

**WEST AURORA SCHOOL DISTRICT 129**

**FINANCIAL STATEMENTS**

June 30, 2019

(With Independent Auditor's Report Therein)

WEST AURORA SCHOOL DISTRICT 129

FINANCIAL STATEMENTS

June 30, 2019

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WEST AURORA SCHOOL DISTRICT 129

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
West Aurora School District 129  
Aurora, 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 West Aurora School District 129 (the District), 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 the District, as of June 30, 2019, and the respective changes in financial position 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, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedules of Employer Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of the District's Proportionate Share of the Net OPEB Liability and Budgetary Comparison Schedule as 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.

### *Supplementary 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 other supplementary 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 other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is 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 November 15, 2019 on our consideration of the District'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 the District's internal control over financial reporting and compliance.

*Crowe LLP*  
Crowe LLP

Oak Brook, Illinois  
November 15, 2019

# **West Aurora School District 129**

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

### **For the Year Ended June 30, 2019**

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The discussion and analysis of West Aurora School District 129'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. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

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

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- 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, deferred inflows, deferred outflows and liabilities, 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 government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

# **West Aurora School District 129**

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

### **For the Year Ended June 30, 2019**

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#### *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 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 school district'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 government'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 7 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, Bond & Interest, Transportation, IMRF & Social Security, Site and Construction and Health and Life Safety funds. Of these funds the following have been determined to be major: General, Operations and Maintenance, Bond and Interest, Transportation and Site and Construction. The General Fund includes the Education Account, Working Cash Account and Tort Account.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

# West Aurora School District 129

## Management's Discussion and Analysis

### For the Year Ended June 30, 2019

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#### *Notes to the financial statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### *Other information*

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

#### **District-Wide Financial Analysis**

<b>Table 1</b>			
<b>Condensed Statement of Net Position</b>			
	<u>2019</u>	<u>2018</u>	<u>% Chg.</u>
Current & Other Assets	\$ 133,287,681	\$ 131,715,414	1.19%
Capital Assets	<u>172,780,279</u>	<u>168,571,017</u>	2.50%
<b>Total Assets</b>	<b><u>306,067,960</u></b>	<b><u>300,286,431</u></b>	1.93%
<b>Deferred Outflows of Resources</b>	<b><u>12,849,385</u></b>	<b><u>8,960,393</u></b>	43.40%
Long-Term Debt Outstanding	261,320,611	279,232,268	-6.41%
Other Liabilities	<u>16,390,056</u>	<u>21,140,025</u>	-22.47%
<b>Total Liabilities</b>	<b><u>277,710,667</u></b>	<b><u>300,372,293</u></b>	-7.54%
<b>Deferred Inflows of Resources</b>	<b><u>77,559,484</u></b>	<b><u>65,500,950</u></b>	18.41%
Net Position:			
Investment in Capital Assets	41,671,354	47,711,945	-12.66%
Restricted	10,271,123	7,986,446	28.61%
Unrestricted	<u>(88,295,283)</u>	<u>(112,324,810)</u>	21.39%
<b>Total Net Position</b>	<b>\$ (36,352,806)</b>	<b>\$ (56,626,419)</b>	<b>-35.80%</b>



# West Aurora School District 129

## Management's Discussion and Analysis

### For the Year Ended June 30, 2019

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**Table 2**  
**Changes in Net Position**  
**Government-Wide**

	<u>2019</u>	<u>2018</u>	<u>% Chg.</u>
<b>Revenues:</b>			
<i>Program Revenues</i>			
Charges for Services	\$ 2,306,595	\$ 2,184,879	5.57%
Operating Grants & Contributions	86,819,304	92,008,611	-5.64%
Capital Grants & Contributions	-	-	N/A
<i>General Revenues</i>			
Property Taxes	95,551,863	92,340,283	3.48%
State Aid - Formula Grants	57,054,848	51,900,088	9.93%
Other	4,137,715	3,957,221	4.56%
<b>Total Revenues</b>	<b><u>245,870,325</u></b>	<b><u>242,391,082</u></b>	1.44%
<b>Expenses:</b>			
Instruction	88,318,613	91,672,147	-3.66%
Pupil & Support Services	22,820,491	22,559,547	1.16%
Administration & Business	23,268,346	23,106,738	0.70%
Transportation	8,607,369	8,400,693	2.46%
Operations & Maintenance	11,346,717	10,975,372	3.38%
Other	71,235,176	76,791,467	-7.24%
<b>Total Expenses</b>	<b><u>225,596,712</u></b>	<b><u>233,505,964</u></b>	-3.39%
<b>Increase (Decrease) in Net Position</b>	<b>\$ 20,273,613</b>	<b>\$ 8,885,118</b>	<b>128.17%</b>

# West Aurora School District 129

## Management's Discussion and Analysis

### For the Year Ended June 30, 2019

**Table 3**  
**FY 19 Operating Revenue & Expenditures vs. Prior Year**  
**Fund Level**

	<u>FY 19</u>	<u>FY 18</u>	<u>Variance Inc/(Dec)</u>	<u>% Chg. Inc/(Dec)</u>
<b>Revenues:</b>				
General – Educational	\$ 140,134,521	\$ 135,963,759	\$ 4,170,762	3.07%
General – Working Cash	-	-	-	N/A
Operation & Maintenance	15,657,898	12,826,506	2,831,392	22.07%
Debt Service	15,852,361	15,215,866	636,495	4.18%
Transportation	10,389,820	8,651,430	1,738,390	20.09%
IMRF / Soc. Sec.	4,424,417	4,117,401	307,016	7.46%
Site & Construction	373,111	766,640	(393,529)	-51.33%
Tort/Liability	3,028	729,907	(726,879)	-99.59%
Fire Prevention & Safety Fund	293	844	(551)	-65.28%
<b>Total Revenue</b>	<b>186,835,449</b>	<b>178,272,353</b>	<b>8,563,096</b>	<b>4.80%</b>
<b>Expenditures:</b>				
General – Educational	128,559,459	124,911,999	3,647,460	2.92%
General – Working Cash	-	217,347	(217,347)	N/A
Operation & Maintenance	14,922,023	11,440,545	3,481,478	30.43%
Debt Service	16,196,924	15,112,622	1,084,302	7.17%
Transportation	8,371,850	11,655,955	(3,284,105)	-28.18%
IMRF / Soc. Sec.	4,234,661	4,345,484	(110,823)	-2.55%
Site & Construction	9,003,775	10,810,914	(1,807,139)	-16.72%
Tort/Liability	129,633	668,278	(538,645)	-80.60%
Fire Prevention & Safety Fund	-	373,691	(373,691)	N/A
<b>Total Expenditures</b>	<b>181,418,325</b>	<b>179,536,835</b>	<b>1,881,490</b>	<b>1.05%</b>
<b>Revenue +/- Expenditures:</b>				
General – Educational	11,575,062	11,051,760	523,302	4.74%
General – Working Cash	-	(217,347)	217,347	N/A
Operation & Maintenance	735,875	1,385,961	(650,086)	-46.91%
Debt Service	(344,563)	103,244	(447,807)	-433.74%
Transportation	2,017,970	(3,004,525)	5,022,495	-167.16%
IMRF / Soc. Sec.	189,756	(228,083)	417,839	-183.20%
Site & Construction	(8,630,664)	(10,044,274)	1,413,610	-14.07%
Tort/Liability	(126,605)	61,629	(188,234)	-305.43%
Health & Life Safety	293	(372,847)	373,140	-100.08%
<b>Total Revenue +/- Expenditures</b>	<b>\$ 5,417,124</b>	<b>\$ (1,264,482)</b>	<b>\$ 6,681,606</b>	<b>-528.41%</b>

# **West Aurora School District 129**

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

### **For the Year Ended June 30, 2019**

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

General Fund - Educational Account – The total revenues for the General Fund Educational Account increased 3.0% while expenditures increased 2.92%.

42.1% of the General Fund Educational Account revenue is received by the state (excluding on-behalf payments). This fiscal year, the District's state funding increased by approximately \$1.1 million. The increase is primarily due to the District's increase in general state aid funding.

The increase in expenditures is primarily to an increase in salaries. Instruction expenditures increased by \$4 million in FY19.

General Fund - Working Cash Account – The District did not have activity in FY19 in the working cash account.

Operations & Maintenance Fund – The District saw an increase of \$3.5 million in direct expenditures in FY19 for projects at Jewel Middle School and West Aurora High School. Successfully passing an \$84.2M referendum in April 2015 has allowed the District to address many of our significant capital needs.

Bond and Interest Fund - The Bond and Interest Fund is supported by property tax levies established with the creation of the bond resolution which the Board of Education passed to issue bonds. The resolutions are filed with the County Clerk's Office, who has the responsibility to extend the proper amount.

Transportation Fund – The District's expenditures decreased \$3.2 million in FY19 due to new bus leases being entered in to in FY19. Transportation Directors continued their cost-savings work by combining routes, eliminating low-ridership bus stops and providing more services with District drivers.

IMRF/Social Security - The funding source for the IMRF/Social Security Fund is primarily the property tax levy, which funds retirement and Social Security taxes for employees.

# West Aurora School District 129

## Management's Discussion and Analysis

### For the Year Ended June 30, 2019

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Site and Construction - The Site and Construction Fund expenditures decreased by \$1.8 million in FY19 as the District is beginning to wrap up the capital projects approved by the 2015 referendum.

Fire Prevention and Safety Fund – Expenditures remained constant in FY19.

#### Capital Asset and Debt Administration

**Table 4**  
**Capital Assets (Net of Depreciation)**

	<u>2019</u>	<u>2018</u>	<u>% Chg.</u>
Land	\$ 11,292,685	\$ 8,505,180	32.77%
Construction In Progress	16,425,151	7,487,139	119.38%
Building / Land Improvements	133,086,666	144,496,568	-7.90%
Equipment & Furniture	11,975,777	8,082,130	48.18%
<b>Total</b>	<b>\$ 172,780,279</b>	<b>\$ 168,571,017</b>	<b>2.50%</b>

**Table 5**  
**Outstanding Long-Term Debt**

	<u>2019</u>	<u>2018</u>	<u>%Chg.</u>
General Obligation Bonds, net of premiums and discounts	\$ 119,160,963	\$ 130,002,655	-8.34%
QZA, QEC, and QSC Bonds	22,833,000	22,833,000	
Capital leases	5,316,476	6,847,751	
Other liabilities	114,010,172	119,598,865	-4.67%
<b>Total</b>	<b>\$ 261,320,611</b>	<b>\$ 279,282,271</b>	<b>-6.43%</b>

#### *Capital Assets*

The Board of Education has determined the capital asset threshold to be \$5,000. See Note 5 in the financial statements for additional information on capital assets.

#### *Long-term debt*

Long Term Debt – Normal principal and interest payments were made. The District issued of \$9,110,000 of General Obligation Refunding Bonds in FY19. See Note 6 in the financial statements for additional information.

# West Aurora School District 129

## Management's Discussion and Analysis

### For the Year Ended June 30, 2019

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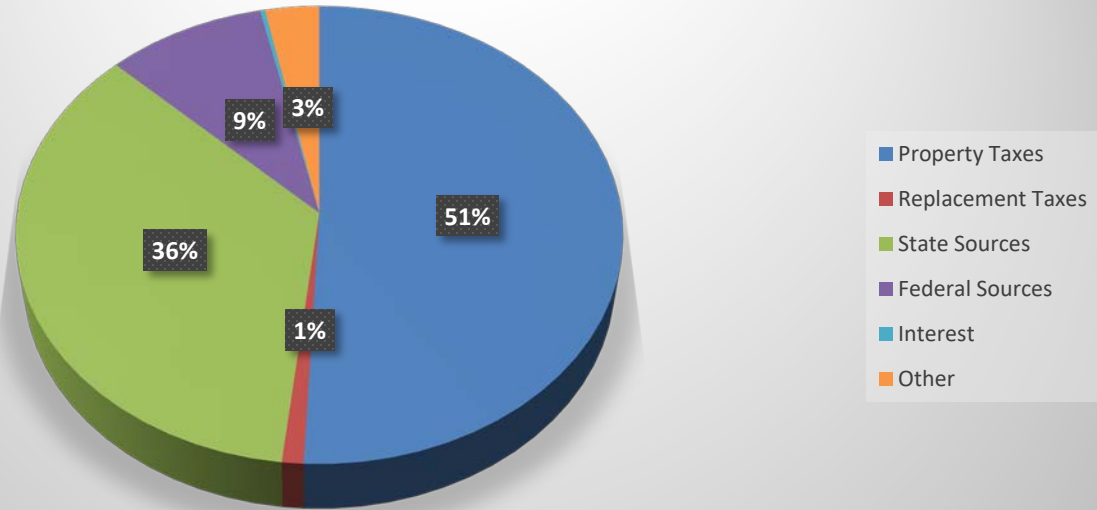
#### Budgetary Highlights

The Table below shows the districts operating funds budget versus actual. These funds are linked by their continued support from the District's property tax levy.

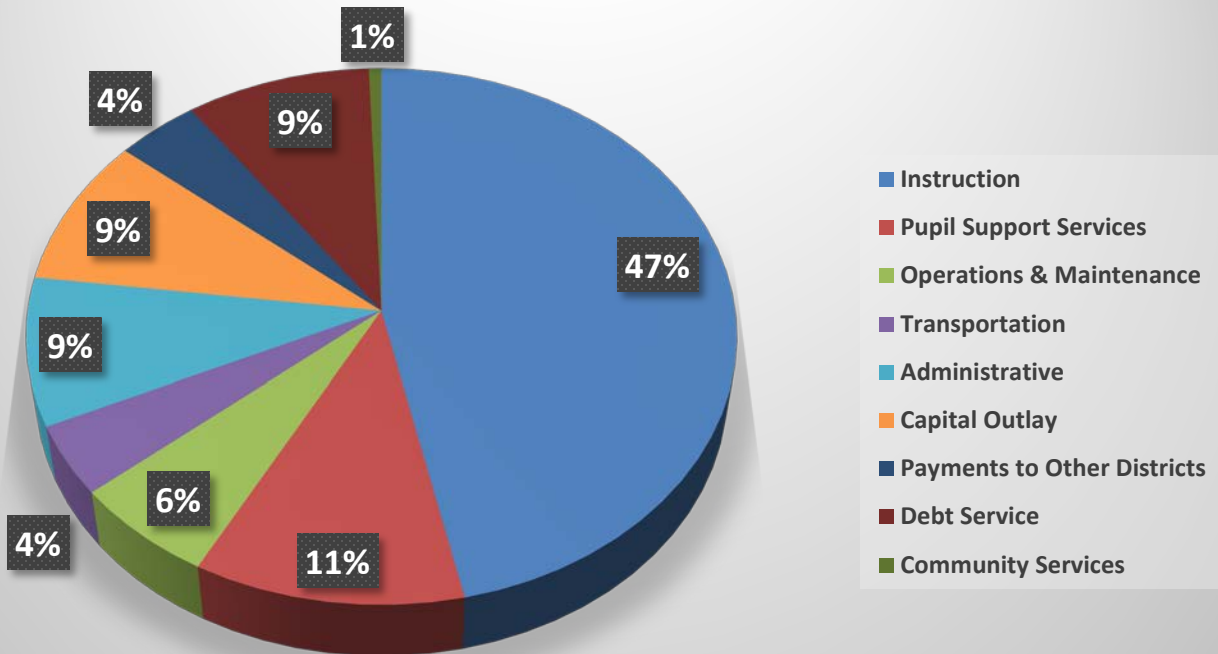
<b>Table 6</b>			
<b>FY 19 Operating Revenue &amp; Expenditures vs. Budget</b>			
	<u><b>Budget</b></u>	<u><b>Actual</b></u>	<u><b>Inc/(Dec)</b></u>
<b>Revenues:</b>			
General – Educational	\$ 130,540,513	\$ 140,134,521	\$ 9,594,008
General – Working Cash	-	-	-
Operation & Maintenance	14,671,000	15,657,898	986,898
Transportation	8,600,000	10,389,820	1,789,820
IMRF / Soc. Sec.	4,154,760	4,117,401	(37,359)
Site & Construction	50,000	373,111	323,111
Tort / Liability	-	3,028	3,028
<b>Total</b>	<u><b>158,016,273</b></u>	<u><b>170,675,779</b></u>	<u><b>12,659,506</b></u>
<b>Expenditures:</b>			
General – Educational	130,646,671	128,559,459	2,087,212
General – Working Cash	-	-	-
Operation & Maintenance	13,461,275	14,922,023	(1,460,748)
Transportation	8,535,041	8,371,850	163,191
IMRF / Soc. Sec.	3,951,243	4,345,484	(394,241)
Site & Construction	12,227,950	8,956,529	3,271,421
Tort / Liability	-	129,633	(129,633)
<b>Total</b>	<u><b>168,822,180</b></u>	<u><b>165,284,978</b></u>	<u><b>3,537,202</b></u>
<b>Total Revenue +/- Expenditures</b>	<b>\$ (10,805,907)</b>	<b>\$ 5,390,801</b>	<b>\$ 16,196,708</b>

**West Aurora School District 129  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**Revenues by Source - Operating Funds**



**Expenditures by Function - Operating Funds**



# **West Aurora School District 129**

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

### **For the Year Ended June 30, 2019**

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The District is subject to the Property Tax Extension Limitation Law (PTELL), which limits the current year tax extension increase to the Consumer Price Index for all urban goods (CPI-U) or 5% whichever is lower, plus new construction. The tax levies for Education, Operations and Maintenance, and Special Education are limited by a maximum rate per fund. The District does not levy in the Working Cash Fund at this time, though it has the legal ability to do so.

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

The District continues to receive significant support from the surrounding community, which was instrumental in passing an \$84.2M referendum for capital projects in April 2015. The District continues to be concerned with and is monitoring the proration and timeliness of state and federal funding. The other factors that may have a significant future impact on the District's finances are a possible freeze on property tax revenue and a change in the school funding formula.

#### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, 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 Finance Department: West Aurora School District 129, 1877 W. Downer Place, Aurora IL 60506, or at (630) 301-5000 fax (630) 844-5710.

Statement of Net Position  
June 30, 2019

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
Assets	
Cash	\$ 12,419,053
Investments	47,401,482
Restricted cash - insurance	299,551
Restricted investments - insurance	4,364,280
Restricted investments - debt service	270,000
Receivables (net of allowance for uncollectibles):	
Property Taxes	54,394,469
Intergovernmental	14,138,846
Capital Assets:	
Capital assets not being depreciated	27,717,836
Capital assets being depreciated, net	<u>145,062,443</u>
Total Assets	<u>306,067,960</u>
Deferred Outflows of Resources	
Pensions	9,377,143
OPEB	3,170,657
Unamortized refunding loss	<u>301,585</u>
Total Deferred Outflows of Resources	<u>12,849,385</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
Liabilities	
Accounts Payable	2,600,881
Salaries and Wages Payable	10,394,587
Claims Payable	940,997
Unearned Revenue	55,920
Other Current Liabilities	159,156
Interest Payable	2,238,515
Long-Term Liabilities:	
Long-term obligations, due within one year	13,832,058
Long-term obligations, due in more than one year	<u>247,488,553</u>
Total Liabilities	<u>277,710,667</u>
Deferred Inflows of Resources	
Pensions	13,255,172
OPEB	17,120,489
Unearned Property Taxes	<u>47,183,823</u>
Total Deferred Inflows of Resources	<u>77,559,484</u>
Net Position	
Net Investment in Capital Assets	41,671,354
Restricted for:	
Debt Service	7,603,917
Transportation	2,628,741
IMRF	23,561
Fire Prevention and Safety	14,904
Unrestricted	<u>(88,295,283)</u>
Total Net Position	<u>\$ (36,352,806)</u>



Statement of Activities  
Year Ended June 30, 2019

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Operating Grants, Contributions and Related Interest Income	Capital Grants and Contributions	
					Governmental Activities
<b>Governmental activities:</b>					
Instruction:					
Regular Programs	\$ 52,737,368	\$ 883,292	\$ 2,106,850	\$ -	\$ (49,747,226)
Special Programs	19,179,833	389,928	7,042,665	-	(11,747,240)
Other Instructional Programs	16,401,412	-	2,557,506	-	(13,843,906)
Support Services:					
Pupils	10,349,508	-	-	-	(10,349,508)
Instructional Staff	5,951,474	-	2,926,456	-	(3,025,018)
General Administration	1,150,012	-	-	-	(1,150,012)
School Administration	6,425,214	-	-	-	(6,425,214)
Business	15,693,120	723,119	5,218,756	-	(9,751,245)
Transportation	8,607,369	-	6,428,611	-	(2,178,758)
Operations and Maintenance	11,346,717	310,256	-	-	(11,036,461)
Central	5,208,731	-	-	-	(5,208,731)
Other Supporting Services	130,763	-	-	-	(130,763)
Community Services	1,180,015	-	302,171	-	(877,844)
Payments to Other Districts & Govt. Units	6,047,235	-	-	-	(6,047,235)
On Behalf Contributions	60,236,289	-	60,236,289	-	-
Interest on debt	4,951,652	-	-	-	(4,951,652)
<b>Total Governmental Activities</b>	<b>\$ 225,596,712</b>	<b>\$ 2,306,595</b>	<b>\$ 86,819,304</b>	<b>\$ -</b>	<b>(136,470,813)</b>
<b>General revenues:</b>					
Taxes:					
					70,437,210
					8,972,748
					14,045,736
					2,096,169
					57,054,848
					1,147,166
					2,990,549
<b>Total General Revenues</b>					<b>156,744,426</b>
<b>Change in Net Position</b>					<b>20,273,613</b>
<b>Net Position, Beginning of the Year</b>					<b>(56,626,419)</b>
<b>Net Position, End of the Year</b>					<b>\$ (36,352,806)</b>

Governmental Funds  
Balance Sheet  
June 30, 2019

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Operations and Maintenance Fund	Debt Service Fund	Transportation Fund	Site and Construction		
<b>ASSETS</b>							
Cash	\$ 3,701,568	\$ 759,197	\$ 1,806,788	\$ 464,026	\$ 5,118,591	\$ 836,341	\$ 12,686,511
Investments	40,819,174	1,188,547	6,699,861	1,403,657	-	14,904	50,126,143
Restricted cash - insurance	299,551	-	-	-	-	-	299,551
Restricted investments - insurance	4,364,280	-	-	-	-	-	4,364,280
Restricted investments - debt service	-	-	270,000	-	-	-	270,000
Receivables (net of allowance for uncollectibles):							
Property Taxes	34,861,998	6,836,796	8,039,874	2,316,597	-	2,339,204	54,394,469
Intergovernmental	7,950,036	676,489	-	5,512,321	-	-	14,138,846
<b>Total Assets</b>	<b>\$ 91,996,607</b>	<b>\$ 9,461,029</b>	<b>\$ 16,816,523</b>	<b>\$ 9,696,601</b>	<b>\$ 5,118,591</b>	<b>\$ 3,190,449</b>	<b>\$ 136,279,800</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Cash Overdraft	\$ 267,458	\$ -	\$ -	\$ -	\$ 1,601,791	\$ 1,122,870	\$ 2,992,119
Accounts Payable	1,179,770	909,992	-	109,181	401,938	-	2,600,881
Salaries and Wages Payable	9,979,861	-	-	414,726	-	-	10,394,587
Claims Payable	940,997	-	-	-	-	-	940,997
Unearned Revenue	55,920	-	-	-	-	-	55,920
Other Current Liabilities	159,156	-	-	-	-	-	159,156
<b>Total Liabilities</b>	<b>12,583,162</b>	<b>909,992</b>	<b>-</b>	<b>523,907</b>	<b>2,003,729</b>	<b>1,122,870</b>	<b>17,143,660</b>
<b>Deferred Inflows of Resources:</b>							
Unearned Property Taxes	30,240,618	5,930,496	6,974,091	2,009,504	-	2,029,114	47,183,823
Unavailable Grant Revenues	2,129,122	390,328	-	4,534,449	-	-	7,053,899
<b>Total Deferred Inflows of Resources</b>	<b>32,369,740</b>	<b>6,320,824</b>	<b>6,974,091</b>	<b>6,543,953</b>	<b>-</b>	<b>2,029,114</b>	<b>54,237,722</b>
<b>Fund Balances:</b>							
<b>Restricted</b>							
IMRF	-	-	-	-	-	23,561	23,561
Debt Service	-	-	9,842,432	-	-	-	9,842,432
QZAB Repayment	-	2,695,597	-	-	-	-	2,695,597
Transportation	-	-	-	2,628,741	-	-	2,628,741
Life Safety Construction Projects	-	-	-	-	-	14,904	14,904
<b>Assigned</b>							
Insurance	3,722,834	-	-	-	-	-	3,722,834
District Construction Projects	-	-	-	-	3,114,862	-	3,114,862
Unassigned	43,320,871	(465,384)	-	-	-	-	42,855,487
<b>Total Fund Balances</b>	<b>47,043,705</b>	<b>2,230,213</b>	<b>9,842,432</b>	<b>2,628,741</b>	<b>3,114,862</b>	<b>38,465</b>	<b>64,898,418</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 91,996,607</b>	<b>\$ 9,461,029</b>	<b>\$ 16,816,523</b>	<b>\$ 9,696,601</b>	<b>\$ 5,118,591</b>	<b>\$ 3,190,449</b>	<b>\$ 136,279,800</b>

Reconciliation of Governmental Funds Balance Sheet  
To Statement of Net Position  
June 30, 2019

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Total Fund Balances - Governmental Funds		\$ 64,898,418
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
Capital Assets	\$ 235,691,117	
Accumulated Depreciation	<u>(62,910,838)</u>	
Net Capital Assets		172,780,279
<p>Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :</p>		
Long Term liabilities payable	(261,320,611)	
Interest Payable	<u>(2,238,515)</u>	
Total Long-term liabilities		(263,559,126)
<p>When refunding bonds are issued, any refunding loss or gain is recognized in the government-wide statements and amortized.</p>		
		301,585
<p>Certain items related to pension and OPEB measurements are deferred and recognized in future periods:</p>		
Deferred Outflows of Resources - Pension	9,377,143	
Deferred Outflows of Resources - OPEB	3,170,657	
Deferred Inflows of Resources - Pension	(13,255,172)	
Deferred Inflows of Resources - OPEB	<u>(17,120,489)</u>	
		(17,827,861)
<p>Some of the state revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds:</p>		
State Revenues unavailable in funds		<u>7,053,899</u>
Net Position of Governmental Activities		<u>\$ (36,352,806)</u>

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Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2019

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Operations and Maintenance Fund	Debt Service Fund	Transportation Fund	Site and Construction		
<b>Revenues</b>							
Property Taxes	\$ 59,782,765	\$ 11,636,413	\$ 14,045,736	\$ 3,985,597	\$ -	\$ 4,005,183	\$ 93,455,694
Replacement Taxes	1,676,935	-	-	-	-	419,234	2,096,169
State Sources	58,993,657	3,000,000	-	6,344,056	-	-	68,337,713
Federal Sources	16,501,563	-	-	-	-	-	16,501,563
Interest	628,361	-	13,084	-	373,111	293	1,014,849
Other	2,554,268	1,021,485	1,793,541	60,167	-	-	5,429,461
On-behalf Payments from State	8,687,240	-	-	-	-	-	8,687,240
<b>Total Revenues</b>	<b>148,824,789</b>	<b>15,657,898</b>	<b>15,852,361</b>	<b>10,389,820</b>	<b>373,111</b>	<b>4,424,710</b>	<b>195,522,689</b>
<b>Expenditures</b>							
Current:							
Instruction:							
Regular Programs	52,190,325	-	-	-	-	821,219	53,011,544
Special Programs	17,954,419	-	-	-	-	667,726	18,622,145
Other Instructional Programs	15,689,292	-	-	-	-	239,762	15,929,054
Support Services:							
Pupils	9,592,305	6,064	-	-	-	331,020	9,929,389
Instructional Staff	5,621,252	-	-	-	-	81,683	5,702,935
General Administration	1,093,997	-	-	-	-	38,947	1,132,944
School Administration	5,933,446	-	-	-	-	242,545	6,175,991
Business	5,726,038	1,676,419	-	-	1,153,847	142,640	8,698,944
Transportation	6,968	-	-	7,259,309	-	532,676	7,798,953
Operations and Maintenance	773,918	9,710,053	-	-	-	760,915	11,244,886
Central	4,708,278	-	-	-	-	281,117	4,989,395
Other Supporting Services	123,142	-	-	-	39,151	7,171	169,464
Community Services	1,078,423	-	-	-	-	87,240	1,165,663
Payments to Other Districts & Govt. Units	7,044,930	-	-	-	-	-	7,044,930
On-behalf Payments made by State	8,687,240	-	-	-	-	-	8,687,240
Capital Outlay	608,962	3,529,487	-	-	7,809,172	-	11,947,621
Debt Service - Interest and Charges	57,384	-	6,121,629	62,246	1,605	-	6,242,864
Debt Service - Principal	486,013	-	9,965,000	1,050,295	-	-	11,501,308
Debt Service - Payment to Escrow	-	-	110,295	-	-	-	110,295
<b>Total Expenditures</b>	<b>137,376,332</b>	<b>14,922,023</b>	<b>16,196,924</b>	<b>8,371,850</b>	<b>9,003,775</b>	<b>4,234,661</b>	<b>190,105,565</b>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>11,448,457</u>	<u>735,875</u>	<u>(344,563)</u>	<u>2,017,970</u>	<u>(8,630,664)</u>	<u>190,049</u>	<u>5,417,124</u>
Other Financing Sources (Uses)							
Bond Proceeds	-	-	9,110,000	-	-	-	9,110,000
Bond Premium	-	-	388,591	-	-	-	388,591
Payment to Bond Escrow	-	-	(9,362,238)	-	-	-	(9,362,238)
<b>Total Other Financing Sources and Uses</b>	<b>-</b>	<b>-</b>	<b>136,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,353</b>
<b>Net Change in Fund Balances</b>	<b>11,448,457</b>	<b>735,875</b>	<b>(208,210)</b>	<b>2,017,970</b>	<b>(8,630,664)</b>	<b>190,049</b>	<b>5,553,477</b>
<b>Fund Balances at Beginning of Year</b>	<b>35,595,248</b>	<b>1,494,338</b>	<b>10,050,642</b>	<b>610,771</b>	<b>11,745,526</b>	<b>(151,584)</b>	<b>59,344,941</b>
<b>Fund Balances at End of Year</b>	<b>\$ 47,043,705</b>	<b>\$ 2,230,213</b>	<b>\$ 9,842,432</b>	<b>\$ 2,628,741</b>	<b>\$ 3,114,862</b>	<b>\$ 38,465</b>	<b>\$ 64,898,418</b>

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund  
Balances of Governmental Funds to Statement of Activities  
Year Ended June 30, 2019

Net Change in Total Fund Balances	\$	5,553,477
Amounts reported for governmental activities in the Statement of Activities are different because:		
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds.		
The change from fiscal year 2018 to 2019 consists of:		(1,201,413)
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital Outlay	\$ 11,243,584	
Depreciation	<u>(7,034,322)</u>	
Capital Outlay in excess of depreciation		4,209,262
Repayment of principal and accreted interest payable on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond principal retirement	9,772,467	
Capital leases	1,531,272	
Payment to Bond Escrow	<u>9,472,533</u>	
Total retirement of debt		20,776,272
Issuance of bonds are reported as other financing sources on the government funds, however, they are recorded as a liability on the government-wide statements		
Bond Proceeds	(9,110,000)	
Bond Premium	<u>(388,591)</u>	
Total issuance of debt		(9,498,591)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Change in long-term compensated absences	10,775	
Change in net OPEB liability	183,919	
Change in deferred outflows for OPEB	97,327	
Change in deferred inflows for OPEB	(4,546,307)	
Change in net pension liability	4,396,304	
Change in deferred outflows for pensions	3,799,230	
Change in deferred inflows for pensions	(5,993,118)	
Change in accrued interest on debt	451,063	
Amortization of loss amount on refunding	(7,565)	
Amortization of bond premiums	1,051,222	
Amortization of bond discounts	<u>(5,939)</u>	
Total expenses of non-current resources		(563,089)
A liability that is due to the Illinois State Board of Education for adjustments to the District's claims claims for special education and transportation was incurred during the fiscal year. This liability will be repaid in equal installments beginning in fiscal year 2018. As such, a long term liability was recorded as the government-wide financial statement level.		
		<u>997,695</u>
Change in Net Position of Governmental Activities	\$	<u>20,273,613</u>

Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2019

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	Agency Funds		
	Student Activity Funds	Hope Wall	Total
<b>ASSETS</b>			
Cash	\$ 712,729	\$ -	\$ 712,729
Investments	-	1,185,546	1,185,546
<b>Total Assets</b>	\$ 712,729	\$ 1,185,546	\$ 1,898,275
<b>LIABILITIES</b>			
<b>Liabilities</b>			
Cash Overdraft	\$ -	\$ 22,248	\$ 22,248
Accounts Payable	-	16,424	16,424
Salary and Wages Payable	-	603,228	603,228
Amount due from other Districts	-	543,646	543,646
Due to Student Groups	712,729	-	712,729
<b>Total Liabilities</b>	\$ 712,729	\$ 1,185,546	\$ 1,898,275

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of West Aurora School District 129 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

Reporting Entity: The District is a public school system governed by an elected board. As required by GAAP, these financial statements present the District (the primary government) and, if applicable, its component units. The definition of a component unit is a legally separate organization for which the District is financially accountable and the other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the component unit's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the District. The District may also be financially accountable if the component unit is fiscally dependent on the District, regardless of whether the component unit has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. There are no component units included in the District's reporting entity.

Also, the District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

Basis of Presentation: The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. The government-wide statements report the financial information of the District, except for fiduciary activities. The effect of interfund activity has been removed from these statements. The governmental activities column reports activities that are normally supported by taxes and intergovernmental revenues.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues, which are not classified as program revenues, such as property taxes and general state aid, are presented as general revenues of the District.

Fund Financial Statements – The accounts of the District in the governmental fund financial statements are organized and operated on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, net outflows, liabilities, net inflows, reserves, fund balance, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. The economic resources measurement focus means all assets, deferred inflows, deferred outflows and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The District has reported three categories of program revenues in the statement of activities: (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the District's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Governmental funds are used to account for the District's general government activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available." "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Also, on-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System and the Teachers' Health Insurance Security Fund) have been recognized in the financial statements.

Revenues considered to be susceptible to accrual include property taxes, replacement taxes, certain state and federal aid, and interest income. Amounts have been recognized as receivables for these revenue sources. All other revenue items are considered to be measurable and available when cash is received by the District and are recognized as revenue at that time.

Unearned revenue is reported on the governmental fund balance sheet. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria. Unearned revenues also arise when resources are received prior to the government having a legal claim to them. In a subsequent period, when both recognition criteria are met or when the government has a legal claim to the resources, the liability is removed and the revenue recognized.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which arises only under the accrual basis of accounting that qualifies for reporting in this category. The first item, unearned property taxes, is reported in the statement of net position. These amounts are deferred and organized as an inflow of resources in the period that the amounts become available. The District also reports deferred inflows of

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(Continued)



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

resources for pension-related reporting due to the related inflows of pension related resources not being considered earned, which is also reported in the statement of net position. Finally, the District reports deferred inflows of resources for OPEB-related reporting due to the related inflows of OPEB related resources not being considered earned, which is also reported in the statement of net position.

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The District has three items which arises only under the accrual basis of accounting that qualifies for reporting in this category. The first item is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also reports deferred outflows of resources for pension-related reporting due to the related outflows of pension related resources not being considered incurred, which is also reported in the statement of net position. Finally, the District reports deferred outflows of resources for OPEB-related reporting due to the related outflows of OPEB related resources not being considered incurred, which is also reported in the statement of net position.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental information, (due mainly to the inclusion of capital asset and long-term debt activity in the District-wide presentation) a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental information of the government-wide presentation.

Fund Details: The District reports the following major governmental funds:

- 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. It consists of three accounts. The Education account is used for most of the instructional and administrative aspects of the District's operations. The revenue consists primarily of state government aid and local property taxes. The Working Cash account is for all financial resources held by the District for making temporary interfund loans to the Education Account and Transportation Fund as needed. The Tort account is for all financial resources held for settling tort-related expenditures.
- Operations and Maintenance Fund – The fund is used for expenditures made for repair and maintenance of District property. Revenue consists primarily of local property taxes.
- Debt Service Fund – This fund accounts for the periodic principal and interest payments on the bond issues of the District. The primary revenue source is local property taxes levied specifically for debt service.
- Transportation Fund – This fund accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.
- Site and Construction Fund – This fund accounts for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities, with the primary resource being proceeds from capital construction bonds.

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition to the major governmental funds mentioned above, the District uses the following governmental fund types:

- Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Funds, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes. The District's IMRF/Social Security Fund is presented as a Special Revenue Fund.
- Capital Projects Fund – The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities. The District's Fire Prevention and Safety Fund is presented as a Capital Projects Fund.

Fiduciary Funds (Trust and Agency Funds) – Fiduciary Funds (Trust and Agency Funds) are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. A brief description of the District's Fiduciary Fund is as follows:

- Agency Funds – The Agency Funds include Student Activity Funds and Hope Wall cash accounts. These funds are custodial in nature and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for the Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. The cash account for Hope Wall is included due to the funds being held in the District's name.

Restricted Resources Policy: When expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the District's policy to apply restricted resources first and then unassigned resources as needed.

Assets, Liabilities, Deferred Inflows and Deferred Outflows and Net Position or Equity:

Deposits and Investments – State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool (Illinois Funds). Investments are stated at fair value, except for the Illinois Funds. The Illinois Funds is an external investment pool administered by the Illinois State Treasurer that is recorded at amortized cost. Changes in fair value of investments are recorded as investment income.

Receivables and Payables – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year, if any, are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans.) All other outstanding balances between funds are reported as "due to/from other funds." These amounts are eliminated in the governmental activities column in the statement of net position.

Property Tax Revenues – The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2018 levy ordinance was approved during the December 10, 2018 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District has a statutory tax rate limit in various operating funds subject to change only by approval of the voters of the District. Also, the District is subject to the Property Tax Extension Limitation Act, which in general limits the increase in the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

the year, preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation.

Property taxes are collected by the Kane County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on June 1 and the second due on the later of September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2018 property tax levy is recorded as a receivable, net of estimated uncollectible amounts approximating 1%. The District considers that 50% of the 2018 levy is to be used to finance operations in fiscal 2019. The District has determined that 50% of the 2018 levy is to be used to finance operations in fiscal 2020 and has deferred the corresponding receivable.

Personal Property Replacement Taxes – Personal property replacement taxes are first allocated to funds where taxes were automatically abated by the county clerk and to the Municipal Retirement/Social Security Fund, with the balance allocated to the remaining funds at the discretion of the District.

Capital Assets – Capital assets, which include land, land improvements, buildings, building improvements, vehicles, machinery, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Depreciation of capital assets is provided using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	25 - 125 years
Building improvements	12 - 50 years
Machinery and equipment	5 - 50 years

The District does not depreciate land or construction in progress.

Compensated Absences – Employees who work a 12-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. A limit of 40 days may be carried over into the next year. The entire compensated absences liability is reported on the government-wide financial statements.

Due to the nature of the policies on sick leave and the fact that any liability can be transferred to TRS for service credit, no liability is provided in the financial statements for accumulated unpaid sick leave.

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 amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year the bonds are issued.

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 expenditures.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the Teachers' Retirement System (TRS or the System) and additions to/deductions from TRS' plan net position has been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

Other Postemployment Benefits - For purposes of measuring the District's other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Illinois Department of Central Management Services Teachers' Health Insurance Security Fund (THIS) and additions to/deductions from THIS plan's net position has been determined on the same basis as they are reported by the THIS plan. For this purpose, the THIS plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Restricted Net Position – For the government-wide financial statements, net position is reported as restricted when constraints placed on net position use are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Eliminations and Reclassifications – In the process of aggregating data for the government-wide financial statements, amounts reported as interfund activity and balances were eliminated or reclassified.

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates – Management of the District has made certain estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

**NOTE 2 – FUND BALANCES**

The components of fund balance include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact. As of June 30, 2019, the District does not have any nonspendable fund balance.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation
- c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the District, the Board of Education is the highest level of decision making. In order to commit fund balance for a specific purpose, the Board of Education must pass a resolution specifying the commitment. As of June 30, 2019, the District does not have any commitments of fund balance.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Education designated for that purpose. The intended use is established by an official designated for that purpose. The Superintendent and the Chief Financial Officer have been designated by the Board of Education for this purpose.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, negative fund balance in the other funds is reported as unassigned.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the District will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the District will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

It is the goal of the District to maintain a year-end fund balance of a minimum of five percent (5%), reaching ten percent (10%) within three (3) years, of the annual expenditures in each fund.

As of the year ended June 30, 2019, the following funds had deficit fund balances:

General Fund – Tort Account	\$ (115,535)
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The District anticipates transfers of unrestricted resources as allowed by applicable statute to recover these deficits.

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

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**NOTE 3 – INTERFUNDS AND TRANSFERS**

As of June 30, 2019, there were no interfund balances. As of June 30, 2019, there were no transfers made during the fiscal year between funds within the District.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Cash in the Custody of the District: The carrying amount of cash was \$13,409,085 at June 30, 2019, while the bank balances were \$13,499,022. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. government or purchased through a commercial insurance company.

Investments under the Custody of the Treasurer: The District participates in the Bloom Township School Treasurer’s (BTST) cash and investment pool. BTST is a non-rated, external investment pool. The investment in the pool is carried on the Joint Agreement books at cost determined on a first-in, first-out basis. The Treasurer maintains records that segregate the cash and investment balances by District. Earnings on investments, including gains and losses on sales of investments, are allocated monthly based upon the District’s percentage participating in the cash and investment pool. No entity is permitted to borrow from another entity through deficit spending within the Treasurer’s cash and investment pool.

Investing is performed in accordance with investment policies adopted by the BTST complying with the Illinois Compiled Statutes. Overall credit ratings are not applicable for the cash and investment pool as a whole. Financial information, fair value and investment risk disclosures regarding the cash and investment pool’s underlying investments may be obtained directly from BTST at 3311 Chicago Road, South Chicago Heights, IL 60411. At June 30, 2019, the fair value of all pooled cash and investments held by BTST was \$436,973,675 and the amount of cash and investments allocated to the District on a cost basis was \$52,951,308. Additionally, there is sinking fund deposit investment of \$270,000 as of June 30, 2019.

Reconciliation:

	<u>Notes</u>	
Cash – book value of District deposits – per note above		\$ 13,409,085
Investments – per note above		53,221,308
Total		<u>\$ 66,630,393</u>
	<u>Financial Statements</u>	
Cash per statement of net position		\$ 12,419,053
Investments per statement of net position		47,401,482
Restricted cash per statement of net position		299,551
Restricted investments per statement of net position		4,634,280
Cash per statement of fiduciary assets and liabilities		712,729
Investments per statement of fiduciary assets and liabilities		1,185,546
Cash overdraft per statement of fiduciary assets and liabilities		<u>(22,248)</u>
Total		<u>\$ 66,630,393</u>

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

**NOTE 5 - CAPITAL ASSETS**

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

	Balance July 1, 2018	Additions	Deletions	Reclass	Balance June 30, 2019
Capital assets not being depreciated:					
Land	\$ 8,505,180	\$ -	\$ -	\$ 2,787,505	\$ 11,292,685
Construction in progress	7,487,139	10,308,948	(1,370,936)	-	16,425,151
Total capital assets not being depreciated	<u>15,992,319</u>	<u>10,308,948</u>	<u>(1,370,936)</u>	<u>2,787,505</u>	<u>27,717,836</u>
Capital assets being depreciated:					
Buildings	195,335,133	1,370,936	-	(29,958,669)	166,747,400
Land Improvements	21,819,979	-	-	1,870,991	23,690,970
Machinery and equipment	18,973,243	934,636	-	(2,372,968)	17,534,911
Total capital assets being depreciated, gross	<u>236,128,355</u>	<u>2,305,572</u>	<u>-</u>	<u>(30,460,646)</u>	<u>207,973,281</u>
Accumulated depreciation:					
Buildings	69,512,928	4,148,242	-	(21,528,963)	52,132,207
Land Improvements	3,145,616	460,662	-	1,613,219	5,219,497
Machinery and equipment	10,891,113	2,425,418	-	(7,757,397)	5,559,134
Total accumulated depreciation	<u>83,549,657</u>	<u>7,034,322</u>	<u>-</u>	<u>(27,673,141)</u>	<u>62,910,838</u>
Capital assets being depreciated, net of depreciation	<u>152,578,698</u>	<u>(4,728,750)</u>	<u>-</u>	<u>(2,787,505)</u>	<u>145,062,443</u>
Total governmental activities, capital assets, net of depreciation	<u>\$ 168,571,017</u>	<u>\$ 5,580,198</u>	<u>\$ (1,370,936)</u>	<u>\$ -</u>	<u>\$ 172,780,279</u>

Depreciation expense was charged to the functions of the District as follows:

<u>Governmental Activities</u>	
Regular Programs	\$ 40,850
Special Ed Programs	2,109
Other Instruction	40,936
Pupil Support Services	705
Instructional Staff	420
Business Services	5,913,935
Operations and Maintenance	59,934
Transportation	772,930
Central	202,503
Total depreciation expense	<u>\$ 7,034,322</u>

(Continued)

WEST AURORA SCHOOL DISTRICT 129  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

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**NOTE 6 - LONG-TERM OBLIGATIONS**

General Obligation Bonds – General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Working Cash - 2010	4.00% - 4.13%	\$ 430,000
Refunding - 2010A	3.10% - 3.55%	6,980,000
Refunding - 2014A	2.75% - 3.00%	3,560,000
Refunding - 2014B	2.00%	2,555,000
Refunding - 2015	5.00%	22,290,000
School - 2015C	2.00% - 5.00%	19,090,000
School - 2016	4.25%	26,470,000
School - 2016A	2.00% - 4.00%	6,530,000
School - 2017A	2.70% - 4.00%	6,040,000
School - 2017B	2.25% - 5.00%	9,570,000
Refunding - 2018	3.05% - 4.00%	9,110,000
		<u>\$ 112,625,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30	General Obligation Bonds with scheduled interest payments		Total Debt Service
	Principal	Interest	
2020	\$ 10,125,000	\$ 4,628,835	\$ 14,753,835
2021	10,550,000	4,200,534	14,750,534
2022	10,895,000	3,854,953	14,749,953
2023	10,295,000	3,387,353	13,682,353
2024	9,730,000	2,949,575	12,679,575
2025-2029	34,560,000	9,111,700	43,671,700
2030-2034	-	5,624,875	5,624,875
2035-2036	26,470,000	2,249,950	28,719,950
Total	<u>\$ 112,625,000</u>	<u>\$ 36,007,775</u>	<u>\$ 148,632,775</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 13.80% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$229,956,077, providing a remaining debt margin of \$117,331,077.

In 2004, the District entered into another lease/financing agreement with the Illinois Development Finance Authority for \$790,000 to pay the costs of improving the District's facilities. The District received proceeds in the amount of \$785,500 and deposited them in the Site and Construction Fund. The proceeds were received net of issuance costs of \$4,500.

In 2005, the District entered into another lease/financing agreement with the Illinois Development Finance Authority for \$2,000,000 to pay the costs of improving the District's facilities. The District received proceeds in the amount of \$2,000,000 and deposited them in the Site and Construction Fund.

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(Continued)



WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 6 - LONG-TERM OBLIGATIONS** (Continued)

Qualified Energy Conservation Bonds – In 2016, the District issued \$4,865,000 of Qualified Energy Conservation Bonds to pay the costs of improving certain District facilities. The District received proceeds in the amount of \$4,776,839 and deposited them in the Site and Construction Fund.

Qualified Zone Academy Bonds – In 2016, the District issued \$3,338,000 of Qualified Zone Academy Bonds to pay the costs of improving certain District facilities. The District received proceeds in the amount of \$3,278,554 and deposited them in the Site and Construction Fund.

Qualified School Construction Bonds – In 2017, the District issued \$11,840,000 of Qualified Zone Academy Bonds to pay the costs of improving certain District facilities. The District received proceeds in the amount of \$11,791,838 and deposited them in the Site and Construction Fund.

The annual debt service requirements for the above agreements are as follows:

Fiscal Year Ending June 30	QZAB and QECB Bonds with scheduled interest payments		Total Debt Service
	Principal	Interest	
2020	\$ 790,000	\$ 756,114	\$ 1,546,114
2021	-	756,114	756,114
2022	2,000,000	756,114	2,756,114
2023	-	756,114	756,114
2024	459,000	756,114	1,215,114
2025-2029	7,249,000	3,129,170	10,378,170
2030-2034	495,000	2,498,508	2,993,508
2035-2039	-	2,492,320	2,492,320
2040-2042	11,840,000	1,495,392	13,335,392
<b>Total</b>	<b>\$ 22,833,000</b>	<b>\$ 13,395,960</b>	<b>\$ 20,401,248</b>

Capital Leases – The District has entered into various lease agreements as lessee for financing the acquisition of technology equipment and school buses. The lease agreements qualify as capital leases for accounting purposes; therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2019, \$8,715,857 of capital assets was acquired through capital leases. The total accumulated depreciation on these assets is \$3,399,383 leaving a net book value of \$5,316,474. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Capital Leases with scheduled interest payments		Total Debt Service
	Principal	Interest	
2020	\$ 1,919,363	\$ 211,062	\$ 2,130,425
2021	2,855,571	138,677	2,994,248
2022	498,405	19,851	518,256
2023	17,181	1,970	19,151
2024	25,956	1,185	27,141
<b>Total</b>	<b>\$ 5,316,476</b>	<b>\$ 372,745</b>	<b>\$ 5,689,221</b>

(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

**NOTE 6 - LONG-TERM OBLIGATIONS** (Continued)

General Obligation Refunding Bonds, Series 2018:

Net proceeds of \$9,362,238 from the bond issue and \$110,295 from District funds were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the 2010 bonds then outstanding are considered to be defeased and the related liability has been removed from the statement of net position. This reduced debt service payments by \$452,904 and resulted in an economic gain (Difference between the present values of the debt service payments on the old and new debt) of \$386,442.

The following is a schedule of changes in long-term debt for the year ended June 30, 2019:

	Balances June 30, 2018	Additions	Reductions	Balances June 30, 2019	Principal Due Within 1 Year
Bonds payable:					
General obligation bonds	\$ 122,810,000	\$ 9,110,000	\$(19,295,000)	\$ 112,625,000	\$ 10,125,000
Less unamortized charges:					
Unamortized discount	(17,201)	-	5,939	(11,262)	-
Unamortized premium	7,209,856	388,591	(1,051,222)	6,547,225	-
Total bonds payable	130,002,655	9,498,591	(20,340,283)	119,160,963	10,125,000
Capital leases	6,847,751	-	(1,531,274)	5,316,476	1,919,363
Qualified Zone Academy Bonds	6,128,000	-	-	6,128,000	790,000
Qualified Energy Conservation Bond	4,865,000	-	-	4,865,000	-
Qualified School Construction Bonds	11,840,000	-	-	11,840,000	-
Other liabilities:					
Due to Illinois State Board of Education	1,995,390	-	(997,695)	997,695	997,695
Net Pension Liability - IMRF	3,809,493	10,454,533	(603,398)	13,660,628	-
Net Pension Liabilities - TRS	22,708,429	421,369	(14,668,808)	8,460,990	-
Net OPEB Liability - THIS	87,432,543	4,035,107	(5,041,556)	86,426,094	-
Net OPEB Liability - District Plan	3,167,015	822,530	-	3,989,545	-
Compensated Absences	485,995	-	(10,775)	475,220	-
Total long-term liabilities	<u>\$ 279,282,271</u>	<u>\$ 25,232,130</u>	<u>\$(43,193,789)</u>	<u>\$ 261,320,611</u>	<u>\$ 13,832,058</u>

The obligations for the capital leases will be repaid from the fund where the proceeds were issued. The general obligation bonds and the qualified zone academy bonds will be repaid from the Debt Service Fund.

**NOTE 7 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation claims. These risks for general liability, workers' compensation, and other coverages besides medical are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years. There were no significant reductions in insurance coverage from the prior year.

(Continued)

WEST AURORA SCHOOL DISTRICT 129  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

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**NOTE 7 - RISK MANAGEMENT** (Continued)

The District is a member of the Collective Liability Insurance Cooperative (CLIC). CLIC insures all of the District's general liability claims up to \$1,000,000 per occurrence or \$3,000,000 of annual aggregate loss. The District also has excess liability coverage for any claims exceeding these amounts up to an annual aggregate of \$35,000,000.

The District has purchased workers' compensation and employers' liability insurance through CLIC, which handles claims up to \$1,000,000 per occurrence. The District was self-insured for medical coverage that is provided to District personnel. Expenditures are recorded as incurred in the form of direct contributions from the District to the provider for payment of employee health claims and administration fees. The District's liability will not exceed \$150,000 per employee as provided by stop-loss provisions incorporated in the plan.

At June 30, 2019, total unpaid claims, including an estimate for claims that have been incurred but not reported (IBNR) to the administrative agent, amount to \$699,364. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2018 and 2019, changes in the liability reported in the Education Fund for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payable Beginning of Year	Claims Payable Beginning of Year
Fiscal Year 2018	\$ 933,071	\$ 11,325,354	\$ 11,559,061	\$ 699,364
Fiscal Year 2019	699,364	11,699,195	11,457,562	940,997

**NOTE 8 - JOINT AGREEMENTS**

The District is a member of the Hope Wall Joint Agreement that provides certain special education services to residents of East Aurora Community Unit School District 131 and West Aurora Community Unit School District 129. Each District owns one-half of the land and one-half of all real property that the services take place on. West Aurora serves as the administrative District for all components of Hope Wall. Both Districts approve the plan and budget for Hope Wall. The operating and capital costs of the building are shared equally (50%) between the Districts and the program costs are allocated between the two Districts based on the average daily enrollment. It is also a member of the risk management pool listed above. For further detailed information on the assets, liabilities, revenues and expenditures of Hope Wall, please see the separately issued financial statements. A copy of these financial statements can be obtained by contacting the District office.

**NOTE 9 – ILLINOIS STATE BOARD OF EDUCATION LIABILITY**

The District has been notified of a liability of \$2,993,085 due to an inaccurate general state aid claim from prior years. This claim was reviewed and accepted by both District management and the Illinois State Board of Education. The District began to repay this liability beginning in the year ended June 30, 2018 and at June 30, 2019 the remaining balance is \$997,695. Under the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the District has accrued this amount in its financial statements as a long-term liability.

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(Continued)

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS**

Illinois Municipal Retirement System

IMRF Plan Description: The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section. 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 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

Employees Covered by Benefit Terms: As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	452
Inactive Plan Members entitled to but not yet receiving benefits	632
Active Plan Members	<u>610</u>
Total	<u>1,694</u>

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS** (Continued)

Contributions: As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2018 was 10.50%. For the fiscal year ended June 30, 2019, the District contributed \$1,936,482 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: The District's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current 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 adjustment 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.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2018 IMRF annual actuarial evaluation. The investment rate of return of 7.25% is a decrease of 0.25% from the prior year of 7.50%. There were no other significant changes in assumptions. There were no benefit changes during the year. The District is not aware of any changes that have occurred subsequent to the measurement date that are expected to have a significant effect on the net pension liability.

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.

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS** (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20%-8.50%
Cash Equivalents	<u>1%</u>	2.50%
Total	<u>100%</u>	

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

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

Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was not blended with the AA rated general obligation bond index to arrive at the discount rates used to determine the total pension liability.

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%, which is a decrease of 0.25% from the prior measurement year. The last year the plan is expected to be fully funded is December 31, 2117.

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Balances at 12/31/17</b>	\$ 72,714,069	\$ 68,904,576	\$ 3,809,493
<b>Changes for the year:</b>			
Service Cost	1,805,878	-	1,805,878
Interest on the Total Pension Liability	5,362,569	-	5,362,569
Differences Between Expected and Actual Experience of the Total Pension Liability	(81,414)	-	(81,414)
Assumption Changes	2,174,125	-	2,174,125
Contributions - Employer	-	1,976,127	(1,976,127)
Contributions - Employee	-	863,294	(863,294)
Net Investment Income	-	(3,972,518)	3,972,518
Benefit Payments, including Refunds of Employee Contributions	(4,232,172)	(4,232,172)	-
Other (Net Transfer)	-	543,120	(543,120)
<b>Net Changes</b>	<u>5,028,986</u>	<u>(4,822,149)</u>	<u>9,851,135</u>
<b>Balances at 12/31/18</b>	<u>\$ 77,743,055</u>	<u>\$ 64,082,427</u>	<u>\$ 13,660,628</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the District, calculated using a Single Discount Rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Pension Liability	\$ 23,508,420	\$ 13,660,628	\$ 5,548,629

(Continued)

WEST AURORA SCHOOL DISTRICT 129  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

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**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions:  
 For the year ended June 30, 2019, the District recognized pension expense of \$2,541,848. At June 30, 2019, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 177,956	\$ 58,902
Assumption changes	1,572,940	1,193,647
Net difference between projected and actual earnings on pension plan investments	4,413,138	-
Change in proportionate share within the Village and Library	-	-
Contributions made subsequent to the measurement date	1,105,157	-
	\$ 7,269,191	\$ 1,252,549

In 2019, there was \$1,105,157 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year ending December 31:	
2019	\$ 1,509,918
2020	673,250
2021	906,617
2022	182,170
Total	\$ 4,911,485

Teachers' Retirement System

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

TRS issues a publicly available financial report that can be obtained at [www.trsil.org](http://www.trsil.org); by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675.

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(Continued)



**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019. 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 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

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

On behalf contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$7,693,001 in pension contributions from the state of Illinois.

2.2 formula contributions: Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019, were \$465,008, and are deferred because they were paid after the June 30, 2018 measurement date.

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Federal and special trust fund contributions: When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2019.

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 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$2,334,219 were paid from federal and special trust funds that required employer contributions of \$204,784. 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 District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contributions for salary increases over 3 percent 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 \$14,064 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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 were as follow:

District's proportionate share of the net pension liability	\$ 8,460,990
State's proportionate share of the net pension liability associated with the District	<u>579,613,300</u>
Total	<u>\$ 588,074,290</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 0.01086 percent, which is a decrease of 0.01887 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$2,188,138 and revenue of \$54,435,243 for support provided by the state.

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 170,049	\$ 1,845
Net difference between Projected and Actual Earnings on Pension Plan Investments		25,906
Changes of Assumptions	371,095	239,802
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	897,015	11,735,070
District Contributions Subsequent to the Measurement Date	669,792	-
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	\$ 2,107,951	\$ 12,002,623

\$669,792 reported as deferred outflows of resources related to pensions resulting from District 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:

Year ended June 30:

2020	\$ (2,484,791)
2021	(2,003,543)
2022	(2,419,807)
2023	(2,506,271)
2024	(1,150,052)
Total	\$ (10,564,464)

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 percent
Salary increases	4.00 percent to 9.00 percent, varying by service
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017, which is updated from the projection table MP-2014 used in the June 30, 2017 actuarial valuation. Salary increases increased to 4.00% to 9.00%, an increase of 0.75% to 0.25% from the salary increases used in the June 30, 2017 actuarial valuation.

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 by the target asset allocation percentage and by adding expected inflation.

(Continued)

WEST AURORA SCHOOL DISTRICT 129  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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 %	6.70
U.S. equities small/mid cap	2.0	7.90
International equities developed	13.6	7.00
Emerging market equities	3.4	9.40
U.S. bonds core	8.0	2.20
U.S. bonds high yield	4.2	4.40
International debt developed	2.2	4.40
Emerging international debt	2.6	4.50
Real estate	16.0	5.40
Commodities (real return)	4.0	1.80
Hedge funds (absolute return)	14.0	3.90
Private equity	15.0	10.20
Total	<u>100.0 %</u>	

Discount Rate: At June 30, 2018, the discount rate used to measure the total pension liability was 7.00 percent, which was unchanged from the June 30, 2017 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

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

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
\$ 10,376,605	\$ 8,460,990	\$ 6,918,344

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.

(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Below is a summary of the various pension items:

	<u>IMRF</u>	<u>TRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Employer Contributions	\$ 1,105,157	\$ 669,792	\$ 1,774,949
Experience	177,956	170,049	348,005
Assumptions	1,572,940	371,095	1,944,035
Proportionate Share	-	897,015	897,015
Investments	4,413,138	-	4,413,138
Total	<u>\$ 7,269,191</u>	<u>\$ 2,107,951</u>	<u>\$ 9,377,142</u>
Net Pension Liability	<u>\$ 13,660,628</u>	<u>\$ 8,460,990</u>	<u>\$ 22,121,618</u>
Deferred Inflows of Resources			
Experience	\$ 58,902	\$ 1,845	\$ 60,747
Assumptions	1,193,647	239,802	1,433,449
Proportionate Share	-	11,735,070	11,735,070
Investments	-	25,906	25,906
Total	<u>\$ 1,252,549</u>	<u>\$ 12,002,623</u>	<u>\$ 13,255,172</u>
Pension Expense	<u>\$ 2,541,848</u>	<u>\$ 2,188,138</u>	<u>\$ 4,729,986</u>

**NOTE 11 – OTHER POST EMPLOYMENT BENEFITS**

Teacher Health Insurance Security Fund

*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 is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. 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." Prior reports are available under "Healthcare and Family Services."

(Continued)

**NOTE 11– OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Benefits provided:* The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the CMS. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employees Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expense by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring, Springfield, Illinois, 62706.

*Contributions:* Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2019. State of Illinois contributions were \$994,239, and the District recognized revenue and expenditures of this amount during the year. The District also makes contributions to the THIS Fund, which are defined by state statute. The District's THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$738,705 to the THIS Fund, which was 100 percent of the required contribution.

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 11– OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

At June 30, 2019, the District reported a liability of \$86,426,094 for its proportionate share of the collective net OPEB liability. This liability reflects a reduction for State OPEB Support:

District’s proportionate share of the collective net OPEB liability	\$ 86,426,094
State’s proportionate share that is associated with the District	<u>116,272,568</u>
Total	<u><u>\$ 202,698,662</u></u>

The collective net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the collective 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 collective net OPEB liability was based on the District’s fiscal year 2018 contributions to the OPEB plan relative to the fiscal year 2018 contributions of all participating entities. The District’s proportion of the collective net OPEB liability for June 30, 2018 was based on the District’s fiscal year 2017 contributions to the OPEB plan relative to the fiscal year 2017 contributions of all participating entities. At June 30, 2018, the District’s proportion was 0.328044 percent, which was a decrease of 0.008889 percent from its proportion measured as of June 30, 2017 (0.336933 percent). The proportion of the State’s net OPEB liability attributable to the District was 0.770% which is decrease of 0.010% from the prior year.

For the year ended June 30, 2019, the District recognized OPEB expense of \$4,670,054. The District’s proportionate share of collective OPEB expense is recognized as an on-behalf payment as both revenue and expense in the District’s financial statements. The basis of allocation used is the actual OPEB expense for contributing Districts. As a result, the District recognized on-behalf revenue and OPEB expense of \$5,801,046.

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
Differences between expected and actual experience	\$ -	\$ 310,098
Assumption changes	-	12,585,091
Net difference between projected and actual earnings on OPEB plan investments	-	2,653
Change in proportionate and difference between District contributions and proportionate share of contributions	2,064,475	2,279,993
Contributions made subsequent to the measurement date	<u>738,705</u>	<u>-</u>
	<u><u>\$ 2,803,180</u></u>	<u><u>\$ 15,177,835</u></u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$738,705 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2020.

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

**NOTE 11– OTHER POST EMPLOYMENT BENEFITS (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense as follows:

Year ending June 30:	
2020	\$ (2,622,672)
2021	\$ (2,622,672)
2022	\$ (2,622,672)
2023	\$ (2,622,672)
2024	<u>\$ (2,622,672)</u>
Total	<u>\$ (13,113,360)</u>

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at less than 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

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

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

The following changes were made in assumptions from the previous actuarial valuation of June 30, 2014. The discount rate was changed from 3.56% at June 30, 2017 to 3.62% at June 30, 2018. The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2017, projected plan cost for plan year end June 30, 2018, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2018. The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2018. Per capita claim costs for plan year end June 30, 2018, were updated based on projected claims and enrollment experience through June 30, 2018, and updated premium rates through plan year 2019. Healthcare plan participation rates by plan were updated based on observed experience.

(Continued)



WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

**NOTE 11– OTHER POST EMPLOYMENT BENEFITS (Continued)**

*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 THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018, an increase of 0.06%.

During the Plan year ending June 30, 2018, the trust earned \$743,000 in interest and due to a significant benefit payable, the market value of assets at June 30, 2018, was a negative \$18.5 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return was set to zero.

*Sensitivity of the College's proportionate share of the collective net OPEB liability to changes in the discount rate.* The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
District's proportionate share of the collective net OPEB Liability	\$ 103,917,437	\$ 86,426,094	\$ 72,618,080

*Sensitivity of the College's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.* The following presents the College's proportionate share of the collective net OPEB liability, as well as what the College's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or lower than the current healthcare cost trend rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease <sup>(a)</sup>	Healthcare Cost Trend Rates Assumption	1% Increase <sup>(b)</sup>
District's proportionate share of the collective net OPEB Liability	\$ 70,077,527	\$ 86,426,094	\$ 108,451,426

(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

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

(Continued)

WEST AURORA SCHOOL DISTRICT 129  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

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**NOTE 11– OTHER POST EMPLOYMENT BENEFITS (Continued)**

West Aurora School District 129 Postretirement Health Plan

Plan Description: This is a single employer plan administered by the District Board, with no separate report issued. The District Board has the authority to change the plan. Non-Certified personnel who retire from the District shall be eligible to receive hospital and medical coverage at a subsidized cost. Retirement for Non-Certified personnel is defined as age 55 and 25 years of service, or age 60 and 8 years of service or combined age and service of 85. Membership in the plan as of June 30, 2019, the most recent information available, consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	349
Total	351

*Contributions:* The District follows a pay-as-you go funding policy. The District does not have a trust dedicated exclusively to the payment of OPEB benefits. This means the District pays the costs of the benefits as they become due. The costs are equal to the benefits distributed or claimed in the year. The District is not required to, and currently does not advance fund the cost of benefits that will become due and payable in the future. The plan members do not have a required contribution as determined by the District Board.

*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 the prior year using the following actuarial methods and assumptions.

Actuarial Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	N/A - no assets
Assumptions:	
Discount Rate	3.50%
Rate of Return	N/A - no assets
Payroll Increases	3.50%
Healthcare Trend Ratios	8.00% in fiscal 2018 trending to 4.00% ultimate
Mortality Rates	RP-2014 Base Rates projected to 2023 with Scale MP-2017.
Retirement Rates	5.00 % at age 55, scaling up to 100.00% at age 65.
Disability Rates	0.10% at age 25, scaling up to .20% at age 65.
Withdrawal Rates	0.30% at age 20, scaling up to .01% at age 60.
Marriage	50% of employees were assumed to have participating spouses. Females were assumed to be three years younger than males.
Participation Rate	75% of employees currently enrolled in medical plans were assumed to participate in the plan

*Assumption Changes:* The mortality table had been changed to reflect more current trends. The discount rate was changed to 3.50% as of June 30, 2019 from 3.87% as of July 1, 2018.

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(Continued)

WEST AURORA SCHOOL DISTRICT 129  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

**NOTE 11– OTHER POST EMPLOYMENT BENEFITS** (Continued)

*Discount Rate:* The discount rate used to measure the total OPEB liability was 3.50% for determining the liability. The discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds. The underlying index used is the Bond Buyer 20-Bond GO Index as of June 27, 2019.

*Changes in Total OPEB Liability:*

	2019
Balances at June 30, 2018	\$ 3,167,015
Changes for the year:	
Service cost	352,928
Interest	121,537
Actuarial experience	-
Assumptions changes	401,186
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds	(53,120)
Other Changes	-
Net changes	822,530
Balances at June 30, 2019	\$ 3,989,545

*OPEB Expense:* For the year ended June 30, 2019, the District recognized pension expense of \$337,127.

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
Differences between expected and actual non-investment experience	\$ -	\$ 221,115
Changes of assumptions	367,477	1,721,539
Total	\$ 367,477	\$ 1,942,654

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year Ended June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	\$ 33,709	\$ 171,046
2020	33,709	171,046
2021	33,709	171,046
2022	33,709	171,046
2023	33,709	171,046
Thereafter	198,931	1,087,424
Total	\$ 367,477	\$ 1,942,654

(Continued)

WEST AURORA SCHOOL DISTRICT 129  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

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**NOTE 11– OTHER POST EMPLOYMENT BENEFITS** (Continued)

*Rate Sensitivity:* The following rate sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

The table below presents the total OPEB liability of the District calculated using the discount rate of 3.50% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 2.50%	Current Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 5,260,095	\$ 3,989,545	\$ 3,064,412

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 8.0% to 4.0% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 7.00%	Current Healthcare Cost Trend Rate 8.00%	1% Increase 9.00%
Total OPEB Liability	\$ 2,952,990	\$ 3,989,545	\$ 5,454,638

Summary of OPEB items:

	Teacher Health Insurance Security Fund	West Aurora School District 129 Postretirement Health Plan	Total
Net other-post employment benefits liabilities	\$ 86,426,094	\$ 3,989,545	\$ 90,415,639
Deferred Outflows of Resources	2,803,180	367,477	3,170,657
Deferred Inflows of Resources	15,177,835	1,942,654	17,120,489
Pension expense	4,670,054	337,127	5,007,181

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(Continued)

**NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS**

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for the District's fiscal year ended June 30, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the District's fiscal year ended June 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

In August 2018, GASB issued State No. 90 *Majority Equity Interest*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization to improve the relevance of financial statement information. The requirements of this Statement is effective for the District's fiscal year ended June 30, 2020. This Statement will have no effect on the District due to no anticipated transactions occurring in the future that this would apply to.

In May 2019, GASB issued State No. 91 *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement is effective for the District's fiscal year ended June 30, 2022. Management has not determined what impact, if any, this statement will have on its financial statements.

**NOTE 13 – CONSTRUCTION COMMITMENTS**

At the end of Fiscal Year 2019, the District had the following outstanding construction commitments:

Early Childhood Center	\$	150,000
Career and Technical Education Center		575,000

**NOTE 14 – TAX ABATEMENTS**

The District entered into a property tax abatement agreement with a local business utilizing its statutory authority under the Illinois School Code. Under the Code, the District may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the District. For the fiscal year ended June 30, 2019, the District abated property taxes totaling \$64,503 under this program.

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(Continued)

Required Supplementary Information  
 Illinois Municipal Retirement Fund  
 Schedule of Changes in the Net Pension Liability and Related Ratios  
 For the Prior Five Fiscal Years

	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service Cost	\$ 1,805,878	\$ 1,933,440	\$ 1,866,825	\$ 1,683,612	\$ 1,721,246
Interest on the Total Pension Liability	5,362,569	5,299,747	4,992,375	4,687,833	4,199,033
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(81,414)	60,263	818,834	1,071,653	1,211,367
Changes of Assumptions	2,174,125	(2,406,555)	(171,680)	80,777	2,696,027
Benefit Payments, Including Refunds of Employee Contributions	(4,232,172)	(3,738,808)	(3,499,881)	(3,420,897)	(2,995,259)
Net Change in Total Pension Liability	5,028,986	1,148,087	4,006,473	4,102,978	6,832,414
Total Pension Liability - Beginning	72,714,069	71,565,982	67,559,509	63,456,531	56,624,117
Total Pension Liability - Ending	<u>\$ 77,743,055</u>	<u>\$ 72,714,069</u>	<u>\$ 71,565,982</u>	<u>\$ 67,559,509</u>	<u>\$ 63,456,531</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 1,976,127	\$ 1,987,608	\$ 1,937,011	\$ 1,843,096	\$ 1,701,149
Contributions - Employees	863,294	841,261	806,218	765,338	703,099
Net Investment Income	(3,972,518)	10,808,372	3,910,617	283,825	3,291,501
Benefit Payments, Including Refunds of Employee Contributions	(4,232,172)	(3,738,808)	(3,499,881)	(3,420,897)	(2,995,259)
Other (Net Transfer)	543,120	(1,551,025)	233,527	527,103	216,179
Net Change in Plan Fiduciary Net Position	(4,822,149)	8,347,408	3,387,492	(1,535)	2,916,669
Plan Fiduciary Net Position - Beginning	68,904,576	60,557,168	57,169,676	57,171,211	54,254,542
Plan Fiduciary Net Position - Ending	<u>\$ 64,082,427</u>	<u>\$ 68,904,576</u>	<u>\$ 60,557,168</u>	<u>\$ 57,169,676</u>	<u>\$ 57,171,211</u>
Net Pension Liability - Ending	<u>\$ 13,660,628</u>	<u>\$ 3,809,493</u>	<u>\$ 11,008,814</u>	<u>\$ 10,389,833</u>	<u>\$ 6,285,320</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.43%	94.76%	84.62%	84.62%	90.10%
Covered Valuation Payroll	\$ 18,772,947	\$ 18,263,171	\$ 17,722,051	\$ 16,689,049	\$ 15,074,778
Net Pension Liability as a Percentage of Covered Valuation Payroll	72.77%	20.86%	62.12%	62.26%	41.69%

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

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

## WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information  
 Illinois Municipal Retirement Fund  
 Schedule of Employer Contributions  
 For the Prior Ten Fiscal Years

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
6/30/2019	\$ 1,936,482	\$ 1,936,482	-	\$ 21,250,460	9.11%
6/30/2018	2,099,062	2,099,062	-	20,030,664	10.48%
6/30/2017	1,934,500	1,934,500	-	19,649,631	9.84%
6/30/2016	1,894,904	1,894,904	-	18,832,522	10.06%
6/30/2015	1,763,873	1,763,873	-	16,939,912	10.41%
6/30/2014	1,748,337	1,748,337	-	14,042,870	12.45%
6/30/2013	1,545,503	1,545,503	-	12,636,986	12.23%
6/30/2012	1,424,231	1,424,231	-	11,998,572	11.87%
6/30/2011	1,370,965	1,370,965	-	11,788,179	11.63%
6/30/2010	1,033,627	1,033,627	-	11,921,886	8.67%

**Notes to Schedule:**

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate\*

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2018 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	25-year closed period until remaining period reaches 10 years (then 10 year rolling period)
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.50%
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 rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment 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.

**Other Information:**

Notes: There were no benefit changes during the year.

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

## WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information  
 Teacher's Retirement System  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 For the Prior Five Fiscal Years

	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.0109%	0.0297%	0.0290%	0.0269%	0.0308%
District's Proportionate Share of the Net Pension Liability	\$ 8,460,990	\$ 22,708,429	\$ 22,859,142	\$ 17,623,553	\$ 18,742,787
State's Proportionate Share of the Net Pension Liability associated with the District	<u>579,613,300</u>	<u>573,851,835</u>	<u>604,413,336</u>	<u>476,123,942</u>	<u>458,566,350</u>
Total	<u>\$ 588,074,290</u>	<u>\$ 596,560,264</u>	<u>\$ 627,272,478</u>	<u>\$ 493,747,495</u>	<u>\$ 477,309,137</u>
District's payroll	\$ 77,801,933	\$ 76,045,713	\$ 73,751,383	\$ 74,363,134	N/A
District's proportionate share of the net pension liability as a percentage of its payroll	10.88%	29.86%	30.99%	23.70%	N/A
Plan fiduciary net position as a percentage of the total pension liability	40.00%	39.30%	36.40%	41.50%	43.00%

**Notes to Schedule:**

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

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

**3. Changes of Assumptions**

For the 2018 measurement year, the mortality rates were updated to be based on a full-generational basis using projection table MP-2017 from MP-2014, salary increases increased to 4.00% to 9.00% from 3.25% to 9.25%, and the municipal bond index increased to 3.87% from 3.58%.

For the 2017 measurement year, there were no changes in assumptions from the 2016 measurement year.

For the 2016 measurement year, the assumed investment rate of return was 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.



## WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information  
 Teacher's Retirement System  
 Schedule of Employer Contributions  
 For the Prior Five Fiscal Years

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 669,792	\$ 699,388	\$ 1,263,030	\$ 1,164,164	\$ 958,583
Contributions in relation to the contractually required contribution	<u>669,792</u>	<u>699,388</u>	<u>1,263,030</u>	<u>1,164,164</u>	<u>958,583</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District payroll	\$ 80,180,556	\$ 77,801,933	\$ 76,045,713	\$ 73,751,383	\$ 74,353,134
Contributions as a Percentage of Payroll	0.84%	0.90%	1.66%	1.58%	1.29%

**Notes to Schedule:**

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

**2. Changes of Assumptions**

For the 2018 measurement year, the mortality rates were updated to be based on a full-generational basis using projection table MP-2017 from MP-2014, salary increases increased to 4.00% to 9.00% from 3.25% to 9.25%, and the municipal bond index increased to 3.87% from 3.58%.

For the 2017 measurement year, there were no changes in assumptions from the 2016 measurement year.

For the 2016 measurement year, the assumed investment rate of return was 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.

## WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information  
 District's Postretirement Health Plan  
 Schedule of Changes in the District's Total Other Post-employment Benefits Liability and Related Ratios  
 June 30, 2019

	2019	2018
Total OPEB Liability		
Service Cost	\$ 352,928	\$ 536,451
Interest	121,536	170,204
Changes of Benefit Terms	-	-
Difference Between Expected and Actual Experience	-	(260,053)
Changes in Assumptions	401,186	(2,024,693)
Benefit Payments	(53,120)	(18,393)
Other Changes	-	-
Net Change in Total OPEB Liability	822,530	(1,596,484)
Total OPEB Liability - Beginning	3,167,015	4,763,499
Total OPEB Liability - Ending (a)	<u>\$ 3,989,545</u>	<u>\$ 3,167,015</u>
Covered Payroll	\$ 10,771,824	\$ 10,407,559
Total OPEB Liability as a Percentage of Covered Valuation Payroll	37.04%	30.43%

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

## WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information  
 Teachers' Health Insurance Security Fund  
 Schedule of the District's Proportionate Share of the Net Other Post-employment Benefits Liability  
 June 30, 2019

	2019	2018
District's proportion of the collective net OPEB liability	32.804398%	33.693268%
District's proportionate share of the collective net OPEB liability	\$ 86,426,094	\$ 87,432,543
State's Proportionate Share of the Collective Net OPEB Liability associated with the District	<u>116,272,568</u>	<u>114,907,761</u>
Total	<u>\$ 202,698,662</u>	<u>\$ 202,340,304</u>
District's covered payroll	\$ 77,801,933	\$ 76,045,713
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	111%	115%
Plan fiduciary net position as a percentage of total OPEB liability	-0.07%	-0.17%

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

## WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information  
 Teachers' Health Insurance Security Fund  
 Schedule of Employer Contributions  
 June 30, 2019

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	2019	2018
Contractually required contribution	\$ 738,705	\$ 684,652
Contributions in relation to the statutorily required contribution	(738,705)	(684,652)
Contribution deficiency (excess)	\$ -	\$ -
 Covered payroll	 \$ 77,801,933	 \$ 76,045,713
Contributions as a Percentage of covered employee payroll	0.95%	0.90%

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

## WEST AURORA SCHOOL DISTRICT 129

Required Supplementary Information  
 Budgetary Comparison Schedule  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 General Fund and Major Special Revenue Funds  
 Year Ended June 30, 2019

	General Fund		Variance from Final Budget Positive (Negative)
	Original and Final Budget	Actual	
Revenues			
Property Taxes	\$ 59,460,000	\$ 59,782,765	\$ 322,765
Replacement Taxes	1,150,000	1,676,935	526,935
State Sources	52,914,040	58,993,657	6,079,617
Federal Sources	14,831,473	16,501,563	1,670,090
Interest	100,000	628,361	528,361
Other	2,085,000	2,554,268	469,268
Total Revenues	<u>130,540,513</u>	<u>140,137,549</u>	<u>9,597,036</u>
Expenditures			
Current:			
Instruction:			
Regular Programs	53,511,542	52,190,325	1,321,217
Special Programs	17,757,746	17,954,419	(196,673)
Other Instructional Programs	15,914,482	15,689,292	225,190
Support Services:			
Pupils	9,605,928	9,592,305	13,623
Instructional Staff	5,720,240	5,621,252	98,988
General Administration	1,137,149	1,093,997	43,152
School Administration	5,928,869	5,933,446	(4,577)
Business	5,565,959	5,726,038	(160,079)
Transportation	23,000	6,968	16,032
Operations and Maintenance	764,084	773,918	(9,834)
Central	5,280,081	4,708,278	571,803
Other Support Services	131,050	123,142	7,908
Community Services	1,280,594	1,078,423	202,171
Payments to Other Districts & Govt. Units	7,431,695	7,044,930	386,765
Capital Outlay	594,252	608,962	(14,710)
Debt Service - Interest and Charges	-	57,384	(57,384)
Debt Service - Principal	-	486,013	(486,013)
Total Expenditures	<u>130,646,671</u>	<u>128,689,092</u>	<u>1,957,579</u>
Net Change in Fund Balances	<u>\$ (106,158)</u>	11,448,457	<u>\$ 11,554,615</u>
Fund Balances at Beginning of Year		<u>35,595,248</u>	
Fund Balances at End of Year		<u>\$ 47,043,705</u>	

(Continued)

Special Revenue Fund			Special Revenue Fund		
Operations and Maintenance Fund			Transportation Fund		
Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
\$ 11,400,000	\$ 11,636,413	\$ 236,413	\$ 3,950,000	\$ 3,985,597	\$ 35,597
-	-	-	-	-	-
2,500,000	3,000,000	500,000	4,600,000	6,344,056	1,744,056
-	-	-	-	-	-
-	-	-	-	-	-
771,000	1,021,485	250,485	50,000	60,167	10,167
<u>14,671,000</u>	<u>15,657,898</u>	<u>986,898</u>	<u>8,600,000</u>	<u>10,389,820</u>	<u>1,789,820</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,064	(6,064)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,106,600	1,676,419	(569,819)	-	-	-
-	-	-	7,423,275	7,259,309	163,966
10,654,675	9,710,053	944,622	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,700,000	3,529,487	(1,829,487)	-	-	-
-	-	-	61,471	62,246	(775)
-	-	-	1,050,295	1,050,295	-
<u>13,461,275</u>	<u>14,922,023</u>	<u>(1,460,748)</u>	<u>8,535,041</u>	<u>8,371,850</u>	<u>163,191</u>
\$ <u>1,209,725</u>	735,875	\$ (473,850)	\$ <u>64,959</u>	2,017,970	\$ <u>1,953,011</u>
	<u>1,494,338</u>			<u>610,771</u>	
	\$ <u>2,230,213</u>			\$ <u>2,628,741</u>	

WEST AURORA SCHOOL DISTRICT 129  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2019

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**NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Data:** Budgeted amounts for the governmental funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America (GAAP) with the exception of the General Fund Education Account. That fund uses a budgetary basis of reporting. A reconciliation of the budgetary basis to GAAP is as follows:

	Revenues	Expenditures
General Fund Education Account - Budgetary Basis	\$ 140,137,549	\$ 128,689,092
To adjust for State of Illinois TRS On-Behalf Contributions Received	8,687,240	-
To adjust for State of Illinois TRS On-Behalf Contributions Made	-	8,687,240
General Fund Education Account - GAAP Basis	\$ 148,824,789	\$ 137,376,332

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and a means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of an ordinance. By the last Tuesday in December, a tax levy ordinance is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control devise during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.
7. The budget amounts presented in the financial statements are original and final as the District did not pass a budget amendment during the fiscal year.
8. The General Fund – Working Cash Account was not budgeted for the fiscal year.

**Excess of Actual Expenditures Over Budget:** The following funds had an excess of actual expenditures over budget for the fiscal year.

Fund	Excess
General Fund – Tort Account	\$ 129,633
Operations and Maintenance Fund	1,460,748
Debt Service Fund	65,579

General Fund  
Balance Sheet - By Account  
June 30, 2019

	Education Account	Working Cash Account	Tort Account	Total General Fund
<b>ASSETS</b>				
Cash	\$ 3,701,568	\$ -	\$ -	\$ 3,701,568
Investments	26,413,843	14,253,044	152,287	40,819,174
Restricted cash - insurance	299,551	-	-	299,551
Restricted investments - insurance	4,364,280	-	-	4,364,280
Receivables (net of allowance for uncollectibles):				
Property Taxes	34,861,998	-	-	34,861,998
Intergovernmental	7,950,036	-	-	7,950,036
<b>Total Assets</b>	<b><u>\$ 77,591,276</u></b>	<b><u>\$ 14,253,044</u></b>	<b><u>\$ 152,287</u></b>	<b><u>\$ 91,996,607</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Cash Overdraft	\$ -	\$ -	\$ 267,458	\$ 267,458
Accounts Payable	1,179,406	-	364	1,179,770
Salaries and Wages Payable	9,979,861	-	-	9,979,861
Claims Payable	940,997	-	-	940,997
Unearned Revenue	55,920	-	-	55,920
Other Current Liabilities	159,156	-	-	159,156
<b>Total Liabilities</b>	<b><u>12,315,340</u></b>	<b><u>-</u></b>	<b><u>267,822</u></b>	<b><u>12,583,162</u></b>
<b>Deferred Inflows:</b>				
Unearned Property Taxes	30,240,618	-	-	30,240,618
Unavailable Grant Revenues	2,129,122	-	-	2,129,122
<b>Total Deferred Inflows</b>	<b><u>32,369,740</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>32,369,740</u></b>
<b>Fund Balances:</b>				
Assigned				
Insurance	3,722,834	-	-	3,722,834
Unassigned	29,183,362	14,253,044	(115,535)	43,320,871
<b>Total Fund Balances</b>	<b><u>32,906,196</u></b>	<b><u>14,253,044</u></b>	<b><u>(115,535)</u></b>	<b><u>47,043,705</u></b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b><u>\$ 77,591,276</u></b>	<b><u>\$ 14,253,044</u></b>	<b><u>\$ 152,287</u></b>	<b><u>\$ 91,996,607</u></b>



General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balances - By Account  
Year Ended June 30, 2019

	Education Account	Working Cash Account	Tort Account	Total General Fund
<b>Revenues</b>				
Property Taxes	\$ 59,782,765	\$ -	\$ -	\$ 59,782,765
Replacement Taxes	1,676,935	-	-	1,676,935
State Sources	58,993,657	-	-	58,993,657
Federal Sources	16,501,563	-	-	16,501,563
Interest	625,333	-	3,028	628,361
Other	2,554,268	-	-	2,554,268
On-behalf Payments Received from State	8,687,240	-	-	8,687,240
<b>Total Revenues</b>	<u>148,821,761</u>	<u>-</u>	<u>3,028</u>	<u>148,824,789</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular Programs	52,190,325	-	-	52,190,325
Special Programs	17,954,419	-	-	17,954,419
Other Instructional Programs	15,689,292	-	-	15,689,292
Support Services:				
Pupils	9,592,305	-	-	9,592,305
Instructional Staff	5,621,252	-	-	5,621,252
General Administration	964,364	-	129,633	1,093,997
School Administration	5,933,446	-	-	5,933,446
Business	5,726,038	-	-	5,726,038
Transportation	6,968	-	-	6,968
Operations and Maintenance	773,918	-	-	773,918
Central	4,708,278	-	-	4,708,278
Other Supporting Services	123,142	-	-	123,142
Community Services	1,078,423	-	-	1,078,423
Payments to Other Districts & Govt. Units	7,044,930	-	-	7,044,930
On-behalf Payments made by State	8,687,240	-	-	8,687,240
Capital Outlay	608,962	-	-	608,962
Debt Service - Principal	486,013	-	-	486,013
<b>Total Expenditures</b>	<u>137,246,699</u>	<u>-</u>	<u>129,633</u>	<u>137,376,332</u>
<b>Net Change in Fund Balances</b>	<u>11,575,062</u>	<u>-</u>	<u>(126,605)</u>	<u>11,448,457</u>
<b>Fund Balances at Beginning of Year</b>	<u>21,331,134</u>	<u>14,253,044</u>	<u>11,070</u>	<u>35,595,248</u>
<b>Fund Balances at End of Year</b>	<u>\$ 32,906,196</u>	<u>\$ 14,253,044</u>	<u>\$ (115,535)</u>	<u>\$ 47,043,705</u>

General Fund - Education Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

Revenues	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
<b>Local Sources</b>			
General Levy	\$ 53,000,000	\$ 50,810,017	\$ (2,189,983)
Special Education Levy	6,460,000	8,972,748	2,512,748
Corporate Personal Property Replacement	1,150,000	1,676,935	526,935
Summer School Tuition from Pupils or Parents	10,000	9,750	(250)
Special Education Tuition from other LEAs	100,000	2,668	(97,332)
Interest on Investments	100,000	625,333	525,333
Sales to Pupils - Lunch	300,000	332,691	32,691
Sales to Pupils - Breakfast	20,000	69,161	49,161
Sales to Pupils - A La Carte	300,000	309,615	9,615
Sales to Adults	10,000	11,652	1,652
Admissions - Athletics	40,000	49,558	9,558
Admissions - Other	15,000	25,713	10,713
Other District/School Activity Revenue	20,000	53,257	33,257
Fees	235,000	269,420	34,420
Book Store Sales	20,000	17,181	(2,819)
Rentals - Regular Textbooks	666,500	810,186	143,686
Rentals	2,000	2,975	975
Contribution and Donations from Private Sources	-	120,251	120,251
E-Rate	22,500	-	(22,500)
Sale of Vocational Projects	24,000	32,512	8,512
Other	300,000	437,678	137,678
<b>Total Local Sources</b>	<u>62,795,000</u>	<u>64,639,301</u>	<u>1,844,301</u>
<b>State Sources</b>			
General State Aid	49,100,000	53,554,848	4,454,848
Special Education - Private Facility Tuition	1,600,000	2,042,193	442,193
Special Education - Orphanage	25,000	267,369	242,369
Program Improvements	97,070	89,635	(7,435)
State Free Lunch and Breakfast	40,000	86,490	46,490
Driver Education	100,000	82,167	(17,833)
Early Childhood Block Grant	1,951,970	2,557,506	605,536
State Library Capita Grant	-	232,412	232,412
Other Restricted Grants	-	81,037	81,037
<b>Total State Sources</b>	<u>52,914,040</u>	<u>58,993,657</u>	<u>6,079,617</u>
<b>Federal Sources</b>			
National School Lunch Program	3,250,000	3,820,030	570,030
School Breakfast Program	1,075,000	1,263,255	188,255
NSLP Equipment Assistance	-	48,819	48,819
Fresh Fruit and Vegetables	80,000	162	(79,838)
Title I - Low Income	3,446,578	3,505,452	58,874
Title I - School Improvement and Accountability	-	240,694	240,694
21st Century	540,000	493,768	(46,232)
Fed Sp Ed IDEA Preschool	64,291	60,812	(3,479)
Fed Sp Ed IDEA Flowthrough	3,226,418	2,880,822	(345,596)
Fed Sp Ed IDEA Room & Board	-	24,512	24,512
CTE - Perkins - Title III E Tech Prep	135,379	129,964	(5,415)
Medicaid Matching Funds	825,000	1,725,949	900,949
Preschool Expansion	1,358,473	1,335,586	(22,887)
Emergency Immigrant Assistance	31,717	43,865	12,148
Title III - Language Acquisition	301,708	302,171	463
Title III - Program Improvement	41,616	-	(41,616)
Title II - Teacher Quality	455,293	625,702	170,409
<b>Total Federal Sources</b>	<u>14,831,473</u>	<u>16,501,563</u>	<u>1,670,090</u>

General Fund - Education Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Total Revenue	\$ 130,540,513	\$ 140,134,521	\$ 9,594,008
Expenditures			
Instruction			
Regular Programs			
Salaries	38,486,205	38,122,015	364,190
Employee Benefits	10,420,150	9,662,799	757,351
Purchased Services	423,944	574,692	(150,748)
Supplies and Materials	2,142,950	1,197,316	945,634
Capital Outlay	10,000	-	10,000
Non-Capitalized Equipment	25,000	29,403	(4,403)
Total Regular Programs	<u>51,508,249</u>	<u>49,586,225</u>	<u>1,922,024</u>
Pre-K Programs			
Salaries	1,475,370	1,551,618	(76,248)
Employee Benefits	471,350	498,433	(27,083)
Purchased Services	3,000	21,175	(18,175)
Supplies and Materials	63,573	117,638	(54,065)
Total Pre-K Programs	<u>2,013,293</u>	<u>2,188,864</u>	<u>(175,571)</u>
Special Education Programs			
Salaries	10,424,443	10,060,877	363,566
Employee Benefits	1,961,450	2,765,458	(804,008)
Purchased Services	424,000	249,641	174,359
Supplies and Materials	267,253	206,773	60,480
Capital Outlay	10,000	-	10,000
Other	4,503,000	4,561,240	(58,240)
Total Special Education Programs	<u>17,590,146</u>	<u>17,843,989</u>	<u>(253,843)</u>
Special Education Programs Pre-K			
Salaries	145,000	102,883	42,117
Employee Benefits	32,600	7,547	25,053
Total Special Education Programs Pre-K	<u>177,600</u>	<u>110,430</u>	<u>67,170</u>
Remedial & Supplemental Programs			
Salaries	1,540,429	1,588,945	(48,516)
Employee Benefits	543,900	485,215	58,685
Purchased Services	89,588	38,790	50,798
Supplies and Materials	891,832	1,066,215	(174,383)
Total Remedial & Supplemental Programs	<u>3,065,749</u>	<u>3,179,165</u>	<u>(113,416)</u>
CTE Programs			
Salaries	18,550	33,987	(15,437)
Employee Benefits	-	841	(841)
Purchased Services	60,339	38,206	22,133
Supplies and Materials	205,920	190,007	15,913
Capital Outlay	426,252	480,340	(54,088)
Total CTE Programs	<u>711,061</u>	<u>743,381</u>	<u>(32,320)</u>
Interscholastic Programs			
Salaries	2,238,775	2,267,116	(28,341)
Employee Benefits	324,700	329,645	(4,945)
Purchased Services	389,400	413,934	(24,534)

General Fund - Education Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Supplies and Materials	\$ 280,600	\$ 358,875	\$ (78,275)
Capital Outlay	68,000	40,039	27,961
Non-capitalized Equipment	<u>12,000</u>	<u>4,045</u>	<u>7,955</u>
Total Interscholastic Programs	<u>3,313,475</u>	<u>3,413,654</u>	<u>(100,179)</u>
Summer School Programs			
Salaries	175,901	228,538	(52,637)
Employee Benefits	14,655	21,956	(7,301)
Purchased Services	500	940	(440)
Supplies and Materials	<u>100,180</u>	<u>87,276</u>	<u>12,904</u>
Total Summer School Programs	<u>291,236</u>	<u>338,710</u>	<u>(47,474)</u>
Gifted Programs			
Salaries	355,385	289,412	65,973
Employee Benefits	89,500	67,246	22,254
Purchased Services	43,800	19,879	23,921
Supplies and Materials	<u>8,800</u>	<u>9,052</u>	<u>(252)</u>
Total Gifted Programs	<u>497,485</u>	<u>385,589</u>	<u>111,896</u>
Driver's Education Programs			
Salaries	299,000	297,755	1,245
Employee Benefits	88,050	88,554	(504)
Purchased Services	18,000	15,666	2,334
Supplies and Materials	-	9,482	(9,482)
Capital Outlay	<u>115,000</u>	<u>-</u>	<u>115,000</u>
Total Driver's Education Programs	<u>520,050</u>	<u>411,457</u>	<u>108,593</u>
Bilingual Programs			
Salaries	5,960,071	6,038,730	(78,659)
Employee Benefits	1,423,500	1,495,534	(72,034)
Supplies and Materials	<u>46,472</u>	<u>203,451</u>	<u>(156,979)</u>
Total Bilingual Programs	<u>7,430,043</u>	<u>7,737,715</u>	<u>(307,672)</u>
Truant Alternative & Optional Programs			
Salaries	435,635	317,731	117,904
Employee Benefits	116,000	85,955	30,045
Supplies and Materials	<u>28,000</u>	<u>11,550</u>	<u>16,450</u>
Total Truant Alternative & Optional Programs	<u>579,635</u>	<u>415,236</u>	<u>164,399</u>
Total Instruction	<u>87,698,022</u>	<u>86,354,415</u>	<u>1,343,607</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	2,562,256	2,688,437	(126,181)
Employee Benefits	648,600	692,600	(44,000)
Purchased Services	100,000	161,784	(61,784)
Supplies and Materials	<u>124,150</u>	<u>40,715</u>	<u>83,435</u>
Total Social Work Services	<u>3,435,006</u>	<u>3,583,536</u>	<u>(148,530)</u>
Guidance Services			
Salaries	1,224,650	1,137,076	87,574
Employee Benefits	258,500	253,950	4,550

General Fund - Education Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Purchased Services	\$ 6,230	\$ 6,180	\$ 50
Total Guidance Services	<u>1,489,380</u>	<u>1,397,206</u>	<u>92,174</u>
Health Services			
Salaries	1,018,085	970,208	47,877
Employee Benefits	325,300	278,875	46,425
Purchased Services	108,064	2,350	105,714
Supplies and Materials	<u>20,000</u>	<u>10,564</u>	<u>9,436</u>
Total Health Services	<u>1,471,449</u>	<u>1,261,997</u>	<u>209,452</u>
Psychological Services			
Salaries	933,462	999,882	(66,420)
Employee Benefits	244,200	244,769	(569)
Purchased Services	10,000	2,488	7,512
Supplies and Materials	<u>16,400</u>	<u>20,487</u>	<u>(4,087)</u>
Total Psychological Services	<u>1,204,062</u>	<u>1,267,626</u>	<u>(63,564)</u>
Speech Pathology and Audiology Services			
Salaries	1,311,481	1,422,582	(111,101)
Employee Benefits	411,500	428,887	(17,387)
Purchased Services	20,000	36,448	(16,448)
Supplies and Materials	<u>31,550</u>	<u>8,280</u>	<u>23,270</u>
Total Speech Pathology and Audiology Services	<u>1,774,531</u>	<u>1,896,197</u>	<u>(121,666)</u>
Other Support Services - Pupils			
Salaries	222,500	182,366	40,134
Employee Benefits	1,000	257	743
Purchased Services	6,000	2,191	3,809
Supplies and Materials	<u>2,000</u>	<u>929</u>	<u>1,071</u>
Total Other Support Services - Pupils	<u>231,500</u>	<u>185,743</u>	<u>45,757</u>
Total Pupils	<u>9,605,928</u>	<u>9,592,305</u>	<u>13,623</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	3,193,832	3,383,751	(189,919)
Employee Benefits	882,800	833,603	49,197
Purchased Services	584,719	469,447	115,272
Supplies and Materials	171,431	247,518	(76,087)
Capital Outlay	<u>-</u>	<u>10,547</u>	<u>(10,547)</u>
Total Improvement of Instruction Services	<u>4,832,782</u>	<u>4,944,866</u>	<u>(112,084)</u>
Educational Media Services			
Supplies and Materials	<u>20,678</u>	<u>16,385</u>	<u>4,293</u>
Total Educational Media Services	<u>20,678</u>	<u>16,385</u>	<u>4,293</u>
Assessment & Testing			
Salaries	259,110	204,397	54,713
Employee Benefits	55,950	55,109	841
Purchased Services	543,720	407,580	136,140
Supplies and Materials	<u>8,000</u>	<u>3,462</u>	<u>4,538</u>
Total Assessment & Testing	<u>866,780</u>	<u>670,548</u>	<u>196,232</u>
Total Instructional Staff	<u>5,720,240</u>	<u>5,631,799</u>	<u>88,441</u>

General Fund - Education Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
General Administration			
Board of Education Services			
Salaries	\$ 62,750	\$ 62,733	\$ 17
Employee Benefits	19,950	19,455	495
Purchased Services	21,850	10,399	11,451
Supplies and Materials	21,570	33,424	(11,854)
Other	16,500	16,835	(335)
Total Board of Education Services	<u>142,620</u>	<u>142,846</u>	<u>(226)</u>
Executive Administration Services			
Salaries	222,500	219,536	2,964
Employee Benefits	39,600	52,128	(12,528)
Purchased Services	151,000	139,776	11,224
Supplies and Materials	10,000	3,951	6,049
Other	13,500	7,951	5,549
Total Office of Superintendent	<u>436,600</u>	<u>423,342</u>	<u>13,258</u>
Special Area Administration Services			
Salaries	143,829	139,802	4,027
Employee Benefits	22,800	21,570	1,230
Purchased Services	70,800	38,237	32,563
Supplies and Materials	10,500	548	9,952
Total Special Area Administration Services	<u>247,929</u>	<u>200,157</u>	<u>47,772</u>
Tort Immunity Services			
Purchased Services	310,000	198,019	111,981
Total Tort Immunity Services	<u>310,000</u>	<u>198,019</u>	<u>111,981</u>
Total General Administration	<u>1,137,149</u>	<u>964,364</u>	<u>172,785</u>
School Administration			
Office of the Principal Services			
Salaries	4,626,125	4,628,392	(2,267)
Employee Benefits	1,071,300	1,110,036	(38,736)
Purchased Services	112,847	56,270	56,577
Supplies and Materials	118,497	134,057	(15,560)
Total Office of the Principal Services	<u>5,928,769</u>	<u>5,928,755</u>	<u>14</u>
Other Support Services - School Admin.			
Supplies and Materials	100	4,691	(4,591)
Total Other Support Services - School Admin.	<u>100</u>	<u>4,691</u>	<u>(4,591)</u>
Total School Administration	<u>5,928,869</u>	<u>5,933,446</u>	<u>(4,577)</u>
Business			
Direction of Business Support Services			
Salaries	114,660	119,432	(4,772)
Employee Benefits	19,550	17,317	2,233
Purchased Services	65,500	70,041	(4,541)
Supplies and Materials	35,000	85,261	(50,261)
Total Direction of Business Support	<u>234,710</u>	<u>292,051</u>	<u>(57,341)</u>
Fiscal Services			
Salaries	387,187	382,655	4,532
Employee Benefits	110,500	103,095	7,405

(Continued)

67.

General Fund - Education Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Purchased Services	\$ 270,000	\$ 224,756	\$ 45,244
Supplies and Materials	-	49,113	(49,113)
<b>Total Fiscal Services</b>	<b>767,687</b>	<b>759,619</b>	<b>8,068</b>
<b>Operation and Maintenance of Plant Services</b>			
Salaries	612,584	624,435	(11,851)
Employee Benefits	151,500	145,113	6,387
Supplies and Materials	-	4,370	(4,370)
<b>Total Operation and Maintenance of Plant Services</b>	<b>764,084</b>	<b>773,918</b>	<b>(9,834)</b>
<b>Pupil Transportation Services</b>			
Purchased Services	23,000	6,968	16,032
<b>Total Pupil Transportation Services</b>	<b>23,000</b>	<b>6,968</b>	<b>16,032</b>
<b>Food Services</b>			
Salaries	275,387	262,597	12,790
Employee Benefits	15,400	13,253	2,147
Purchased Services	4,153,675	4,276,047	(122,372)
Supplies and Materials	109,100	122,471	(13,371)
Capital Outlay	60,000	78,036	(18,036)
Non-capitalized Equipment	10,000	-	10,000
<b>Total Food Services</b>	<b>4,623,562</b>	<b>4,752,404</b>	<b>(128,842)</b>
<b>Total Business</b>	<b>6,413,043</b>	<b>6,584,960</b>	<b>(171,917)</b>
<b>Central</b>			
<b>Direction of Central Support Services</b>			
Salaries	50,670	51,263	(593)
Employee Benefits	12,800	9,952	2,848
Supplies and Materials	10,000	32,542	(22,542)
<b>Total Direction of Central Support Services</b>	<b>73,470</b>	<b>93,757</b>	<b>(20,287)</b>
<b>Planning, Research Development &amp; Evaluation Services</b>			
Salaries	61,000	70,961	(9,961)
Employee Benefits	11,650	12,935	(1,285)
Purchased Services	18,500	19,500	(1,000)
<b>Total Planning, Research Development &amp; Evaluation Services</b>	<b>91,150</b>	<b>103,396</b>	<b>(12,246)</b>
<b>Information Services</b>			
Salaries	159,840	205,994	(46,154)
Employee Benefits	25,950	22,929	3,021
Purchased Services	112,500	115,251	(2,751)
Supplies and Materials	2,000	10,272	(8,272)
Other	500	-	500
<b>Total Information Services</b>	<b>300,790</b>	<b>354,446</b>	<b>(53,656)</b>
<b>Staff Services</b>			
Salaries	405,020	420,836	(15,816)
Employee Benefits	124,800	148,377	(23,577)
Purchased Services	84,629	98,026	(13,397)
Supplies and Materials	4,000	52,456	(48,456)

General Fund - Education Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Total Staff Services	\$ 618,449	\$ 719,695	\$ (101,246)
Data Processing Services			
Salaries	1,059,222	1,051,018	8,204
Employee Benefits	217,500	196,229	21,271
Purchased Services	1,677,000	866,132	810,868
Supplies and Materials	1,116,000	1,321,625	(205,625)
Capital Outlay	20,000	-	20,000
Other	1,500	-	1,500
Non-Capitalized Equipment	125,000	1,980	123,020
Total Data Processing Services	<u>4,216,222</u>	<u>3,436,984</u>	<u>779,238</u>
Total Central	<u>5,300,081</u>	<u>4,708,278</u>	<u>591,803</u>
Other Support Services			
Salaries	40,000	39,967	33
Employee Benefits	7,100	7,159	(59)
Purchased Services	79,950	75,784	4,166
Supplies and Materials	4,000	232	3,768
Total Other Support Services	<u>131,050</u>	<u>123,142</u>	<u>7,908</u>
Total Support Services	<u>34,236,360</u>	<u>33,538,294</u>	<u>698,066</u>
Community Services			
Salaries	776,981	650,891	126,090
Employee Benefits	156,700	178,644	(21,944)
Purchased Services	220,503	118,220	102,283
Supplies and Materials	126,410	130,668	(4,258)
Total Community Services	<u>1,280,594</u>	<u>1,078,423</u>	<u>202,171</u>
Payments to Other Districts & Govt. Units			
Payments for Regular Programs			
Purchased Services	17,002	238,203	(221,201)
Total Payments for Regular Programs	<u>17,002</u>	<u>238,203</u>	<u>(221,201)</u>
Payments for Special Education Programs			
Other	6,000,000	4,420,189	1,579,811
Total Payments for Special Education Programs	<u>6,000,000</u>	<u>4,420,189</u>	<u>1,579,811</u>
Other Payments to In-State Govt. Units			
Other	-	997,695	(997,695)
Purchased Services	979,693	1,000,003	(20,310)
Total Payments to In-State Govt. Units	<u>979,693</u>	<u>1,997,698</u>	<u>(1,018,005)</u>
Payments for Regular Programs - Tuition			
Other	125,000	112,900	12,100
Total Payments for Regular Programs - Tuition	<u>125,000</u>	<u>112,900</u>	<u>12,100</u>
Payments for CTE Programs - Tuition			
Other	310,000	275,940	34,060
Total Payments for CTE Programs - Tuition	<u>310,000</u>	<u>275,940</u>	<u>34,060</u>



General Fund - Education Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

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	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
Total Payments to Other Districts & Govt. Units	\$ 7,431,695	\$ 7,044,930	\$ 386,765
Debt Service			
Principal on Debt	-	486,013	(486,013)
Interest on Long-Term Debt	-	57,384	(57,384)
Total Debt Service	-	543,397	(543,397)
Total Expenditures	<u>130,646,671</u>	<u>128,559,459</u>	<u>2,087,212</u>
Net Change in Fund Balance	<u>\$ (106,158)</u>	11,575,062	<u>\$ 11,681,220</u>
Fund Balance at Beginning of Year		<u>21,331,134</u>	
Fund Balance at End of Year		<u>\$ 32,906,196</u>	

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General Fund - Tort Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
Revenue			
Local Sources			
Interest on Investments	\$ -	\$ 3,028	\$ 3,028
Total Revenue	<u>-</u>	<u>3,028</u>	<u>3,028</u>
Expenditures			
Support Services			
Tort Immunity Services			
Purchased Services	-	129,633	(129,633)
Total Expenditures	<u>-</u>	<u>129,633</u>	<u>(129,633)</u>
Net Change in Fund Balance	<u>\$ -</u>	(126,605)	<u>\$ (126,605)</u>
Fund Balance at Beginning of Year		<u>11,070</u>	
Fund Balance at End of Year		<u>\$ (115,535)</u>	

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Operations and Maintenance Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Final Budget <u>Positive (Negative)</u>
<b>Revenue</b>			
Local Sources			
General Levy	\$ 11,400,000	\$ 11,636,413	\$ 236,413
Interest on Investments	-	132,317	132,317
Rentals	175,000	190,005	15,005
Impact Fees	200,000	286,299	86,299
Other Local Fees	371,000	379,931	8,931
Other Local Revenues	25,000	32,933	7,933
Total Local Sources	<u>12,171,000</u>	<u>12,657,898</u>	<u>486,898</u>
State Sources			
General State Aid	2,500,000	3,000,000	500,000
Total State Sources	<u>2,500,000</u>	<u>3,000,000</u>	<u>500,000</u>
Total Revenue	<u>14,671,000</u>	<u>15,657,898</u>	<u>986,898</u>
<b>Expenditures</b>			
Support Services			
Pupils			
Other Support Services			
Employee Benefits	-	6,064	(6,064)
Total Other Support Services	-	6,064	(6,064)
Total Pupils	-	6,064	(6,064)
Support Services			
Business			
Direction of Business Support Services			
Salaries	124,000	127,261	(3,261)
Employee Benefits	38,100	33,004	5,096
Purchased Services	738,000	949,093	(211,093)
Supplies and Materials	11,000	4,484	6,516
Other Objects	42,000	36,495	5,505
Total Direction of Business Support Services	<u>953,100</u>	<u>1,150,337</u>	<u>(197,237)</u>
Facilities Acquisition and Construction Services			
Purchased Services	153,500	444,049	(290,549)
Capital Outlay	1,610,000	3,399,885	(1,789,885)
Total Facilities Acquisition and Construction Services	<u>1,763,500</u>	<u>3,843,934</u>	<u>(2,080,434)</u>
Operation & Maintenance of Plant Services			
Salaries	3,825,875	3,758,268	67,607
Employee Benefits	873,650	855,149	18,501
Purchased Services	3,010,000	2,238,719	771,281
Supplies and Materials	2,846,150	2,819,813	26,337
Capital Outlay	90,000	129,602	(39,602)
Non-capitalized Equipment	99,000	38,104	60,896
Total Operation & Maintenance of Plant Services	<u>10,744,675</u>	<u>9,839,655</u>	<u>905,020</u>
Food Services			
Purchased Services	-	82,033	(82,033)
Total Food Services	-	82,033	(82,033)
Total Business	<u>13,461,275</u>	<u>14,915,959</u>	<u>(1,454,684)</u>

Operations and Maintenance Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

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	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Final Budget <u>Positive (Negative)</u>
Total Support Services	\$ 13,461,275	\$ 14,922,023	\$ (1,460,748)
Total Expenditures	<u>13,461,275</u>	<u>14,922,023</u>	<u>(1,460,748)</u>
Net Change in Fund Balance	<u>\$ 1,209,725</u>	735,875	<u>\$ (473,850)</u>
Fund Balance at Beginning of Year		<u>1,494,338</u>	
Fund Balance at End of Year		<u>\$ 2,230,213</u>	

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Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>Revenue</b>			
Local Sources			
General Levy	\$ 14,000,000	\$ 14,045,736	\$ 45,736
Interest on Investments	-	13,084	13,084
Other	<u>1,641,760</u>	<u>1,793,541</u>	<u>151,781</u>
Total Local Sources	<u>15,641,760</u>	<u>15,852,361</u>	<u>210,601</u>
 Total Revenue	 <u>15,641,760</u>	 <u>15,852,361</u>	 <u>210,601</u>
<b>Expenditures</b>			
Debt Service			
Interest on Long-Term Debt	5,940,115	5,976,771	(36,656)
Payments of Principal on Long-Term Debt	10,185,000	9,965,000	220,000
Payments to Bond Escrow	-	110,295	(110,295)
Other	<u>6,230</u>	<u>144,858</u>	<u>(138,628)</u>
Total Debt Service	<u>16,131,345</u>	<u>16,196,924</u>	<u>(65,579)</u>
 Total Expenditures	 <u>16,131,345</u>	 <u>16,196,924</u>	 <u>(65,579)</u>
 Excess (Deficiency) of Revenues over (under) Expenditures	 <u>(489,585)</u>	 <u>(344,563)</u>	 <u>145,022</u>
<b>Other Financing Sources (Uses)</b>			
Bond Proceeds	-	9,110,000	9,110,000
Bond Premium	-	388,591	388,591
Payment to Bond Escrow	<u>-</u>	<u>(9,362,238)</u>	<u>(9,362,238)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>136,353</u>	<u>136,353</u>
 Net Change in Fund Balance	 <u>\$ (489,585)</u>	 <u>(208,210)</u>	 <u>\$ 281,375</u>
 Fund Balance at Beginning of Year		 <u>10,050,642</u>	
 Fund Balance at End of Year		 <u>\$ 9,842,432</u>	

Transportation Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Final Budget <u>Positive (Negative)</u>
<b>Revenues</b>			
Local Sources			
General Levy	\$ 3,950,000	\$ 3,985,597	\$ 35,597
Other	50,000	60,167	10,167
Total Local Sources	<u>4,000,000</u>	<u>4,045,764</u>	<u>45,764</u>
State Sources			
General State Aid	400,000	500,000	100,000
Transportation - Regular	1,400,000	2,143,228	743,228
Transportation - Special Education	2,800,000	3,700,828	900,828
Total State Sources	<u>4,600,000</u>	<u>6,344,056</u>	<u>1,744,056</u>
Total Revenues	<u>8,600,000</u>	<u>10,389,820</u>	<u>1,789,820</u>
<b>Expenditures</b>			
Support Services			
Pupil Transportation Services			
Salaries	3,446,525	3,147,122	299,403
Employee Benefits	760,000	693,934	66,066
Purchased Services	2,890,750	3,012,208	(121,458)
Supplies and Materials	326,000	406,045	(80,045)
Total Pupil Transportation Services	<u>7,423,275</u>	<u>7,259,309</u>	<u>163,966</u>
Debt Service			
Interest on Long-Term Debt	61,471	62,246	(775)
Payments of Principal on Long-Term Debt	1,050,295	1,050,295	-
Total Debt Service	<u>1,111,766</u>	<u>1,112,541</u>	<u>(775)</u>
Total Expenditures	<u>8,535,041</u>	<u>8,371,850</u>	<u>163,191</u>
Net Change in Fund Balance	<u>\$ 64,959</u>	2,017,970	<u>\$ 1,953,011</u>
Fund Balance at Beginning of Year		<u>610,771</u>	
Fund Balance at End of Year		<u>\$ 2,628,741</u>	

Site and Construction Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
<b>Revenues</b>			
Local Sources			
Interest on Investments	\$ 50,000	\$ 373,111	\$ 323,111
<b>Total Revenues</b>	<u>50,000</u>	<u>373,111</u>	<u>323,111</u>
<b>Expenditures</b>			
Support Services			
Facility Acquisition & Construction Service			
Salaries	170,000	239,280	(69,280)
Benefits	136,950	44,642	92,308
Purchased Services	2,511,000	618,930	1,892,070
Supplies and Materials	10,000	250,995	(240,995)
Capital Outlay	9,400,000	7,802,682	1,597,318
<b>Total Facility Acquisition &amp; Construction Service</b>	<u>12,227,950</u>	<u>8,956,529</u>	<u>3,271,421</u>
Other Support Services			
Supplies and Materials	-	39,151	(39,151)
Capital Outlay	-	6,490	(6,490)
<b>Total Other Support Services</b>	<u>-</u>	<u>45,641</u>	<u>(45,641)</u>
Debt Service - Interest and Charges	-	1,605	(1,605)
<b>Total Expenditures</b>	<u>12,227,950</u>	<u>9,003,775</u>	<u>3,224,175</u>
<b>Net Change in Fund Balance</b>	<u>\$ (12,177,950)</u>	(8,630,664)	<u>\$ 3,547,286</u>
Fund Balance at Beginning of Year		<u>11,745,526</u>	
Fund Balance at End of Year		<u>\$ 3,114,862</u>	

Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2019

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	Special Revenue Fund	Capital Project Fund	Total
	IMRF/ Soc. Sec Fund	Fire Prevention and Safety Fund	Nonmajor Funds
<b>ASSETS</b>			
Cash	\$ 836,341	\$ -	\$ 836,341
Investments	-	14,904	14,904
Receivables (net of allowance for uncollectibles):			
Property Taxes	2,339,204	-	2,339,204
<b>Total Assets</b>	<b>\$ 3,175,545</b>	<b>\$ 14,904</b>	<b>\$ 3,190,449</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Cash Overdraft	1,122,870	-	1,122,870
<b>Total Liabilities</b>	<b>1,122,870</b>	<b>-</b>	<b>1,122,870</b>
<b>Deferred Inflows:</b>			
Unearned Property Taxes	2,029,114	-	2,029,114
<b>Fund Balances:</b>			
Restricted			
IMRF	23,561	-	23,561
Life Safety Construction Projects	-	14,904	14,904
<b>Total Fund Balances</b>	<b>23,561</b>	<b>14,904</b>	<b>38,465</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 3,175,545</b>	<b>\$ 14,904</b>	<b>\$ 3,190,449</b>

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Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2019

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	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>
	<u>IMRF/ Soc. Sec Fund</u>	<u>Fire Prevention and Safety Fund</u>	
Revenues			
Property Taxes	\$ 4,005,183	\$ -	\$ 4,005,183
Replacement Taxes	419,234	-	419,234
Interest	-	293	293
Total Revenues	<u>4,424,417</u>	<u>293</u>	<u>4,424,710</u>
Expenditures			
Current:			
Instruction:			
Regular Programs	821,219	-	821,219
Special Programs	667,726	-	667,726
Other Instructional Programs	239,762	-	239,762
Support Services:			
Pupils	331,020	-	331,020
Instructional Staff	81,683	-	81,683
General Administration	38,947	-	38,947
School Administration	242,545	-	242,545
Business	142,640	-	142,640
Transportation	532,676	-	532,676
Operations and Maintenance	760,915	-	760,915
Central	281,117	-	281,117
Other	7,171	-	7,171
Community Services	87,240	-	87,240
Total Expenditures	<u>4,234,661</u>	<u>-</u>	<u>4,234,661</u>
Net Change in Fund Balances	<u>189,756</u>	<u>293</u>	<u>190,049</u>
Fund Balances at Beginning of Year	<u>(166,195)</u>	<u>14,611</u>	<u>(151,584)</u>
Fund Balances at End of Year	<u>\$ 23,561</u>	<u>\$ 14,904</u>	<u>\$ 38,465</u>

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Illinois Municipal Retirement/Social Security Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
<b>Revenue</b>			
Local Sources			
General Levy - IMRF	\$ 1,975,000	\$ 2,002,592	\$ 27,592
General Levy - Social Security	1,975,000	2,002,591	27,591
Corporate Personal Property			
Replacement Taxes	<u>650,000</u>	<u>419,234</u>	<u>(230,766)</u>
Total Local Sources	<u>4,600,000</u>	<u>4,424,417</u>	<u>(175,583)</u>
Total Revenue	<u>4,600,000</u>	<u>4,424,417</u>	<u>(175,583)</u>
<b>Expenditures</b>			
Instruction			
Employee Benefits			
Regular Programs	885,800	712,959	172,841
Pre-K Programs	82,000	85,077	(3,077)
Truant and Alternative Optional Programs	11,000	23,183	(12,183)
Special Education Programs	530,250	667,726	(137,476)
Special Education Programs Pre-K	3,100	-	3,100
Remedial & Supplemental Programs	97,000	34,501	62,499
CTE Programs	2,500	4,013	(1,513)
Interscholastic Programs	67,850	60,148	7,702
Summer School Programs	11,400	18,109	(6,709)
Gifted Programs	7,400	4,346	3,054
Drivers Education Programs	4,200	4,427	(227)
Bilingual Programs	<u>118,100</u>	<u>114,218</u>	<u>3,882</u>
Total Instruction	<u>1,820,600</u>	<u>1,728,707</u>	<u>91,893</u>
Support Services			
Pupils			
Employee Benefits			
Attendance and Social Work Services	100,000	99,430	570
Guidance Services	41,000	38,518	2,482
Health Services	110,000	111,147	(1,147)
Psychological Services	16,000	17,386	(1,386)
Speech Pathology and Audiology Services	53,500	57,530	(4,030)
Other Support Services	<u>9,500</u>	<u>7,009</u>	<u>2,491</u>
Total Pupils	<u>330,000</u>	<u>331,020</u>	<u>(1,020)</u>
Instructional Staff			
Employee Benefits			
Improvement of Instruction Services	66,200	78,615	(12,415)
Assessment and Testing	<u>4,100</u>	<u>3,068</u>	<u>1,032</u>
Total Instructional Staff	<u>70,300</u>	<u>81,683</u>	<u>(11,383)</u>
General Administration			
Employee Benefits			
Board of Education Services	11,500	17,997	(6,497)
Executive Administration Services	3,500	3,399	101
Special Area Administrative Services	<u>25,950</u>	<u>17,551</u>	<u>8,399</u>
Total General Administration	<u>40,950</u>	<u>38,947</u>	<u>2,003</u>
School Administration			
Employee Benefits			
Office of the Principal Services	<u>267,000</u>	<u>242,545</u>	<u>24,455</u>
Total School Administration	<u>267,000</u>	<u>242,545</u>	<u>24,455</u>

Illinois Municipal Retirement/Social Security Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Budget <u>Positive (Negative)</u>
<b>Business</b>			
Employee Benefits			
Direction of Business Support Services	\$ 22,000	\$ 22,568	\$ (568)
Fiscal Services	75,100	66,933	8,167
Facilities Acquisition & Construction Services	26,000	23,826	2,174
Operation & Maintenance	770,600	760,915	9,685
Pupil Transportation Services	565,000	532,676	32,324
Food Services	<u>31,000</u>	<u>29,313</u>	<u>1,687</u>
Total Business	<u>1,489,700</u>	<u>1,436,231</u>	<u>53,469</u>
<b>Central</b>			
Employee Benefits			
Direction of Central Support Services	10,200	10,311	(111)
Information Systems	38,000	35,315	2,685
Central Staff Services	56,000	51,836	4,164
Data Processing Services	<u>181,000</u>	<u>183,655</u>	<u>(2,655)</u>
Total Central	<u>285,200</u>	<u>281,117</u>	<u>4,083</u>
<b>Other Support Services</b>			
Employee Benefits			
Other Support Services	<u>7,300</u>	<u>7,171</u>	<u>129</u>
Total Support Services	<u>2,490,450</u>	<u>2,418,714</u>	<u>71,736</u>
<b>Community Services</b>			
Employee Benefits			
Employee Benefits	<u>81,950</u>	<u>87,240</u>	<u>(5,290)</u>
Total Expenditures	<u>4,393,000</u>	<u>4,234,661</u>	<u>158,339</u>
Net Change in Fund Balance	<u>\$ 207,000</u>	189,756	<u>\$ (17,244)</u>
Fund Balance at Beginning of Year		<u>(166,195)</u>	
Fund Balance at End of Year		<u>\$ 23,561</u>	

## WEST AURORA SCHOOL DISTRICT 129

Fire Prevention and Safety Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Year Ended June 30, 2019

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
Revenues			
Local Sources			
Interest on Investments	\$ -	\$ 293	\$ 293
Total Revenues	<u>-</u>	<u>293</u>	<u>293</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	293	<u>\$ 293</u>
Fund Balance at Beginning of Year		<u>14,611</u>	
Fund Balance at End of Year		<u>\$ 14,904</u>	

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Agency Fund - Student Activity Funds  
 Schedule of Changes in Assets and Liabilities  
 Year Ended June 30, 2019

	Balance <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2019</u>
<b>ASSETS</b>				
Cash	\$ 701,585	\$ 1,637,718	\$ 1,626,574	\$ 712,729
<b>LIABILITIES</b>				
Due to Student Groups:				
Administration	\$ 705	\$ -	\$ -	\$ 705
Fearn Elementary	38,112	38,258	35,832	40,538
Freeman Elementary	51,080	43,496	33,999	60,577
Goodwin Elementary	22,914	50,916	24,059	49,771
Greenman Elementary	9,033	20,916	20,944	9,005
Hall Elementary	2,384	20,921	18,711	4,594
Herget Middle	17,877	89,452	83,103	24,226
Hill Elementary	21,257	37,452	31,939	26,770
Hope Wall	33,215	25,321	23,538	34,998
Jefferson Middle	27,432	60,833	68,698	19,567
Jewel Middle	67,574	66,874	62,181	72,267
McCleery Elementary	5,317	12,377	10,186	7,508
Nicholson Elementary	3,568	6,855	5,970	4,453
Schneider Elementary	14,167	22,655	19,403	17,419
Smith Elementary	26,892	17,684	17,633	26,943
Todd Early Childhood	6,425	17,738	11,855	12,308
Washington Middle	64,356	77,788	83,256	58,888
West High	289,277	1,028,182	1,075,267	242,192
<b>TOTAL LIABILITIES</b>	<b>\$ 701,585</b>	<b>\$ 1,637,718</b>	<b>\$ 1,626,574</b>	<b>\$ 712,729</b>

Agency Fund - Hope Wall  
 Schedule of Changes in Assets and Liabilities  
 Year Ended June 30, 2019

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	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>ASSETS</b>				
Cash	\$ 327,541	\$ 2,674,718	\$ (3,002,259)	\$ -
Investments	-	1,185,546	-	1,185,546
Amount due from other Districts	<u>2,674,718</u>	<u>7,154,585</u>	<u>(9,829,303)</u>	<u>-</u>
Total Assets	<u>\$ 3,002,259</u>	<u>\$ 11,014,849</u>	<u>\$ (12,831,562)</u>	<u>\$ 1,185,546</u>
<b>LIABILITIES</b>				
Liabilities				
Cash Overdraft	\$ 2,291,309	\$ 22,248	\$ (2,291,309)	\$ 22,248
Accounts Payable	30,601	16,424	(30,601)	16,424
Salary and Wages Payable	680,349	603,228	(680,349)	603,228
Amount due other other Districts	<u>-</u>	<u>543,646</u>	<u>-</u>	<u>543,646</u>
Total Liabilities	<u>\$ 3,002,259</u>	<u>\$ 1,185,546</u>	<u>\$ (3,002,259)</u>	<u>\$ 1,185,546</u>

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