829,059
Net Position - July 1, 2018					<u>109,758,772</u>
Net Position - June 30, 2019					<u><u>\$ 115,587,831</u></u>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2019

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 37,985,077	\$ 10,206,098	\$ 4,929,016	\$ 6,643,840	\$ 1,175,089	\$ 24,776,391	\$ 85,715,511
Investments, at Fair Value	20,857,697	5,874,109	2,836,229	3,841,863	676,725	14,256,697	48,343,320
Facility Rental Receivable, net of allowance of \$0	-	34,406	-	-	-	-	34,406
Interest Receivable, net of allowance of \$0	154,245	81,074	21,078	19,788	5,662	8,221	290,068
Taxes Receivable, net of allowance of \$0	32,307,943	5,226,443	4,086,705	617,838	873,606	-	43,112,535
Due from Other Governments, net of allowance of \$0	812,790	-	-	406,779	-	-	1,219,569
Prepaid Expenses	477,296	37,580	179	305	-	-	515,360
<b>Total Assets</b>	<b>\$ 92,595,048</b>	<b>\$ 21,459,710</b>	<b>\$ 11,873,207</b>	<b>\$ 11,530,413</b>	<b>\$ 2,731,082</b>	<b>\$ 39,041,309</b>	<b>\$ 179,230,769</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 384,241	\$ 462,338	\$ -	\$ 102,410	\$ -	\$ 1,789,317	\$ 2,738,306
Payroll Liabilities	7,931,433	61,888	-	88,799	98,771	-	8,180,891
Unearned Revenue	86,737	-	-	-	-	-	86,737
<b>Total Liabilities</b>	<b>\$ 8,402,411</b>	<b>\$ 524,226</b>	<b>\$ -</b>	<b>\$ 191,209</b>	<b>\$ 98,771</b>	<b>\$ 1,789,317</b>	<b>\$ 11,005,934</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	\$ 31,648,332	\$ 5,125,922	\$ 4,008,106	\$ 4,397,415	\$ 856,804	\$ -	\$ 46,036,579
<b>Total Deferred Inflows of Resources</b>	<b>\$ 31,648,332</b>	<b>\$ 5,125,922</b>	<b>\$ 4,008,106</b>	<b>\$ 4,397,415</b>	<b>\$ 856,804</b>	<b>\$ -</b>	<b>\$ 46,036,579</b>
<b>FUND BALANCES</b>							
Nonspendable	\$ 477,296	\$ 37,580	\$ 179	\$ 305	\$ -	\$ -	\$ 515,360
Restricted	-	10,958,196	-	-	-	-	10,958,196
Operations and Maintenance	-	-	6,855,628	-	-	-	6,855,628
Debt Service	-	-	-	5,660,975	-	-	5,660,975
Transportation	-	-	-	-	986,673	-	986,673
Illinois Municipal Retirement	-	-	-	-	581,522	-	581,522
Social Security	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	35,270,405	35,270,405
Committed	-	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	1,981,587	1,981,587
Assigned	1,242,839	-	-	-	-	-	1,242,839
Health Insurance Funds	-	4,813,786	-	-	-	-	4,813,786
Operations and Maintenance	-	-	-	-	-	-	-
Debt Service	-	-	1,009,294	-	-	-	1,009,294
Transportation	-	-	-	1,280,509	-	-	1,280,509
Illinois Municipal Retirement	-	-	-	-	207,312	-	207,312
Tort Liability	1,242,839	-	-	-	-	-	1,242,839
Unassigned	49,581,331	-	-	-	-	-	49,581,331
<b>Total Fund Balances</b>	<b>\$ 52,544,305</b>	<b>\$ 15,809,562</b>	<b>\$ 7,865,101</b>	<b>\$ 6,941,789</b>	<b>\$ 1,775,507</b>	<b>\$ 37,251,992</b>	<b>\$ 122,188,256</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 92,595,048</b>	<b>\$ 21,459,710</b>	<b>\$ 11,873,207</b>	<b>\$ 11,530,413</b>	<b>\$ 2,731,082</b>	<b>\$ 39,041,309</b>	<b>\$ 179,230,769</b>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2019

Total Fund Balances - Governmental Funds		\$ 122,188,256
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Deferred Pension Costs	\$ (3,719,031)	
Deferred Employer Contributions to Pension	<u>1,023,982</u>	(2,695,049)
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 178,237,181	
Accumulated Depreciation on Capital Assets	<u>(64,492,534)</u>	113,744,647
<p>Deferred charges and credits for debt issue discounts or premiums are not financial resources and therefore are not reported in the funds.</p>		
Bond Premiums, net of related amortization		(4,618,862)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds and Notes Payable	\$ (55,664,087)	
Accrued Interest on Long-Term Debt	(119,695)	
Compensated Absences Payable	(221,484)	
Net Pension Liability - IMRF	(4,147,502)	
Net Pension Liability - TRS	(4,697,110)	
Net OPEB Liability - THIS	(47,973,672)	
Net OPEB Liability - IMRF/TRS	<u>(207,611)</u>	<u>(113,031,161)</u>
Net Position of Governmental Activities		<u><u>\$ 115,587,831</u></u>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2019

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$ 61,780,640	\$ 10,414,204	\$ 7,999,460	\$ 1,226,972	\$ 1,595,970	\$ -	\$ 83,017,246
Payments in Lieu of Taxes	153,634	-	-	-	90,000	-	243,634
Tuition	525,160	-	-	-	-	-	525,160
Transportation Fees	-	-	-	80,811	-	-	80,811
Earnings on Investments	1,025,955	250,909	104,322	144,394	34,921	122,887	1,683,388
Food Service	1,651,546	-	-	-	-	-	1,651,546
District/School Activity Income	1,444,014	-	-	-	-	-	1,444,014
Textbooks	135,078	-	-	-	-	-	135,078
Other Local Sources	838,631	344,872	-	-	-	90,912	1,274,415
State Aid	5,029,582	-	-	1,645,705	-	-	6,675,287
Federal Aid	2,311,135	-	-	-	103,867	-	2,415,002
On-Behalf Payments	30,729,743	-	-	-	-	-	30,729,743
	<u>\$ 105,625,118</u>	<u>\$ 11,009,985</u>	<u>\$ 8,103,782</u>	<u>\$ 3,097,882</u>	<u>\$ 1,824,758</u>	<u>\$ 213,799</u>	<u>\$ 129,875,324</u>
<b>EXPENDITURES</b>							
Current							
Instruction							
Regular Programs	\$ 30,950,831	\$ -	\$ -	\$ -	\$ 415,955	\$ -	\$ 31,366,786
Special Education Programs	6,728,437	-	-	-	288,048	-	7,016,485
Other Instructional Programs	8,613,414	-	-	-	121,323	-	8,734,737
Support Services							
Pupils	5,308,235	-	-	-	187,114	-	5,495,349
Instructional Staff	1,826,807	-	-	-	35,930	-	1,862,737
General Administration	1,930,854	-	-	-	31,302	-	1,962,156
School Administration	4,480,944	-	-	-	137,179	-	4,618,123
Business	670,477	-	-	-	43,263	-	713,740
Facilities Acquisition and Construction	-	197,260	-	-	-	2,917,206	3,114,466
Operations and Maintenance	205,649	5,982,339	-	-	164,608	-	6,352,596
Transportation	1,610	-	-	3,580,646	200,955	-	3,783,211
Food Services	1,698,575	-	-	-	-	-	1,698,575
Central	6,417,463	-	-	-	284,843	-	6,702,306
Other Support Services	174,622	-	-	-	5,373	-	179,995
Community Services	80,690	-	-	-	4,581	-	85,271
Payments to Other Districts and Governmental Units	559,934	-	-	-	-	-	559,934
Debt Service							
Principal	-	-	4,642,278	-	-	-	4,642,278
Interest and Fees	-	-	4,848,952	-	-	-	4,848,952
Capital Outlay	1,132,797	1,567,076	-	16,695	-	4,695,759	7,412,327
On-Behalf Payments	30,729,743	-	-	-	-	-	30,729,743
	<u>\$ 101,511,082</u>	<u>\$ 7,746,675</u>	<u>\$ 9,491,230</u>	<u>\$ 3,597,341</u>	<u>\$ 1,920,474</u>	<u>\$ 7,612,965</u>	<u>\$ 131,879,767</u>

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2019

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Total Governmental Funds
Continued							
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 4,114,036	\$ 3,263,310	\$ (1,387,448)	\$ (499,459)	\$ (95,716)	\$ (7,399,166)	\$ (2,004,443)
OTHER FINANCING SOURCES (USES)							
Interfund Transfers	\$ (398,977)	\$ (714,385)	\$ 1,113,362	\$ -	\$ -	\$ -	\$ -
Principal on Bonds Sold	747,727	-	939,216	-	-	35,810,785	37,497,728
Premium on Bonds Sold	-	-	-	-	-	4,419,130	4,419,130
Bond Issuance Costs	-	-	-	-	-	(220,799)	(220,799)
Sale or Compensation for Fixed Assets	-	8,500	-	-	-	-	8,500
	\$ 348,750	\$ (705,885)	\$ 2,052,578	\$ -	\$ -	\$ 40,009,116	\$ 41,704,559
NET CHANGE IN FUND BALANCES	\$ 4,462,786	\$ 2,557,425	\$ 665,130	\$ (499,459)	\$ (95,716)	\$ 32,609,950	\$ 39,700,116
FUND BALANCE - JULY 1, 2018	48,081,519	13,252,137	7,199,971	7,441,248	1,871,223	4,642,042	82,488,140
FUND BALANCE - JUNE 30, 2019	\$ 52,544,305	\$ 15,809,562	\$ 7,865,101	\$ 6,941,789	\$ 1,775,507	\$ 37,251,992	\$ 122,188,256

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ 39,700,116

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (4,406,615)	
Capital Outlays	<u>7,435,934</u>	3,029,319

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets	\$ <u>(369,014)</u>	(369,014)
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Long-term debt proceeds provide current financial resources to governmental funds and are therefore shown as revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but issuing debt increases long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Proceeds from Long-Term Debt	\$ (37,497,727)	
Gain/(Loss) on Debt Extinguishment	103,508	
Debt Premiums	<u>(4,419,130)</u>	(41,813,349)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of Bond Premiums	\$ 49,933	
Accrued Interest	(75,567)	
Accreted Interest	3,229,184	
Compensated Absences	6,553	
Pension Expense	<u>(3,940,894)</u>	(730,791)

Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension Liability on the government-wide financial statements.

1,370,500

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>4,642,278</u>
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Change in Net Position of Governmental Activities		<u>\$ 5,829,059</u>
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The Notes to Financial Statements are an integral part of this statement.



LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 JUNE 30, 2019

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 119,328
Total Assets	\$ 119,328
<b>LIABILITIES</b>	
Due to Activity Fund Organizations	\$ 119,328
Total Liabilities	\$ 119,328

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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	Fair Value	Investment Maturities (in Years)			
		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

NOTES TO FINANCIAL STATEMENTS (Continued)

**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:

Investments by fair value level	6/30/2019	Fair Value Measurements Using:	
		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
<b>Total Investments by fair value level</b>	<b>\$ 65,070,954</b>	<b>\$ 3,998,014</b>	<b>\$ 61,072,940</b>

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
<b>Governmental Activities</b>				
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
<b>Total Capital Assets not being depreciated</b>	<b>\$ 12,030,868</b>	<b>\$ 3,189,114</b>	<b>\$ 13,184</b>	<b>\$ 15,206,798</b>
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
<b>Total Other Capital Assets at historical cost</b>	<b>\$ 159,275,993</b>	<b>\$ 4,260,004</b>	<b>\$ 505,614</b>	<b>\$ 163,030,383</b>
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
<b>Total Accumulated Depreciation</b>	<b>\$ 60,222,519</b>	<b>\$ 4,406,615</b>	<b>\$ 136,600</b>	<b>\$ 64,492,534</b>
<b>Other Capital Assets, Net</b>	<b>\$ 99,053,474</b>	<b>\$ (146,611)</b>	<b>\$ 369,014</b>	<b>\$ 98,537,849</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 111,084,342</b>	<b>\$ 3,042,503</b>	<b>\$ 382,198</b>	<b>\$ 113,744,647</b>

Depreciation expense was charged to functions as follows:



## NOTES TO FINANCIAL STATEMENTS (Continued)

### Governmental Activities

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

### 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
<b>Governmental Activities:</b>							
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	-	-
<b>Total Long-Term Debt</b>	<u>\$ 26,141,331</u>	<u>\$ (103,508)</u>	<u>\$ 1,046,586</u>	<u>\$ 37,497,727</u>	<u>\$ 8,918,049</u>	<u>\$ 55,664,087</u>	<u>\$ 7,483,214</u>
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	-
<b>Total Other Long-Term Liabilities</b>	<u>\$ 53,494,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,742,319</u>	<u>\$ 1,370,810</u>	<u>\$ 61,866,241</u>	<u>\$ 270,890</u>
<b>Governmental Activities Long-Term Liabilities</b>	<u>\$ 79,636,063</u>	<u>\$ (103,508)</u>	<u>\$ 1,046,586</u>	<u>\$ 47,240,046</u>	<u>\$ 10,288,859</u>	<u>\$ 117,530,328</u>	<u>\$ 7,754,104</u>

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	-
<b>Total</b>			<u>\$ 75,631,018</u>	<u>\$ 55,664,087</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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
	<u>\$ 55,664,087</u>	<u>\$ 19,157,921</u>	<u>\$ 74,822,008</u>

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
	<u>\$ 7,754,104</u>	<u>\$ 109,776,224</u>	<u>\$ 117,530,328</u>

**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 ASSESSED VALUATION	2018 \$1,682,812,325		2017 \$1,646,893,698		2016 \$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
	<u>5.0208</u>	<u>\$ 84,490,237</u>	<u>4.9603</u>	<u>\$ 81,690,604</u>	<u>5.0211</u>	<u>\$ 79,401,608</u>

**NOTE 8 - OVEREXPENDITURE OF BUDGET**

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

NOTES TO FINANCIAL STATEMENTS (Continued)

\$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	<u>321,771,705</u>
Total	<u><u>\$ 326,468,815</u></u>

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	<u>279,080</u>	<u>-</u>	<u>279,080</u>
	<u><u>\$ 917,002</u></u>	<u><u>\$ (1,478,446)</u></u>	<u><u>(561,444)</u></u>

\$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:

## NOTES TO FINANCIAL STATEMENTS (Continued)

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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](http://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,

## NOTES TO FINANCIAL STATEMENTS (Continued)

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	<u>659</u>

### 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.



## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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.
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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%
	<u>100.0%</u>	

### 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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	<u>\$ 2,802,538</u>	<u>\$ (883,423)</u>	<u>\$ 3,685,961</u>
Balances at December 31, 2018	<u>\$ 28,750,418</u>	<u>\$ 24,602,916</u>	<u>\$ 4,147,502</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, 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:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
<b>Expense in Future Periods</b>			
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	<u>\$ 4,272,375</u>	<u>\$ 1,643,692</u>	<u>\$ 2,628,683</u>

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	-
	<u>\$ 2,287,255</u>

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>).

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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	<u>64,418,368</u>
Total	<u>\$ 112,392,040</u>

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	<u>403,474</u>	<u>-</u>	<u>403,474</u>
	<u>\$ 2,434,794</u>	<u>\$ (7,181,944)</u>	<u>\$ (4,747,150)</u>

\$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	<u>(673,791)</u>
	<u>\$ (5,150,624)</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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 Return	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

## NOTES TO FINANCIAL STATEMENTS (Continued)

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:

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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	Period	PPO	HMO IL	Blue Adv. HMO
(1) Known rate	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%



NOTES TO FINANCIAL STATEMENTS (Continued)

Retiree Contribution Trend Same as Health Care Trend  
 Mortality IMRF Employees and Retirees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report. 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.

	PPO			HMO IL		
	Age	Retiree	Spouse	Age	Retiree	Spouse
Starting Per Capita Costs	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.

NOTES TO FINANCIAL STATEMENTS (Continued)

*Changes in the Total OPEB Liability*

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(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)		
Healthcare Cost		
1% Increase	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)

NOTES TO FINANCIAL STATEMENTS (Continued)

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)
	<u>\$ (15,138)</u>

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

**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		<u>13.8%</u>
Debt Margin		\$ 232,228,101
Current Debt	\$ 55,664,087	
Less: Long-term debt not subject to limit	<u>7,919,181</u>	
		<u>63,583,268</u>
Remaining Debt Margin		<u>\$ 168,644,833</u>

REQUIRED SUPPLEMENTARY INFORMATION

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
JUNE 30, 2019

	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 809,884	\$ 811,275	\$ 785,893	\$ 769,744	\$ 759,848
Interest on the Total Pension Liability	1,934,315	1,843,321	1,724,142	1,610,109	1,426,663
Differences Between Expected and Actual Experience	385,281	378,878	33,774	30,795	126,797
Changes in Assumptions	796,973	(757,981)	(58,945)	55,792	962,055
Benefit Payments, Including Refunds of Member Contributions	(1,123,915)	(999,184)	(940,740)	(844,495)	(824,221)
<b>Net Change in Total Pension Liability</b>	<b>\$ 2,802,538</b>	<b>\$ 1,276,309</b>	<b>\$ 1,544,124</b>	<b>\$ 1,621,945</b>	<b>\$ 2,451,142</b>
<b>Total Pension Liability - Beginning</b>	<b>25,947,880</b>	<b>24,671,571</b>	<b>23,127,447</b>	<b>21,505,502</b>	<b>19,054,360</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 28,750,418</b>	<b>\$ 25,947,880</b>	<b>\$ 24,671,571</b>	<b>\$ 23,127,447</b>	<b>\$ 21,505,502</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 748,466	\$ 727,025	\$ 677,406	\$ 644,504	\$ 682,318
Contributions - Member	362,433	350,270	317,204	316,913	300,900
Net Investment Income	(1,328,258)	3,846,587	1,400,189	102,786	1,174,242
Benefit Payments, Including Refunds of Member Contributions	(1,123,915)	(999,184)	(940,740)	(844,495)	(824,221)
Other (Net Transfer)	457,851	(415,578)	34,300	(229,537)	(4,926)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ (883,423)</b>	<b>\$ 3,509,120</b>	<b>\$ 1,488,359</b>	<b>\$ (9,829)</b>	<b>\$ 1,328,313</b>
<b>Plan Net Position - Beginning</b>	<b>25,486,339</b>	<b>21,977,219</b>	<b>20,488,860</b>	<b>20,498,689</b>	<b>19,170,376</b>
<b>Plan Net Position - Ending</b>	<b>\$ 24,602,916</b>	<b>\$ 25,486,339</b>	<b>\$ 21,977,219</b>	<b>\$ 20,488,860</b>	<b>\$ 20,498,689</b>
<b>District's Net Pension Liability</b>	<b>\$ 4,147,502</b>	<b>\$ 461,541</b>	<b>\$ 2,694,352</b>	<b>\$ 2,638,587</b>	<b>\$ 1,006,813</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>85.57%</b>	<b>98.22%</b>	<b>89.08%</b>	<b>88.59%</b>	<b>95.32%</b>
<b>Covered-Valuation Payroll</b>	<b>\$ 8,039,377</b>	<b>\$ 7,709,711</b>	<b>\$ 7,048,963</b>	<b>\$ 6,741,674</b>	<b>\$ 6,630,887</b>
<b>Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll</b>	<b>51.59%</b>	<b>5.99%</b>	<b>38.22%</b>	<b>39.14%</b>	<b>15.18%</b>

\* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTION  
JUNE 30, 2019

	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 748,466	\$ 727,026	\$ 677,405	\$ 644,504	\$ 682,318
Contributions in relation to Actuarially-Determined Contribution	748,466	727,025	677,406	644,504	682,318
Contribution deficiency/(excess)	\$ -	\$ 1	\$ (1)	\$ -	\$ -
Covered-Valuation Payroll	\$ 8,141,091	\$ 7,959,134	\$ 7,048,963	\$ 6,741,674	\$ 6,630,887
Contributions as a Percentage of Covered-Valuation Payroll	9.19%	9.13%	9.61%	9.56%	10.29%

**Notes to Schedule:**

**Actuarial Method and Assumptions Used on the Calculation of the 2018 Contribution Rate \***

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

**Actuarial Cost Method:** Aggregate entry age = normal

**Amortization Method:** Level percentage of payroll, closed

**Remaining Amortization Period:** 25-year closed period

**Asset Valuation Method:** 5-year smoothed market; 20% corridor

**Wage Growth:** 3.5%

**Price Inflation:** 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

**Salary Increases:** 3.75% to 14.50%, including inflation

**Investment Rate of Return:** 7.50%

**Retirement Age:** Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

**Mortality:** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

\*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation; note two year lag between valuation and rate setting.

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
JUNE 30, 2019

	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0060262%	0.0078663%	0.0083766%	0.0076401%	0.0065414%
Employer's proportionate share of the Net Pension Liability	\$ 4,697,110	\$ 6,009,691	\$ 6,612,193	\$ 5,005,063	\$ 3,980,983
State's proportionate share of the Net Pension Liability associated with the employer	<u>321,771,705</u>	<u>304,141,140</u>	<u>319,652,142</u>	<u>252,187,576</u>	<u>233,914,815</u>
Total	<u>\$ 326,468,815</u>	<u>\$ 310,150,831</u>	<u>\$ 326,264,335</u>	<u>\$ 257,192,639</u>	<u>\$ 237,895,798</u>
Employer's Covered-Employee Payroll	\$ 43,164,712	\$ 41,085,437	\$ 40,263,644	\$ 38,944,406	\$ 37,909,516
Employer's proportionate share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	10.88%	14.63%	16.42%	12.85%	10.50%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	40.00%	39.30%	36.40%	41.50%	43.00%

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

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

**Changes of Assumptions:**

For the 2018, 2017 and 2016 measurement year, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.5% and a real return of 4.5%. Salary increases were assumed to vary by service credit.

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

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



LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 SCHEDULE OF EMPLOYER CONTRIBUTION  
 JUNE 30, 2019

	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 250,383	\$ 324,088	\$ 324,360	\$ 267,693	\$ 233,359
Contributions in relation to Statutorily-Required Contribution	<u>250,355</u>	<u>324,137</u>	<u>324,360</u>	<u>267,693</u>	<u>233,359</u>
Contribution deficiency/(excess)	<u>\$ 28</u>	<u>\$ (49)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 43,855,889	\$ 43,164,712	\$ 40,263,644	\$ 38,944,406	\$ 37,909,516
Contributions as a percentage of Covered-Employee Payroll	0.57%	0.75%	0.81%	0.69%	0.62%

\* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS  
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
 OF THE NET OPEB LIABILITY  
 JUNE 30, 2019

	6/30/2019 *	6/30/2018 *
Employer's proportion of the Net OPEB Liability	0.1820920%	0.1785630%
Employer's proportionate share of the Net OPEB Liability	\$ 47,973,672	\$ 46,336,328
State's proportionate share of the Net OPEB Liability associated with the employer	64,418,368	60,851,113
Total	\$ 112,392,040	\$ 107,187,441
Employer's Covered Payroll	\$ 43,390,992	\$ 41,308,170
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	110.56%	112.17%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	-0.07%	-0.17%

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

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

**Changes of Assumptions:**

For the 2018 measurement year, the assumed investment rate of return was 0%, including an inflation rate of 2.75%, and the healthcare cost trend rates used the actual trend. Salary increases include a 3.25% wage inflation.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS  
 SCHEDULE OF EMPLOYER CONTRIBUTION  
 JUNE 30, 2019

	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>
Statutorily-Required Contribution	\$ 379,864	\$ 345,054
Contributions in relation to the Statutorily-Required Contribution	<u>379,849</u>	<u>345,118</u>
Contribution deficiency/(excess)	<u>\$ 15</u>	<u>\$ (64)</u>
Employer's Covered Payroll	\$ 44,104,073	\$ 43,390,992
Contributions as a percentage of Covered Payroll	0.86%	0.80%

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

\* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

LAKE ZUIRCH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
OTHER POST-EMPLOYMENT BENEFIT  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB  
LIABILITY AND RELATED RATIOS  
JUNE 30, 2019

	6/30/2019	6/30/2018
TOTAL OPEB LIABILITY		
Service Cost	\$ 11,754	\$ 12,540
Interest	6,030	6,054
Benefit Payments	(14,022)	(12,378)
Changes in Assumptions	1,620	1,263
Other Changes	(7,124)	(14,585)
Net Change in Total OPEB Liability	\$ (1,742)	\$ (7,106)
 Total OPEB Liability - Beginning	 209,354	 216,460
 Total OPEB Liability - Ending	 \$ 207,612	 \$ 209,354
 OPEB PLAN FIDUCIARY NET POSITION		
Net Change in OPEB Plan Net Position	\$ -	\$ -
 OPEB Plan Net Position - Beginning	 -	 -
 OPEB Net Position - Ending	 \$ -	 \$ -
 District's Net OPEB Plan Liability	 \$ 207,612	 \$ 209,354
 OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 0.00%	 0.00%
 Covered-Employee Payroll	 \$ 6,656,975	 \$ 6,656,975
 Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	 3.12%	 3.14%

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

LAKE ZUIRCH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 OTHER POST-EMPLOYMENT BENEFIT  
 SCHEDULE OF EMPLOYER CONTRIBUTION  
 JUNE 30, 2019

	6/30/2019	6/30/2018
Actuarially-Determined Contribution	N/A	N/A
Contributions in Relation to Actuarially-Determined Contribution	-	-
Contribution Deficiency/(Excess)	N/A	N/A
Covered-Employee Payroll	\$ 6,656,975	\$ 6,656,975
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%

**Notes to Schedule:**

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

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

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Original and Final	
<b>REVENUES</b>			
Property Taxes	\$ 56,698,855	\$ 56,698,855	\$ 61,780,640
Payments in Lieu of Taxes	118,022	118,022	153,634
Tuition	500,000	500,000	525,160
Earnings on Investments	516,000	516,000	1,025,955
Food Service	1,616,500	1,616,500	1,651,546
District/School Activity Income	1,285,380	1,285,380	1,444,014
Textbooks	115,400	115,400	135,078
Other Local Sources	546,864	546,864	838,631
State Aid			
General State Aid	4,033,611	4,033,611	4,033,824
Special Education	766,979	766,979	911,789
Career and Technical Education	26,963	26,963	14,773
State Free Lunch and Breakfast	3,000	3,000	3,304
Driver Education	33,284	33,284	37,777
Other State Aid	-	-	28,115
Federal Aid			
Food Service	176,000	176,000	181,634
Title I	254,368	254,368	293,093
Title IV	23,244	23,244	5,091
Federal Special Education	1,218,831	1,218,831	1,297,903
CTE - Perkins	16,432	16,432	15,432
Emergency Immigrant Assistance	7,498	7,498	-
Title III - English Language Acquisition	45,684	45,684	63,633
Title II - Teacher Quality	75,552	75,552	90,562
Medicaid Matching Funds - Administrative Outreach	50,000	50,000	61,215
Medicaid Matching Funds - Fee-for-Service Program	150,000	150,000	302,572
Other Federal Aid	15,000	15,000	-
On-Behalf Payments	31,217,000	31,217,000	30,729,743
<b>Total Revenues</b>	<b>\$ 99,510,467</b>	<b>\$ 99,510,467</b>	<b>\$ 105,625,118</b>
<b>EXPENDITURES</b>			
<b>Instruction</b>			
<b>Regular Programs</b>			
Salaries	\$ 26,172,656	\$ 26,172,656	\$ 26,266,797
Employee Benefits	3,511,717	3,511,717	3,514,745
Purchased Services	374,600	374,600	269,364
Supplies and Materials	1,250,535	1,250,535	835,092
Other Objects	45,000	45,000	45,190
Non-Capitalized Equipment	24,848	24,848	19,643
	<u>\$ 31,379,356</u>	<u>\$ 31,379,356</u>	<u>\$ 30,950,831</u>
<b>Pre-K Programs</b>			
Purchased Services	\$ 1,000	\$ 1,000	\$ -
	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
<b>Special Education Programs</b>			
Salaries	\$ 5,579,064	\$ 5,579,064	\$ 5,528,111
Employee Benefits	680,574	680,584	712,172
Purchased Services	46,500	46,500	59,747
Supplies and Materials	69,000	69,000	68,647
Non-Capitalized Equipment	5,000	5,000	2,995
	<u>\$ 6,380,138</u>	<u>\$ 6,380,148</u>	<u>\$ 6,371,672</u>
<b>Special Education Programs Pre-K</b>			
Salaries	\$ 334,411	\$ 334,411	\$ 299,058
Employee Benefits	36,180	36,180	39,175
Supplies and Materials	20,200	20,200	18,532
	<u>\$ 390,791</u>	<u>\$ 390,791</u>	<u>\$ 356,765</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Original and Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
CTE Programs			
Salaries	\$ 1,019,500	\$ 1,019,500	\$ 1,018,267
Employee Benefits	156,749	156,749	143,651
Purchased Services	1,000	1,000	4,000
Supplies and Materials	82,720	82,720	47,034
Other Objects	160	160	-
	<u>\$ 1,260,129</u>	<u>\$ 1,260,129</u>	<u>\$ 1,212,952</u>
Interscholastic Programs			
Salaries	\$ 1,451,170	\$ 1,451,170	\$ 1,474,598
Employee Benefits	23,280	23,280	19,389
Purchased Services	281,510	281,510	289,500
Supplies and Materials	205,400	205,400	235,742
Other Objects	25,100	25,100	29,944
Non-Capitalized Equipment	500	500	28,324
	<u>\$ 1,986,960</u>	<u>\$ 1,986,960</u>	<u>\$ 2,077,497</u>
Summer School Programs			
Salaries	\$ 403,675	\$ 403,675	\$ 419,625
Employee Benefits	11,367	11,367	11,356
Purchased Services	32,000	32,000	11,563
Supplies and Materials	42,500	42,500	24,999
	<u>\$ 489,542</u>	<u>\$ 489,542</u>	<u>\$ 467,543</u>
Gifted Programs			
Salaries	\$ 370,899	\$ 370,899	\$ 369,573
Employee Benefits	42,980	42,980	45,119
Supplies and Materials	1,000	1,000	297
	<u>\$ 414,879</u>	<u>\$ 414,879</u>	<u>\$ 414,989</u>
Driver's Education Programs			
Salaries	\$ 303,000	\$ 303,000	\$ 303,854
Employee Benefits	28,831	28,831	23,873
Purchased Services	2,000	2,000	2,013
Supplies and Materials	6,500	6,500	2,689
	<u>\$ 340,331</u>	<u>\$ 340,331</u>	<u>\$ 332,429</u>
Bilingual Programs			
Salaries	\$ 1,286,360	\$ 1,286,360	\$ 1,292,487
Employee Benefits	186,520	186,520	192,978
Purchased Services	1,500	1,500	-
Supplies and Materials	10,000	10,000	-
	<u>\$ 1,484,380</u>	<u>\$ 1,484,380</u>	<u>\$ 1,485,465</u>
Private Tuition - Other Objects			
Special Education Programs K-12	\$ 2,305,000	\$ 2,305,000	\$ 2,622,539
	<u>\$ 2,305,000</u>	<u>\$ 2,305,000</u>	<u>\$ 2,622,539</u>
Total Instruction	<u>\$ 46,432,506</u>	<u>\$ 46,432,516</u>	<u>\$ 46,292,682</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	\$ 1,135,755	\$ 1,135,755	\$ 1,111,661
Employee Benefits	144,619	144,619	178,393
Purchased Services	150	150	-
Supplies and Materials	2,500	2,500	1,408
	<u>\$ 1,283,024</u>	<u>\$ 1,283,024</u>	<u>\$ 1,291,462</u>

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LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Original and Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Pupils (Continued)			
Guidance Services			
Salaries	\$ 833,365	\$ 833,365	\$ 850,877
Employee Benefits	111,210	111,210	112,442
Purchased Services	4,000	4,000	6,279
Supplies and Materials	10,500	10,500	9,956
	<u>\$ 959,075</u>	<u>\$ 959,075</u>	<u>\$ 979,554</u>
Health Services			
Salaries	\$ 888,793	\$ 888,793	\$ 874,009
Employee Benefits	105,185	105,185	88,668
Purchased Services	62,200	62,200	93,385
Supplies and Materials	18,000	18,000	15,431
Other Objects	500	500	-
Non-Capitalized Equipment	1,500	1,500	-
	<u>\$ 1,076,178</u>	<u>\$ 1,076,178</u>	<u>\$ 1,071,493</u>
Psychological Services			
Salaries	\$ 742,400	\$ 742,400	\$ 717,239
Employee Benefits	95,099	95,099	84,715
Purchased Services	25,500	25,500	50,291
Supplies and Materials	16,000	16,000	12,679
	<u>\$ 878,999</u>	<u>\$ 878,999</u>	<u>\$ 864,924</u>
Speech Pathology and Audiology Services			
Salaries	\$ 947,000	\$ 947,000	\$ 939,574
Employee Benefits	96,478	96,478	129,997
Purchased Services	15,600	15,600	19,399
Supplies and Materials	5,000	5,000	6,537
Non-Capitalized Equipment	-	-	4,245
	<u>\$ 1,064,078</u>	<u>\$ 1,064,078</u>	<u>\$ 1,099,752</u>
Other Support Services - Pupils			
Salaries	\$ -	\$ -	\$ 800
Employee Benefits	-	-	250
Purchased Services	500	500	-
Supplies and Materials	1,000	1,000	-
	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,050</u>
Total Support Services - Pupils	<u>\$ 5,262,854</u>	<u>\$ 5,262,854</u>	<u>\$ 5,308,235</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 70,100	\$ 70,100	\$ 71,514
Employee Benefits	1,325	1,325	2,008
Purchased Services	681,878	681,878	554,132
Supplies and Materials	47,050	47,050	28,770
Non-Capitalized Equipment	2,000	2,000	-
	<u>\$ 802,353</u>	<u>\$ 802,353</u>	<u>\$ 656,424</u>
Educational Media Services			
Salaries	\$ 824,954	\$ 824,954	\$ 814,891
Employee Benefits	113,672	113,672	116,488
Purchased Services	2,000	2,000	3,443
Supplies and Materials	111,600	111,600	117,999
Non-Capitalized Equipment	1,500	1,500	-
	<u>\$ 1,053,726</u>	<u>\$ 1,053,726</u>	<u>\$ 1,052,821</u>
Assessment and Testing			
Salaries	\$ -	\$ -	\$ 2,866
Employee Benefits	5	5	33
Purchased Services	68,000	68,000	84,348
Supplies and Materials	60,600	60,600	22,304
Non-Capitalized Equipment	5,000	5,000	8,011
	<u>\$ 133,605</u>	<u>\$ 133,605</u>	<u>\$ 117,562</u>
Total Support Services - Instructional Staff	<u>\$ 1,989,684</u>	<u>\$ 1,989,684</u>	<u>\$ 1,826,807</u>

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LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Original and Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
General Administration			
Board of Education Services			
Purchased Services	\$ 239,000	\$ 239,000	\$ 342,291
Supplies and Materials	7,000	7,000	481
Other Objects	20,500	20,500	8,054
	<u>\$ 266,500</u>	<u>\$ 266,500</u>	<u>\$ 350,826</u>
Executive Administration Services			
Salaries	\$ 278,641	\$ 278,641	\$ 280,368
Employee Benefits	64,720	64,720	67,359
Purchased Services	16,500	16,500	20,930
Supplies and Materials	1,750	1,750	2,004
Other Objects	5,000	5,000	3,184
Termination Benefits	-	-	5,779
	<u>\$ 366,611</u>	<u>\$ 366,611</u>	<u>\$ 379,624</u>
Special Area Administration Services			
Salaries	\$ 447,216	\$ 447,216	\$ 451,753
Employee Benefits	132,250	132,250	136,778
Purchased Services	15,500	15,500	29,875
Supplies and Materials	12,000	12,000	7,237
Other Objects	25,000	25,000	4,788
Non-Capitalized Equipment	1,200	1,200	-
	<u>\$ 633,166</u>	<u>\$ 633,166</u>	<u>\$ 630,431</u>
Tort Immunity Services			
Purchased Services	\$ 544,000	\$ 544,000	\$ 518,453
Other Objects	50,000	50,000	51,520
	<u>\$ 594,000</u>	<u>\$ 594,000</u>	<u>\$ 569,973</u>
Total Support Services - General Administration	<u>\$ 1,860,277</u>	<u>\$ 1,860,277</u>	<u>\$ 1,930,854</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 3,331,316	\$ 3,331,316	\$ 3,335,924
Employee Benefits	1,076,142	1,076,142	1,077,612
Purchased Services	4,600	4,600	3,835
Supplies and Materials	22,056	22,056	22,070
Other Objects	16,680	16,680	15,380
Non-Capitalized Equipment	4,000	4,000	-
Termination Benefits	11,297	11,297	26,123
	<u>\$ 4,466,091</u>	<u>\$ 4,466,091</u>	<u>\$ 4,480,944</u>
Total Support Services - School Administration	<u>\$ 4,466,091</u>	<u>\$ 4,466,091</u>	<u>\$ 4,480,944</u>
Business			
Direction of Business Support Services			
Salaries	\$ 201,898	\$ 201,898	\$ 201,898
Employee Benefits	52,648	52,648	52,587
Purchased Services	11,000	11,000	289
Supplies and Materials	400	400	95
Other Objects	2,500	2,500	1,764
	<u>\$ 268,446</u>	<u>\$ 268,446</u>	<u>\$ 256,633</u>
Fiscal Services			
Salaries	\$ 246,174	\$ 246,174	\$ 251,109
Employee Benefits	56,135	56,135	55,671
Purchased Services	170,750	170,750	85,702
Supplies and Materials	35,000	35,000	10,420
Other Objects	7,000	7,000	2,405
Non-Capitalized Equipment	40,000	40,000	1,340
	<u>\$ 555,059</u>	<u>\$ 555,059</u>	<u>\$ 406,647</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Original and Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Business (Continued)			
Internal Services			
Purchased Services	\$ 3,000	\$ 3,000	\$ 7,197
	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 7,197</u>
Total Support Services - Business	<u>\$ 826,505</u>	<u>\$ 826,505</u>	<u>\$ 670,477</u>
Operations and Maintenance			
Purchased Services	\$ 225,000	\$ 225,000	\$ 205,649
Total Support Services - Operation and Maintenance	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 205,649</u>
Transportation			
Purchased Services	\$ 6,200	\$ 6,200	\$ 1,610
Total Support Services - Transportation	<u>\$ 6,200</u>	<u>\$ 6,200</u>	<u>\$ 1,610</u>
Food Services			
Purchased Services	\$ 1,728,000	\$ 1,728,000	\$ 1,639,907
Supplies and Materials	22,500	22,500	14,855
Other Objects	38,000	38,000	40,788
Non-Capitalized Equipment	5,000	5,000	3,025
Total Support Services - Food Services	<u>\$ 1,793,500</u>	<u>\$ 1,793,500</u>	<u>\$ 1,698,575</u>
Planning, Research, Development and Evaluation Services			
Salaries	\$ 1,395,500	\$ 1,395,500	\$ 1,407,789
Employee Benefits	327,200	327,200	313,154
Purchased Services	41,500	41,500	37,532
Supplies and Materials	500	500	469
Other Objects	1,500	1,500	464
	<u>\$ 1,766,200</u>	<u>\$ 1,766,200</u>	<u>\$ 1,759,408</u>
Information Services			
Salaries	\$ 160,470	\$ 160,470	\$ 160,480
Employee Benefits	36,420	36,420	36,240
Purchased Services	123,500	123,500	66,206
Supplies and Materials	21,500	21,500	25,208
Other Objects	750	750	330
Non-Capitalized Equipment	4,000	4,000	24,863
	<u>\$ 346,640</u>	<u>\$ 346,640</u>	<u>\$ 313,327</u>
Staff Services			
Salaries	\$ 385,277	\$ 385,277	\$ 402,198
Employee Benefits	133,276	133,276	104,888
Purchased Services	155,500	155,500	136,480
Supplies and Materials	6,500	6,500	5,403
Other Objects	6,500	6,500	438
	<u>\$ 687,053</u>	<u>\$ 687,053</u>	<u>\$ 649,407</u>
Data Processing Services			
Salaries	\$ 1,143,666	\$ 1,143,666	\$ 1,073,364
Employee Benefits	142,490	142,490	133,782
Purchased Services	689,000	689,000	586,263
Supplies and Materials	659,000	659,000	784,072
Other Objects	2,000	2,000	1,264
Non-Capitalized Equipment	1,195,830	1,195,830	1,112,389
Termination Benefits	12,000	12,000	4,187
	<u>\$ 3,843,986</u>	<u>\$ 3,843,986</u>	<u>\$ 3,695,321</u>
Total Support Services - Central	<u>\$ 6,643,879</u>	<u>\$ 6,643,879</u>	<u>\$ 6,417,463</u>

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LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Original and Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Other Support Services			
Salaries	\$ 29,432	\$ 29,432	\$ 35,778
Purchased Services	139,344	139,344	138,844
Total Other Support Services	<u>\$ 168,776</u>	<u>\$ 168,776</u>	<u>\$ 174,622</u>
Total Support Services	<u>\$ 23,242,766</u>	<u>\$ 23,242,766</u>	<u>\$ 22,715,236</u>
Community Services			
Salaries	\$ 80,706	\$ 80,706	\$ 54,837
Employee Benefits	3,727	3,727	3,103
Purchased Services	9,297	9,297	6,652
Supplies and Materials	19,171	19,171	14,898
Other Objects	1,500	1,500	1,200
Total Community Services	<u>\$ 114,401</u>	<u>\$ 114,401</u>	<u>\$ 80,690</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)			
Payments for Regular Programs			
Other Objects	\$ 262,000	\$ 262,000	\$ 224,849
Payments for Special Education Programs			
Other Objects	667,000	667,000	335,085
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 929,000</u>	<u>\$ 929,000</u>	<u>\$ 559,934</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 929,000</u>	<u>\$ 929,000</u>	<u>\$ 559,934</u>
Capital Outlay			
Instruction			
Regular Programs	\$ 10,000	\$ 10,000	\$ 17,942
Other Instructional Programs	-	-	30,982
Support Services			
Food Services	40,000	40,000	1,202
Central	305,000	305,000	1,082,671
Total Capital Outlay	<u>\$ 355,000</u>	<u>\$ 355,000</u>	<u>\$ 1,132,797</u>
On-Behalf Payments	<u>\$ 31,217,000</u>	<u>\$ 31,217,000</u>	<u>\$ 30,729,743</u>
Total Expenditures	<u>\$ 102,290,673</u>	<u>\$ 102,290,683</u>	<u>\$ 101,511,082</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (2,780,206)</u>	<u>\$ (2,780,216)</u>	<u>\$ 4,114,036</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ (402,736)	\$ (402,736)	\$ (398,977)
Principal of Bonds Sold	-	-	747,727
	<u>\$ (402,736)</u>	<u>\$ (402,736)</u>	<u>\$ 348,750</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,182,942)</u>	<u>\$ (3,182,952)</u>	<u>\$ 4,462,786</u>
FUND BALANCE - JULY 1, 2018			<u>48,081,519</u>
FUND BALANCE - JUNE 30, 2019			<u>\$ 52,544,305</u>

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LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 9,951,057	\$ 9,951,057	\$ 10,414,204
Earnings on Investments	120,000	120,000	250,909
Other Local Sources	400,000	400,000	344,872
<b>Total Revenues</b>	<b>\$ 10,471,057</b>	<b>\$ 10,471,057</b>	<b>\$ 11,009,985</b>
<b>EXPENDITURES</b>			
Facilities Acquisition and Construction			
Purchased Services	\$ 4,635,610	\$ 170,785	\$ 197,260
<b>Total Support Services - Facilities Acquisition and Construction</b>	<b>\$ 4,635,610</b>	<b>\$ 170,785</b>	<b>\$ 197,260</b>
Operations and Maintenance			
Salaries	\$ 1,095,000	\$ 1,095,000	\$ 1,056,580
Employee Benefits	182,400	182,400	173,973
Purchased Services	3,902,994	3,902,994	2,833,095
Supplies and Materials	2,016,143	2,016,143	1,895,366
Other Objects	5,000	5,000	2,380
Non-Capitalized Equipment	175,000	175,000	20,022
Termination Benefits	-	-	923
<b>Total Support Services - Operations and Maintenance</b>	<b>\$ 7,376,537</b>	<b>\$ 7,376,537</b>	<b>\$ 5,982,339</b>
Pupil Transportation Services			
<b>Total Support Services</b>	<b>\$ 12,012,147</b>	<b>\$ 7,547,322</b>	<b>\$ 6,179,599</b>
Capital Outlay			
Support Services			
Facilities Acquisition and Construction	\$ 1,000,000	\$ -	\$ 286,532
Operations and Maintenance	1,891,000	1,891,000	1,280,544
<b>Total Capital Outlay</b>	<b>\$ 2,891,000</b>	<b>\$ 1,891,000</b>	<b>\$ 1,567,076</b>
<b>Total Expenditures</b>	<b>\$ 14,903,147</b>	<b>\$ 9,438,322</b>	<b>\$ 7,746,675</b>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (4,432,090)</b>	<b>\$ 1,032,735</b>	<b>\$ 3,263,310</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers	\$ 100,000	\$ 110,000	\$ (714,385)
Sale or Compensation for Fixed Assets	-	-	8,500
	<b>\$ 100,000</b>	<b>\$ 110,000</b>	<b>\$ (705,885)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (4,332,090)</b>	<b>\$ 1,142,735</b>	<b>\$ 2,557,425</b>
<b>FUND BALANCE - JULY 1, 2018</b>			<b>13,252,137</b>
<b>FUND BALANCE - JUNE 30, 2019</b>			<b>\$ 15,809,562</b>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - TRANSPORTATION FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 1,168,338	\$ 1,168,338	\$ 1,226,972
Transportation Fees	72,000	72,000	80,811
Earnings on Investments	65,000	65,000	144,394
State Aid			
Transportation	1,609,086	1,609,086	1,645,705
<b>Total Revenues</b>	<b>\$ 2,914,424</b>	<b>\$ 2,914,424</b>	<b>\$ 3,097,882</b>
<b>EXPENDITURES</b>			
Support Services			
Transportation			
Salaries	\$ 1,515,469	\$ 1,515,469	\$ 1,392,741
Employee Benefits	253,970	253,970	220,244
Purchased Services	1,508,500	1,508,500	1,735,134
Supplies and Materials	274,000	274,000	231,809
Other Objects	1,200	1,200	718
Non-Capitalized Equipment	20,000	20,000	-
<b>Total Support Services - Transportation</b>	<b>\$ 3,573,139</b>	<b>\$ 3,573,139</b>	<b>\$ 3,580,646</b>
<b>Total Support Services</b>	<b>\$ 3,573,139</b>	<b>\$ 3,573,139</b>	<b>\$ 3,580,646</b>
Capital Outlay			
Support Services			
Transportation	\$ 65,000	\$ 65,000	\$ 16,695
<b>Total Capital Outlay</b>	<b>\$ 65,000</b>	<b>\$ 65,000</b>	<b>\$ 16,695</b>
<b>Total Expenditures</b>	<b>\$ 3,638,139</b>	<b>\$ 3,638,139</b>	<b>\$ 3,597,341</b>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (723,715)</b>	<b>\$ (723,715)</b>	<b>\$ (499,459)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (723,715)</b>	<b>\$ (723,715)</b>	<b>\$ (499,459)</b>
<b>FUND BALANCE - JULY 1, 2018</b>			<b>7,441,248</b>
<b>FUND BALANCE - JUNE 30, 2019</b>			<b>\$ 6,941,789</b>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 387,486	\$ 387,486	\$ 476,377
FICA/Medicare Only Purposes Levies	1,003,183	1,003,183	1,119,593
Payments in Lieu of Taxes	90,000	90,000	90,000
Earnings on Investments	19,000	19,000	34,921
State Aid			
Career and Technical Education	900	900	-
Title I	2,325	2,325	2,875
Federal - Special Education	93,460	93,460	92,296
Emergency Immigrant Assistance	975	975	-
Title III - English Language Acquisition	2,316	2,316	8,696
<b>Total Revenues</b>	<b>\$ 1,599,645</b>	<b>\$ 1,599,645</b>	<b>\$ 1,824,758</b>
<b>EXPENDITURES</b>			
Instruction			
Regular Programs			
Employee Benefits	\$ 301,284	\$ 301,284	\$ 415,955
Pre-K Programs			
Employee Benefits	143,100	143,100	13,375
Special Education Programs			
Employee Benefits	257,761	257,761	269,099
Special Education Programs - Pre-K			
Employee Benefits	22,314	22,314	18,949
CTE Programs			
Employee Benefits	14,850	14,850	12,398
Interscholastic Programs			
Employee Benefits	44,086	44,086	42,773
Summer School Programs			
Employee Benefits	15,072	15,072	13,371
Gifted Programs			
Employee Benefits	5,390	5,390	5,359
Driver's Education Programs			
Employee Benefits	4,300	4,300	4,304
Bilingual Programs			
Employee Benefits	33,044	33,044	29,743
	<b>\$ 841,201</b>	<b>\$ 841,201</b>	<b>\$ 825,326</b>
Support Services			
Pupils			
Attendance and Social Work Services			
Employee Benefits	\$ 12,930	\$ 12,930	\$ 15,785
Guidance Services			
Employee Benefits	28,641	28,641	28,043
Health Services			
Employee Benefits	139,602	139,602	120,102
Psychological Services			
Employee Benefits	10,810	10,810	10,164
Speech Pathology and Audiology Services			
Employee Benefits	11,976	11,976	13,020
	<b>\$ 203,959</b>	<b>\$ 203,959</b>	<b>\$ 187,114</b>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Instructional Staff			
Improvement of Instruction Services			
Employee Benefits	\$ 1,620	\$ 1,620	\$ 1,230
Educational Media Services			
Employee Benefits	39,561	39,561	34,567
Assessment and Testing			
Employee Benefits	35	35	133
	<u>\$ 41,216</u>	<u>\$ 41,216</u>	<u>\$ 35,930</u>
General Administration			
Executive Administration Services			
Employee Benefits	\$ 13,150	\$ 13,150	\$ 12,308
Special Area Administrative Services			
Employee Benefits	21,100	21,100	18,994
	<u>\$ 34,250</u>	<u>\$ 34,250</u>	<u>\$ 31,302</u>
School Administration			
Office of the Principal Services			
Employee Benefits	\$ 150,081	\$ 150,081	\$ 137,179
	<u>\$ 150,081</u>	<u>\$ 150,081</u>	<u>\$ 137,179</u>
Business			
Direction of Business Support Services			
Employee Benefits	\$ 2,900	\$ 2,900	\$ 2,903
Fiscal Services			
Employee Benefits	43,670	43,670	40,360
	<u>\$ 46,570</u>	<u>\$ 46,570</u>	<u>\$ 43,263</u>
Operations and Maintenance			
Employee Benefits	\$ 184,000	\$ 184,000	\$ 164,608
	<u>\$ 184,000</u>	<u>\$ 184,000</u>	<u>\$ 164,608</u>
Transportation			
Employee Benefits	\$ 255,325	\$ 255,325	\$ 200,955
	<u>\$ 255,325</u>	<u>\$ 255,325</u>	<u>\$ 200,955</u>
Central			
Planning, Research, Development and Evaluation Services			
Employee Benefits	\$ 35,500	\$ 35,500	\$ 34,116
Information Services			
Employee Benefits	25,790	25,790	24,583
Staff Services			
Employee Benefits	64,150	64,150	58,818
Data Processing Services			
Employee Benefits	195,790	195,790	167,326
	<u>\$ 321,230</u>	<u>\$ 321,230</u>	<u>\$ 284,843</u>
Other Support Services			
Employee Benefits	\$ 2,324	\$ 2,324	\$ 5,373
Total Other Support Services	<u>\$ 2,324</u>	<u>\$ 2,324</u>	<u>\$ 5,373</u>
Total Support Services	<u>\$ 1,238,955</u>	<u>\$ 1,238,955</u>	<u>\$ 1,090,567</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Community Services			
Employee Benefits	\$ 8,713	\$ 8,713	\$ 4,581
Total Community Services	<u>\$ 8,713</u>	<u>\$ 8,713</u>	<u>\$ 4,581</u>
Total Expenditures	<u>\$ 2,088,869</u>	<u>\$ 2,088,869</u>	<u>\$ 1,920,474</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (489,224)	\$ (489,224)	\$ (95,716)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (489,224)</u>	<u>\$ (489,224)</u>	\$ (95,716)
FUND BALANCE - JULY 1, 2018			<u>1,871,223</u>
FUND BALANCE - JUNE 30, 2019			<u>\$ 1,775,507</u>

See Accompanying Independent Auditor's Report



LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 JUNE 30, 2019

**NOTE 1 - BUDGETARY PROCESS**

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 27, 2018 and was not amended. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

**NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET**

For the year ended June 30, 2019 the expenditures of the following fund presented as Required Supplementary Information 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.

SUPPLEMENTAL FINANCIAL INFORMATION

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 COMBINING BALANCE SHEET  
 GENERAL FUND  
 JUNE 30, 2019

	Educational Fund	Working Cash Fund	General Fund Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 35,936,806	\$ 2,048,271	\$ 37,985,077
Investments, at Fair Value	19,679,092	1,178,605	20,857,697
Interest Receivable, net of allowance of \$0	146,025	8,220	154,245
Taxes Receivable, net of allowance of \$0	32,189,080	118,863	32,307,943
Due from Other Governments, net of allowance of \$0	812,790	-	812,790
Prepaid Expenses	477,296	-	477,296
<b>Total Assets</b>	<b>\$ 89,241,089</b>	<b>\$ 3,353,959</b>	<b>\$ 92,595,048</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 384,241	\$ -	\$ 384,241
Payroll Liabilities	7,931,433	-	7,931,433
Unearned Revenue	86,737	-	86,737
<b>Total Liabilities</b>	<b>\$ 8,402,411</b>	<b>\$ -</b>	<b>\$ 8,402,411</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	\$ 31,531,755	\$ 116,577	\$ 31,648,332
<b>Total Deferred Inflows of Resources</b>	<b>\$ 31,531,755</b>	<b>\$ 116,577</b>	<b>\$ 31,648,332</b>
<b>FUND BALANCE</b>			
Nonspendable			
Prepaid Expenses	\$ 477,296	\$ -	\$ 477,296
Health Insurance Funds	1,242,839	-	1,242,839
Unassigned	47,586,788	3,237,382	50,824,170
<b>Total Fund Balance</b>	<b>\$ 49,306,923</b>	<b>\$ 3,237,382</b>	<b>\$ 52,544,305</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 89,241,089</b>	<b>\$ 3,353,959</b>	<b>\$ 92,595,048</b>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2019

	Educational Fund	Working Cash Fund	General Fund Total
<b>REVENUES</b>			
Property Taxes	\$ 61,583,182	\$ 197,458	\$ 61,780,640
Payments in Lieu of Taxes	153,634	-	153,634
Tuition	525,160	-	525,160
Earnings on Investments	962,387	63,568	1,025,955
Food Service	1,651,546	-	1,651,546
District/School Activity Income	1,444,014	-	1,444,014
Textbooks	135,078	-	135,078
Other Local Sources	838,631	-	838,631
State Aid	5,029,582	-	5,029,582
Federal Aid	2,311,135	-	2,311,135
On-Behalf Payments	30,729,743	-	30,729,743
	<u>\$ 105,364,092</u>	<u>\$ 261,026</u>	<u>\$ 105,625,118</u>
<b>EXPENDITURES</b>			
Current			
Instruction			
Regular Programs	\$ 30,950,831	\$ -	\$ 30,950,831
Special Education Programs	6,728,437	-	6,728,437
Other Instructional Programs	8,613,414	-	8,613,414
Support Services			
Pupils	5,308,235	-	5,308,235
Instructional Staff	1,826,807	-	1,826,807
General Administration	1,930,854	-	1,930,854
School Administration	4,480,944	-	4,480,944
Business	670,477	-	670,477
Operations and Maintenance	205,649	-	205,649
Transportation	1,610	-	1,610
Food Services	1,698,575	-	1,698,575
Central	6,417,463	-	6,417,463
Other Support Services	174,622	-	174,622
Community Services	80,690	-	80,690
Payments to Other Districts and Governmental Units	559,934	-	559,934
Capital Outlay	1,132,797	-	1,132,797
On-Behalf Payments	30,729,743	-	30,729,743
	<u>\$ 101,511,082</u>	<u>\$ -</u>	<u>\$ 101,511,082</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 3,853,010</u>	<u>\$ 261,026</u>	<u>\$ 4,114,036</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers	\$ (398,977)	\$ -	\$ (398,977)
Principal on Bonds Sold	747,727	-	747,727
	<u>\$ 348,750</u>	<u>\$ -</u>	<u>\$ 348,750</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 4,201,760</u>	<u>\$ 261,026</u>	<u>\$ 4,462,786</u>
<b>FUND BALANCE - JULY 1, 2018</b>	<u>45,105,163</u>	<u>2,976,356</u>	<u>48,081,519</u>
<b>FUND BALANCE - JUNE 30, 2019</b>	<u>\$ 49,306,923</u>	<u>\$ 3,237,382</u>	<u>\$ 52,544,305</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL FUND - EDUCATIONAL FUND  
 YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 56,546,566	\$ 56,546,566	\$ 61,583,182
Payments in Lieu of Taxes	118,022	118,022	153,634
Tuition	500,000	500,000	525,160
Earnings on Investments	490,000	490,000	962,387
Food Service	1,616,500	1,616,500	1,651,546
District/School Activity Income	1,285,380	1,285,380	1,444,014
Textbooks	115,400	115,400	135,078
Other Local Sources	546,864	546,864	838,631
State Aid			
General State Aid	4,033,611	4,033,611	4,033,824
Special Education	766,979	766,979	911,789
Career and Technical Education	26,963	26,963	14,773
State Free Lunch and Breakfast	3,000	3,000	3,304
Driver Education	33,284	33,284	37,777
Other State Aid	-	-	28,115
Federal Aid			
Food Service	176,000	176,000	181,634
Title I	254,368	254,368	293,093
Title IV	23,244	23,244	5,091
Federal Special Education	1,218,831	1,218,831	1,297,903
CTE - Perkins	16,432	16,432	15,432
Emergency Immigrant Assistance	7,498	7,498	-
Title III - English Language Acquisition	45,684	45,684	63,633
Title II - Teacher Quality	75,552	75,552	90,562
Medicaid Matching Funds - Administrative Outreach	50,000	50,000	61,215
Medicaid Matching Funds - Fee-for-Service Program	150,000	150,000	302,572
Other Federal Aid	15,000	15,000	-
On-Behalf Payments	31,217,000	31,217,000	30,729,743
<b>Total Revenues</b>	<b>\$ 99,332,178</b>	<b>\$ 99,332,178</b>	<b>\$ 105,364,092</b>
<b>EXPENDITURES</b>			
Instruction			
Regular Programs			
Salaries	\$ 26,172,656	\$ 26,172,656	\$ 26,266,797
Employee Benefits	3,511,717	3,511,717	3,514,745
Purchased Services	374,600	374,600	269,364
Supplies and Materials	1,250,535	1,250,535	835,092
Other Objects	45,000	45,000	45,190
Non-Capitalized Equipment	24,848	24,848	19,643
	<u>\$ 31,379,356</u>	<u>\$ 31,379,356</u>	<u>\$ 30,950,831</u>
Pre-K Programs			
Purchased Services	\$ 1,000	\$ 1,000	\$ -
	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Special Education Programs			
Salaries	\$ 5,579,064	\$ 5,579,064	\$ 5,528,111
Employee Benefits	680,574	680,584	712,172
Purchased Services	46,500	46,500	59,747
Supplies and Materials	69,000	69,000	68,647
Non-Capitalized Equipment	5,000	5,000	2,995
	<u>\$ 6,380,138</u>	<u>\$ 6,380,148</u>	<u>\$ 6,371,672</u>
Special Education Programs Pre-K			
Salaries	\$ 334,411	\$ 334,411	\$ 299,058
Employee Benefits	36,180	36,180	39,175
Supplies and Materials	20,200	20,200	18,532
	<u>\$ 390,791</u>	<u>\$ 390,791</u>	<u>\$ 356,765</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL FUND - EDUCATIONAL FUND  
 YEAR ENDED JUNE 30, 2019

EXPENDITURES (Continued)	Budgeted Amounts		Actual Amounts
	Original	Final	
Instruction (Continued)			
CTE Programs			
Salaries	\$ 1,019,500	\$ 1,019,500	\$ 1,018,267
Employee Benefits	156,749	156,749	143,651
Purchased Services	1,000	1,000	4,000
Supplies and Materials	82,720	82,720	47,034
Other Objects	160	160	-
	<u>\$ 1,260,129</u>	<u>\$ 1,260,129</u>	<u>\$ 1,212,952</u>
Interscholastic Programs			
Salaries	\$ 1,451,170	\$ 1,451,170	\$ 1,474,598
Employee Benefits	23,280	23,280	19,389
Purchased Services	281,510	281,510	289,500
Supplies and Materials	205,400	205,400	235,742
Other Objects	25,100	25,100	29,944
Non-Capitalized Equipment	500	500	28,324
	<u>\$ 1,986,960</u>	<u>\$ 1,986,960</u>	<u>\$ 2,077,497</u>
Summer School Programs			
Salaries	\$ 403,675	\$ 403,675	\$ 419,625
Employee Benefits	11,367	11,367	11,356
Purchased Services	32,000	32,000	11,563
Supplies and Materials	42,500	42,500	24,999
	<u>\$ 489,542</u>	<u>\$ 489,542</u>	<u>\$ 467,543</u>
Gifted Programs			
Salaries	\$ 370,899	\$ 370,899	\$ 369,573
Employee Benefits	42,980	42,980	45,119
Supplies and Materials	1,000	1,000	297
	<u>\$ 414,879</u>	<u>\$ 414,879</u>	<u>\$ 414,989</u>
Driver's Education Programs			
Salaries	\$ 303,000	\$ 303,000	\$ 303,854
Employee Benefits	28,831	28,831	23,873
Purchased Services	2,000	2,000	2,013
Supplies and Materials	6,500	6,500	2,689
	<u>\$ 340,331</u>	<u>\$ 340,331</u>	<u>\$ 332,429</u>
Bilingual Programs			
Salaries	\$ 1,286,360	\$ 1,286,360	\$ 1,292,487
Employee Benefits	186,520	186,520	192,978
Purchased Services	1,500	1,500	-
Supplies and Materials	10,000	10,000	-
	<u>\$ 1,484,380</u>	<u>\$ 1,484,380</u>	<u>\$ 1,485,465</u>
Private Tuition - Other Objects			
Special Education Programs K-12	\$ 2,305,000	\$ 2,305,000	\$ 2,622,539
	<u>\$ 2,305,000</u>	<u>\$ 2,305,000</u>	<u>\$ 2,622,539</u>
Total Instruction	<u>\$ 46,432,506</u>	<u>\$ 46,432,516</u>	<u>\$ 46,292,682</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	\$ 1,135,755	\$ 1,135,755	\$ 1,111,661
Employee Benefits	144,619	144,619	178,393
Purchased Services	150	150	-
Supplies and Materials	2,500	2,500	1,408
	<u>\$ 1,283,024</u>	<u>\$ 1,283,024</u>	<u>\$ 1,291,462</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Pupils (Continued)			
Guidance Services			
Salaries	\$ 833,365	\$ 833,365	\$ 850,877
Employee Benefits	111,210	111,210	112,442
Purchased Services	4,000	4,000	6,279
Supplies and Materials	10,500	10,500	9,956
	<u>\$ 959,075</u>	<u>\$ 959,075</u>	<u>\$ 979,554</u>
Health Services			
Salaries	\$ 888,793	\$ 888,793	\$ 874,009
Employee Benefits	105,185	105,185	88,668
Purchased Services	62,200	62,200	93,385
Supplies and Materials	18,000	18,000	15,431
Other Objects	500	500	-
Non-Capitalized Equipment	1,500	1,500	-
	<u>\$ 1,076,178</u>	<u>\$ 1,076,178</u>	<u>\$ 1,071,493</u>
Psychological Services			
Salaries	\$ 742,400	\$ 742,400	\$ 717,239
Employee Benefits	95,099	95,099	84,715
Purchased Services	25,500	25,500	50,291
Supplies and Materials	16,000	16,000	12,679
	<u>\$ 878,999</u>	<u>\$ 878,999</u>	<u>\$ 864,924</u>
Speech Pathology and Audiology Services			
Salaries	\$ 947,000	\$ 947,000	\$ 939,574
Employee Benefits	96,478	96,478	129,997
Purchased Services	15,600	15,600	19,399
Supplies and Materials	5,000	5,000	6,537
Non-Capitalized Equipment	-	-	4,245
	<u>\$ 1,064,078</u>	<u>\$ 1,064,078</u>	<u>\$ 1,099,752</u>
Other Support Services - Pupils			
Salaries	\$ -	\$ -	\$ 800
Employee Benefits	-	-	250
Purchased Services	500	500	-
Supplies and Materials	1,000	1,000	-
	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,050</u>
Total Support Services - Pupils	<u>\$ 5,262,854</u>	<u>\$ 5,262,854</u>	<u>\$ 5,308,235</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 70,100	\$ 70,100	\$ 71,514
Employee Benefits	1,325	1,325	2,008
Purchased Services	681,878	681,878	554,132
Supplies and Materials	47,050	47,050	28,770
Non-Capitalized Equipment	2,000	2,000	-
	<u>\$ 802,353</u>	<u>\$ 802,353</u>	<u>\$ 656,424</u>
Educational Media Services			
Salaries	\$ 824,954	\$ 824,954	\$ 814,891
Employee Benefits	113,672	113,672	116,488
Purchased Services	2,000	2,000	3,443
Supplies and Materials	111,600	111,600	117,999
Non-Capitalized Equipment	1,500	1,500	-
	<u>\$ 1,053,726</u>	<u>\$ 1,053,726</u>	<u>\$ 1,052,821</u>
Assessment and Testing			
Salaries	\$ -	\$ -	\$ 2,866
Employee Benefits	5	5	33
Purchased Services	68,000	68,000	84,348
Supplies and Materials	60,600	60,600	22,304
Non-Capitalized Equipment	5,000	5,000	8,011
	<u>\$ 133,605</u>	<u>\$ 133,605</u>	<u>\$ 117,562</u>
Total Support Services - Instructional Staff	<u>\$ 1,989,684</u>	<u>\$ 1,989,684</u>	<u>\$ 1,826,807</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
General Administration			
Board of Education Services			
Purchased Services	\$ 239,000	\$ 239,000	\$ 342,291
Supplies and Materials	7,000	7,000	481
Other Objects	20,500	20,500	8,054
	<u>\$ 266,500</u>	<u>\$ 266,500</u>	<u>\$ 350,826</u>
Executive Administration Services			
Salaries	\$ 278,641	\$ 278,641	\$ 280,368
Employee Benefits	64,720	64,720	67,359
Purchased Services	16,500	16,500	20,930
Supplies and Materials	1,750	1,750	2,004
Other Objects	5,000	5,000	3,184
Termination Benefits	-	-	5,779
	<u>\$ 366,611</u>	<u>\$ 366,611</u>	<u>\$ 379,624</u>
Special Area Administration Services			
Salaries	\$ 447,216	\$ 447,216	\$ 451,753
Employee Benefits	132,250	132,250	136,778
Purchased Services	15,500	15,500	29,875
Supplies and Materials	12,000	12,000	7,237
Other Objects	25,000	25,000	4,788
Non-Capitalized Equipment	1,200	1,200	-
	<u>\$ 633,166</u>	<u>\$ 633,166</u>	<u>\$ 630,431</u>
Tort Immunity Services			
Purchased Services	\$ 544,000	\$ 544,000	\$ 518,453
Other Objects	50,000	50,000	51,520
	<u>\$ 594,000</u>	<u>\$ 594,000</u>	<u>\$ 569,973</u>
Total Support Services - General Administration	<u>\$ 1,860,277</u>	<u>\$ 1,860,277</u>	<u>\$ 1,930,854</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 3,331,316	\$ 3,331,316	\$ 3,335,924
Employee Benefits	1,076,142	1,076,142	1,077,612
Purchased Services	4,600	4,600	3,835
Supplies and Materials	22,056	22,056	22,070
Other Objects	16,680	16,680	15,380
Non-Capitalized Equipment	4,000	4,000	-
Termination Benefits	11,297	11,297	26,123
	<u>\$ 4,466,091</u>	<u>\$ 4,466,091</u>	<u>\$ 4,480,944</u>
Total Support Services - School Administration	<u>\$ 4,466,091</u>	<u>\$ 4,466,091</u>	<u>\$ 4,480,944</u>
Business			
Direction of Business Support Services			
Salaries	\$ 201,898	\$ 201,898	\$ 201,898
Employee Benefits	52,648	52,648	52,587
Purchased Services	11,000	11,000	289
Supplies and Materials	400	400	95
Other Objects	2,500	2,500	1,764
	<u>\$ 268,446</u>	<u>\$ 268,446</u>	<u>\$ 256,633</u>
Fiscal Services			
Salaries	\$ 246,174	\$ 246,174	\$ 251,109
Employee Benefits	56,135	56,135	55,671
Purchased Services	170,750	170,750	85,702
Supplies and Materials	35,000	35,000	10,420
Other Objects	7,000	7,000	2,405
Non-Capitalized Equipment	40,000	40,000	1,340
	<u>\$ 555,059</u>	<u>\$ 555,059</u>	<u>\$ 406,647</u>

See Accompanying Independent Auditor's Report



LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Business (Continued)			
Internal Services			
Purchased Services	\$ 3,000	\$ 3,000	\$ 7,197
	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 7,197</u>
Total Support Services - Business	<u>\$ 826,505</u>	<u>\$ 826,505</u>	<u>\$ 670,477</u>
Operations and Maintenance			
Purchased Services	\$ 225,000	\$ 225,000	\$ 205,649
	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 205,649</u>
Total Support Services - Operations and Maintenance	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 205,649</u>
Transportation			
Purchased Services	\$ 6,200	\$ 6,200	\$ 1,610
Total Support Services - Transportation	<u>\$ 6,200</u>	<u>\$ 6,200</u>	<u>\$ 1,610</u>
Food Services			
Purchased Services	\$ 1,728,000	\$ 1,728,000	\$ 1,639,907
Supplies and Materials	22,500	22,500	14,855
Other Objects	38,000	38,000	40,788
Non-Capitalized Equipment	5,000	5,000	3,025
Total Support Services - Food Services	<u>\$ 1,793,500</u>	<u>\$ 1,793,500</u>	<u>\$ 1,698,575</u>
Central			
Planning, Research, Development and Evaluation Services			
Salaries	\$ 1,395,500	\$ 1,395,500	\$ 1,407,789
Employee Benefits	327,200	327,200	313,154
Purchased Services	41,500	41,500	37,532
Supplies and Materials	500	500	469
Other Objects	1,500	1,500	464
	<u>\$ 1,766,200</u>	<u>\$ 1,766,200</u>	<u>\$ 1,759,408</u>
Information Services			
Salaries	\$ 160,470	\$ 160,470	\$ 160,480
Employee Benefits	36,420	36,420	36,240
Purchased Services	123,500	123,500	66,206
Supplies and Materials	21,500	21,500	25,208
Other Objects	750	750	330
Non-Capitalized Equipment	4,000	4,000	24,863
	<u>\$ 346,640</u>	<u>\$ 346,640</u>	<u>\$ 313,327</u>
Staff Services			
Salaries	\$ 385,277	\$ 385,277	\$ 402,198
Employee Benefits	133,276	133,276	104,888
Purchased Services	155,500	155,500	136,480
Supplies and Materials	6,500	6,500	5,403
Other Objects	6,500	6,500	438
	<u>\$ 687,053</u>	<u>\$ 687,053</u>	<u>\$ 649,407</u>
Data Processing Services			
Salaries	\$ 1,143,666	\$ 1,143,666	\$ 1,073,364
Employee Benefits	142,490	142,490	133,782
Purchased Services	689,000	689,000	586,263
Supplies and Materials	659,000	659,000	784,072
Other Objects	2,000	2,000	1,264
Non-Capitalized Equipment	1,195,830	1,195,830	1,112,389
Termination Benefits	12,000	12,000	4,187
	<u>\$ 3,843,986</u>	<u>\$ 3,843,986</u>	<u>\$ 3,695,321</u>
Total Support Services - Central	<u>\$ 6,643,879</u>	<u>\$ 6,643,879</u>	<u>\$ 6,417,463</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Other Support Services			
Salaries	\$ 29,432	\$ 29,432	\$ 35,778
Purchased Services	139,344	139,344	138,844
Total Other Support Services	<u>\$ 168,776</u>	<u>\$ 168,776</u>	<u>\$ 174,622</u>
Total Support Services	<u>\$ 23,242,766</u>	<u>\$ 23,242,766</u>	<u>\$ 22,715,236</u>
Community Services			
Salaries	\$ 80,706	\$ 80,706	\$ 54,837
Employee Benefits	3,727	3,727	3,103
Purchased Services	9,297	9,297	6,652
Supplies and Materials	19,171	19,171	14,898
Other Objects	1,500	1,500	1,200
Total Community Services	<u>\$ 114,401</u>	<u>\$ 114,401</u>	<u>\$ 80,690</u>
Payments to Other Districts and Governmental Units			
Payments to Other Districts and Governmental Units-Tuition (In-State)			
Payments for Regular Programs			
Other Objects	\$ 262,000	\$ 262,000	\$ 224,849
Payments for Special Education Programs			
Other Objects	667,000	667,000	335,085
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 929,000</u>	<u>\$ 929,000</u>	<u>\$ 559,934</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 929,000</u>	<u>\$ 929,000</u>	<u>\$ 559,934</u>
Capital Outlay			
Instruction			
Regular Programs	\$ 10,000	\$ 10,000	\$ 17,942
Other Instructional Programs	-	-	30,982
Support Services			
Food Services	40,000	40,000	1,202
Central	305,000	305,000	1,082,671
Total Capital Outlay	<u>\$ 355,000</u>	<u>\$ 355,000</u>	<u>\$ 1,132,797</u>
On-Behalf Payments	<u>\$ 31,217,000</u>	<u>\$ 31,217,000</u>	<u>\$ 30,729,743</u>
Total Expenditures	<u>\$ 102,290,673</u>	<u>\$ 102,290,683</u>	<u>\$ 101,511,082</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (2,958,495)</u>	<u>\$ (2,958,505)</u>	<u>\$ 3,853,010</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ (402,736)	\$ (402,736)	\$ (398,977)
Principal on Bonds Sold	-	-	747,727
	<u>\$ (402,736)</u>	<u>\$ (402,736)</u>	<u>\$ 348,750</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,361,231)</u>	<u>\$ (3,361,241)</u>	<u>\$ 4,201,760</u>
FUND BALANCE - JULY 1, 2018			<u>45,105,163</u>
FUND BALANCE - JUNE 30, 2019			<u>\$ 49,306,923</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL FUND - WORKING CASH FUND  
 YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 152,289	\$ 152,289	\$ 197,458
Earnings on Investments	26,000	26,000	63,568
Total Revenues	<u>\$ 178,289</u>	<u>\$ 178,289</u>	<u>\$ 261,026</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 178,289	\$ 178,289	\$ 261,026
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 178,289</u>	<u>\$ 178,289</u>	\$ 261,026
FUND BALANCE - JULY 1, 2018			<u>2,976,356</u>
FUND BALANCE - JUNE 30, 2019			<u>\$ 3,237,382</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
DEBT SERVICES FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 7,510,540	\$ 7,510,540	\$ 7,999,460
Earnings on Investments	95,000	95,000	104,322
Total Revenues	<u>\$ 7,605,540</u>	<u>\$ 7,605,540</u>	<u>\$ 8,103,782</u>
EXPENDITURES			
Debt Services			
Interest			
Other Objects	\$ 4,391,306	\$ 4,391,306	\$ 4,499,311
Total Debt Services - Interest	<u>\$ 4,391,306</u>	<u>\$ 4,391,306</u>	<u>\$ 4,499,311</u>
Debt Services - Payment of Principal on Long-Term Debt			
Other Objects	\$ 3,959,920	\$ 3,959,920	\$ 4,642,278
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 3,959,920</u>	<u>\$ 3,959,920</u>	<u>\$ 4,642,278</u>
Debt Services - Other			
Purchased Services	\$ 2,250	2,250	\$ 425
Other Objects	-	946,163	349,216
Total Debt Services - Other	<u>\$ 2,250</u>	<u>\$ 948,413</u>	<u>\$ 349,641</u>
Total Debt Services	<u>\$ 8,353,476</u>	<u>\$ 9,299,639</u>	<u>\$ 9,491,230</u>
Total Expenditures	<u>\$ 8,353,476</u>	<u>\$ 9,299,639</u>	<u>\$ 9,491,230</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (747,936)</u>	<u>\$ (1,694,099)</u>	<u>\$ (1,387,448)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ 302,736	\$ 292,736	\$ 1,113,362
Principal on Bonds Sold	-	946,163	939,216
	<u>\$ 302,736</u>	<u>\$ 1,238,899</u>	<u>\$ 2,052,578</u>
NET CHANGE IN FUND BALANCE	<u>\$ (445,200)</u>	<u>\$ (455,200)</u>	\$ 665,130
FUND BALANCE - JULY 1, 2018			<u>7,199,971</u>
FUND BALANCE - JUNE 30, 2019			<u>\$ 7,865,101</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Earnings on Investments	\$ 20,000	\$ 20,000	\$ 122,887
Other Local Sources	40,000	40,000	90,912
Total Revenues	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 213,799</u>
EXPENDITURES			
Support Services			
Facilities Acquisition and Construction			
Purchased Services	\$ -	\$ 2,766,500	\$ 2,783,072
Supplies and Materials	-	36,000	134,134
Total Support Services - Facilities Acquisition and Construction	<u>\$ -</u>	<u>\$ 2,802,500</u>	<u>\$ 2,917,206</u>
Total Support Services	<u>\$ -</u>	<u>\$ 2,802,500</u>	<u>\$ 2,917,206</u>
Capital Outlay			
Support Services			
Facilities Acquisition and Construction	\$ 3,100,000	\$ 3,404,256	\$ 4,695,759
Total Capital Outlay	<u>\$ 3,100,000</u>	<u>\$ 3,404,256</u>	<u>\$ 4,695,759</u>
Total Expenditures	<u>\$ 3,100,000</u>	<u>\$ 6,206,756</u>	<u>\$ 7,612,965</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (3,040,000)</u>	<u>\$ (6,146,756)</u>	<u>\$ (7,399,166)</u>
OTHER FINANCING SOURCES (USES)			
Principal on Bonds Sold	\$ 25,000,000	\$ 35,810,000	\$ 35,810,785
Premium on Bonds Sold	-	4,419,130	4,419,130
Other Uses Not Classified Elsewhere	-	-	(220,799)
	<u>\$ 25,000,000</u>	<u>40,229,130</u>	<u>40,009,116</u>
NET CHANGE IN FUND BALANCE	<u>\$ 21,960,000</u>	<u>\$ 34,082,374</u>	\$ 32,609,950
FUND BALANCE - JULY 1, 2018			<u>4,642,042</u>
FUND BALANCE - JUNE 30, 2019			<u>\$ 37,251,992</u>

See Accompanying Independent Auditor's Report

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

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
<b>A S S E T S</b>				
Cash and Cash Equivalents	<u>\$ 85,429</u>	<u>\$ 197,932</u>	<u>\$ 164,033</u>	<u>\$ 119,328</u>
<b>L I A B I L I T I E S</b>				
Amount Due to Activity Lake Zurich High School	<u>\$ 85,429</u>	<u>\$ 197,932</u>	<u>\$ 164,033</u>	<u>\$ 119,328</u>

See Accompanying Independent Auditor's Report

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
COMPUTATION OF OPERATING EXPENSE PER PUPIL AND  
PER CAPITA TUITION CHARGE  
YEAR ENDED JUNE 30, 2019

<b>OPERATING EXPENSE PER PUPIL</b>		
<b>EXPENDITURES:</b>		
ED	Total Expenditures	\$ 70,781,339
O&M	Total Expenditures	7,746,675
DS	Total Expenditures	9,491,230
TR	Total Expenditures	3,597,341
MR/SS	Total Expenditures	1,920,474
	<b>Total Expenditures</b>	<b>\$ 93,537,059</b>
<b>LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:</b>		
ED	Special Education Programs Pre-K	\$ 356,765
ED	Summer School Programs	467,543
ED	Special Education Programs K-12 - Private Tuition	2,622,539
ED	Community Services	80,690
ED	Total Payments to Other District & Govt Units	559,934
ED	Capital Outlay	1,132,797
ED	Non-Capitalized Equipment	1,204,835
O&M	Capital Outlay	1,567,076
O&M	Non-Capitalized Equipment	20,022
DS	Debt Service - Payments of Principal on Long-Term Debt	4,642,278
TR	Capital Outlay	16,695
MR/SS	Pre-K Programs	13,375
MR/SS	Special Education Programs - Pre-K	18,949
MR/SS	Summer School Programs	13,371
MR/SS	Community Services	4,581
	<b>Total Deductions</b>	<b>\$ 12,721,450</b>
	<b>Total Operating Expenses (Regular K-12)</b>	<b>\$ 80,815,609</b>
	<b>9 Month ADA from District Average Daily Attendance/Prior General State Aid Inquiry 2018-2019</b>	<b>5,151.00</b>
	<b>Estimated OEPP</b>	<b>\$ 15,689.30</b>

<b>PER CAPITA TUITION CHARGE</b>		
<b>LESS OFFSETTING RECEIPTS/REVENUES:</b>		
TR	Regular -Transp Fees from Pupils or Parents (In State)	\$ 20,400
TR	Regular - Transp Fees from Co-curricular Activities (In State)	60,411
ED	Total Food Service	1,651,546
ED-O&M	Total District/School Activity Income	1,444,014
ED	Sales - Regular Textbooks	656
ED	Other (Describe & Itemize)	134,422
ED-O&M	Rentals	299,481
ED	Other Local Fees (Describe & Itemize)	66,592
ED-O&M-TR	Total Special Education	911,789
ED-O&M-MR/SS	Total Career and Technical Education	14,773
ED	State Free Lunch & Breakfast	3,304
ED-O&M	Driver Education	37,777
ED-O&M-TR-MR/SS	Total Transportation	1,645,705
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources	28,115
ED-MR/SS	Total Food Service	181,634
ED-O&M-TR-MR/SS	Total Title I	295,968
ED-O&M-TR-MR/SS	Total Title IV	5,091
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through	981,309
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Room & Board	368,869
ED-O&M-MR/SS	Total CTE - Perkins	15,432
ED-TR-MR/SS	Title III - Language Inst Program - Limited Eng (LIPLEP)	72,329
ED-O&M-TR-MR/SS	Title II - Teacher Quality	90,562
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach	61,215
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program	302,572
ED-TR-MR/SS	<b>Special Education Contributions from EBF Funds</b>	<b>1,708,880</b>
ED-MR/SS	<b>English Learning (Bilingual) Contributions from EBF Funds</b>	<b>73,022</b>
	<b>Total Allowance for PCTC Computation</b>	<b>\$ 10,475,868</b>
	<b>Net Operating Expense for PCTC Computation</b>	<b>\$ 70,339,741</b>
	<b>Total Depreciation Allowance (from page 27, Col I)</b>	<b>\$ 4,529,101</b>
	<b>Total Allowance for PCTC Computation</b>	<b>\$ 74,868,842</b>
	<b>9 Mo ADA (See the General State Aid Claim for 2016-2017 and Payable in 2017-2018 (ISBE 54-33, L12)</b>	<b>5,151.00</b>
	<b>Total Estimated PCTC</b>	<b>\$ 14,534.82</b>

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



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 <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Year 7/1/18-6/30/19 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)-(F)-(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients				
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.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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)

<sup>4</sup> 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 <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients (G)			
U.S. Department of Education Passed Through 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	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	2,634,672		
U.S. Department of Education Passed Through								0		
Illinois State Board of Education:								0		
Title III - Lang Inst Prog - Limited English LUPLEP	84-365	18-4909-00	32,057	24,113	32,057		24,113	56,170	64,910	
Title III - Lang Inst Prog - Limited English LUPLEP	84-365	19-4909-00		48,216			48,216	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 <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Year 7/1/18-6/30/19 Pass through to Subrecipients	Year 7/1/17-6/30/18 Pass through to Subrecipients	Year 7/1/17-6/30/18 (E)	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)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients								
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	
U.S. Department of Health and Human Services Passed Through Illinois Dept of Healthcare & 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	
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 differ 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.

LAKE ZURICH COMMUNITY UNIT SCHOOL DISTRICT NO. 95  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

- 1) Summary of auditor's results:
  - a) The auditor's report expresses an unmodified opinion 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 an 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.

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

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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1. FINDING NUMBER:<sup>11</sup>      2019 N/A      2. THIS FINDING IS:       New       Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

---

3. Criteria or specific requirement

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4. Condition

---

5. Context<sup>12</sup>

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6. Effect

---

7. Cause

---

8. Recommendation

---

9. Management's response<sup>13</sup>

**For ISBE Review**

Date: \_\_\_\_\_ Resolution Criteria Code Number \_\_\_\_\_  
Initials: \_\_\_\_\_ Disposition of Questioned Costs Code Letter \_\_\_\_\_

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<sup>11</sup> 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.).

<sup>12</sup> 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.

<sup>13</sup> 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**

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**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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1. FINDING NUMBER:<sup>14</sup>      **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)

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9. Condition<sup>15</sup>

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10. Questioned Costs<sup>16</sup>

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11. Context<sup>17</sup>

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12. Effect

---

13. Cause

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14. Recommendation

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15. Management's response<sup>18</sup>

<b>For ISBE Review</b>			
Date:	_____	Resolution Criteria Code Number	_____
Initials:	_____	Disposition of Questioned Costs Code Letter	_____

<sup>14</sup> See footnote 11.  
<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).  
<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).  
<sup>17</sup> See footnote 12.  
<sup>18</sup> 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<sup>19</sup>**  
**Year Ending June 30, 2019**

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status<sup>20</sup></u>
NONE		

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

<sup>19</sup> Explanation of this schedule - Title 2 CFR §200.511 (b)

<sup>20</sup> 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.