

DOLTON SCHOOL DISTRICT NO. 149

COOK COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2019



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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Dolton School District No. 149
Calumet City, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dolton School District No. 149 (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 Dolton School District No. 149 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 and required supplementary information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, the consolidated year-end financial report and other supplementary information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the consolidated year-end financial report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the consolidated year-end financial report are fairly stated in all material respects in relation to the basic financial statements as a whole.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2018, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules of revenues, expenditures, and changes in fund balances - budget and actual, related to the 2018 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2018 schedules of revenues, expenditures, and changes in fund balances - budget and actual are fairly stated in material respects in relation to the basic financial statements from which they have been derived.

The other supplementary information listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019, on our consideration of Dolton School District No. 149'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.

John Kasperuk Co., Inc.

Calumet City, Illinois
December 16, 2019

Dolton School District 149

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2019

Overview of the Financial Statements

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

District-wide financial statements

The district-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 district-wide financial statements present the District's functions that are principally supported by property taxes and intergovernmental revenues (governmental activities). The District's governmental activities include instructional services (regular education, special education and other), supporting services, community services and non-programmed charges. 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 statement of net position presents information about the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between the total assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as total net position. The ending net position balance relates largely to the net change in capital assets, net pension liability, deferred outflows/inflows, and long-term debt as reported. 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 about how the District's net position changed during the fiscal year. In addition, the statement of activities presents the District in a functional format to identify the different activities that are accounted for in the various fund statements. All changes in net position are reported when revenue is earned and expenses are incurred. Depreciation expense on capital assets is included in the related functional segment where the asset is primarily in use.

The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

Fund financial statements

A fund is a grouping of related accounts 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 District's funds 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 district-wide financial statements. However, unlike the district-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 elevating a school district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-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 three individual major governmental funds. These funds are presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances as the General Fund, Transportation Fund, and Capital Projects Fund, all of which are considered to be major funds.

Dolton School District 149

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

Data from the nonmajor governmental funds are in the Municipal Retirement/Social Security and Debt Service Funds. Individual fund data for the governmental funds are provided in the form of combining statements elsewhere in this report.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

Notes to the financial statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The statements are followed by a section of required supplementary information that further explains and supports the financial statements including a comparison of the District's budget verses actual results of operations for the year.

- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong, such as student activities.

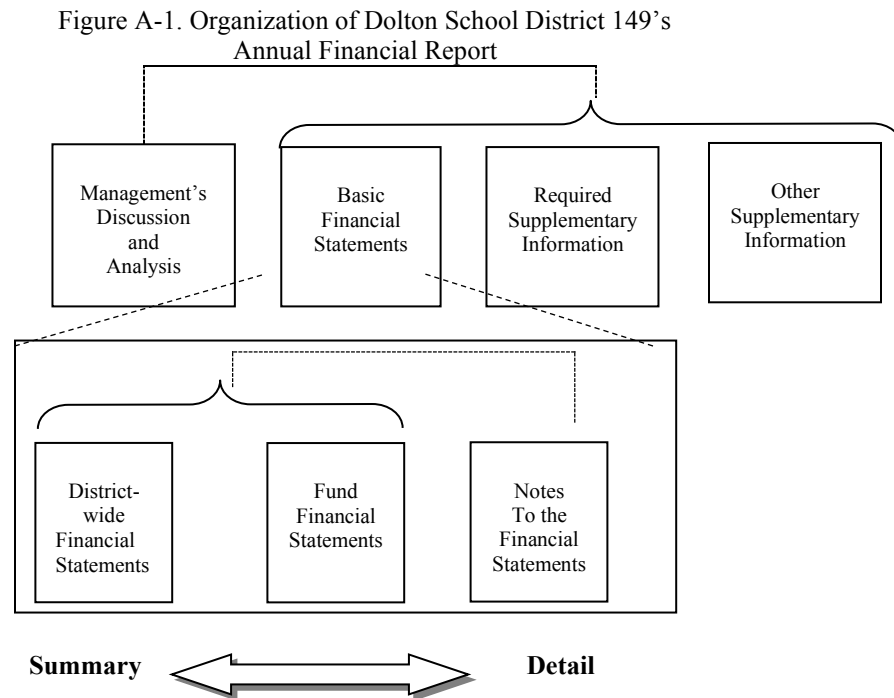
Dolton School District 149

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

Other information

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

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



Dolton School District 149

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2019

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

<i>FIGURE A-2</i> <i>Major Features of the District-wide and Fund Financial Statements</i>			
	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as Educational and Operations & Maintenance.	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balance.	• Statement of fiduciary net position
Accounting basis and measurement focus.	Accrual basis of accounting and economic resources focus.	Modified accrual basis of accounting and current financial resources focus.	Accrual basis of accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.

Type of inflow/outflow Information	All revenues and expenses incurred during year, modified to include capital assets, net of accumulated depreciation & long term debt.	Revenues for which amounts are due; expenditures when goods or services have been received.	All additions and deductions during the year, regardless of when cash is received or paid.
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This section of the District's annual financial report presents its discussion and analysis of its financial performance during the year ending June 30, 2019. The management of the District encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999, as amended.

Dolton School District 149

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

Financial Highlights

On the District-Wide Financial Statements

- Like many other districts, the District continues to face uncertainty with state funding owing to the financial crisis in the State of Illinois. The Board of Education recognized the need to continue the push towards providing a rigorous instructional environment for children by not cutting services and programs but did find creative ways to provide the services without additional financial burden to the students and families. Textbook adoptions have been purchased for two consecutive years and a district-wide WIFI network environment has been installed to expand technology access to all students and visitors of the school district.
- The Board of Education and the Leadership Team are working to expand traditional definitions of parental involvement and demonstrate just how very involved our parents are in the educational process. The Board of Education has committed financial resources to provide our families with a tool to support this expanded view.
- We anticipate these changes mentioned above will translate into improvements in student performance.
- While we benefit from having two relatively new school buildings, we continue to face myriad challenges that arise from buildings that exceed 50 years in age. The Board has addressed these challenges with financial resources to invest in providing a safe and nurturing learning environment.

Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$20,167,478. Revenues from the District's statement of revenues, expenditures and changes in fund balances were \$45,696,129. Expenditures from the District's statement of revenues, expenditures and changes in fund balances were \$43,977,753.

Governmental Budgetary Highlights

The original budget as passed by the Board of Education was not amended during the year. The District's final budget for the Governmental Funds (General, Debt Service, Transportation, Municipal Retirement/Social Security, and Capital Projects), anticipated that expenditures would exceed revenue by approximately \$46,570; however, the actual reports for the year show revenues exceeding expenditures by \$1,718,376. See more budget information under notes to required supplementary information page 61.

Dolton School District 149

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2019

District-Wide Financial Analysis

Statement of Net Position:

The District's net position is (\$8,843,857).

The District's financial position is the product of many factors. However, several events of the last year stand out:

- Current assets consist of cash and investments of \$20,077,213 which is in a shared pool of investments managed by the township's treasurer and property tax receivable of \$7,420,311, prepaid expenses of \$307,431, and other current assets of \$1,513,290, totaling \$29,318,245.
- Net capital assets at June 30, 2019 totaled \$15,212,874.
- Net pension liability related to Teachers' Retirement System at June 30, 2019 is \$1,838,032 which was a change from June 30, 2018 which reflected a liability of \$4,047,088. The net change was a decrease in the liability of \$2,209,056.
- Current liabilities include accounts payable of \$958,728, accrued interest of \$103,397, accrued payroll and related liabilities of \$147,972, the portion of the outstanding bonds due within the next fiscal year of \$900,000, and accrued compensated absences of \$75,210.
- Long-term liabilities include the portion of the outstanding bonds due after one year of \$18,425,000, net pension liability \$7,259,406, and net OPEB liability of \$22,501,477.
- Deferred Outflows at June 30, 2019 are \$9,268,849, which was a decrease of \$1,124,456 from the prior year.
- Deferred Inflows at June 30, 2019 are \$12,272,635, which was a decrease of \$1,948,668 from the prior year.

Table 1 Condensed Statement of Net Position (in millions of dollars)		
	2018	2019
Current and other assets	\$ 30.05	\$ 29.32
Capital assets, net	15.17	15.21
Total assets	45.22	44.53
Deferred outflows	10.39	9.27
Total assets and deferred outflows	55.61	53.80
Current liabilities	2.89	2.18
Net OPEB liability	22.66	22.50
Net pension liability	6.76	7.26
Long-term liabilities	20.02	18.43
Total liabilities	52.33	50.37
Deferred inflows	14.22	12.28
Total liabilities and deferred inflows	66.55	62.65
Net position:		
Invested in capital assets	9.54	9.83
Restricted	5.01	4.48
Unrestricted	(25.49)	(23.16)
Total net position	\$ (10.94)	\$ (8.85)

Dolton School District 149

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2019

Statement of Activities:

The District's total revenues were \$54,775,825, of which taxes represent \$13,821,267, evidence-based funding of \$21,036,290.

District charges for services along with State and Federal aid for specific programs brought in \$19,234,968 in revenues (includes on-behalf contributions from the State of Illinois of \$1,831,551).

The total cost of all programs and services was \$52,683,277. The District's expenses are predominantly related to instruction and support services. Other major expenses were incurred to cover the cost of outside special education services, building operations and transportation (includes on-behalf contributions from the State of Illinois of \$1,831,551).

Table 2
Net Position From Operating Results
(in millions of dollars)

	2018	2019
Revenues:		
Program revenues:		
Charges for Services	\$ -	\$ -
Operating Grants & Contributions	20.01	19.23
Capital Grants & Contributions	-	-
	<u>20.01</u>	<u>19.23</u>
General revenues:		
Taxes	13.58	13.82
General State Aid/Evidence-based Funding	20.59	21.04
Other	0.51	0.68
	<u>34.68</u>	<u>35.54</u>
Total revenue	<u>54.69</u>	<u>54.77</u>
Expenses:		
Instruction	26.77	25.46
Support Services	22.20	23.14
Community Services	0.53	0.69
Non-programmed Charges	2.42	2.50
Other	1.12	0.89
Total expenses	<u>53.04</u>	<u>52.68</u>
Change in net position	1.65	2.09
Net Position – Beginning	<u>(12.59)</u>	<u>(10.94)</u>
Net Position - Ending	<u>\$ (10.94)</u>	<u>\$ (8.85)</u>

Dolton School District 149

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2019

Capital Asset and Debt Administration

Capital assets

As of June 30, 2019, the District has invested \$15,212,874 (net of depreciation) in a broad range of capital assets, including land, construction in progress, buildings, site improvement, property and equipment (i.e. computer, audio-visual, transportation and maintenance equipment and furniture). This amount represents a net increase (including additions and deductions) of \$42,469. See financial statement footnote 3 for more information.

Table 3		
Capital Assets (net of depreciation)		
<i>(in millions of dollars)</i>		
	2018	2019
Land	\$ 0.67	\$ 0.67
Construction in progress	0.30	0.69
Depreciable buildings	29.53	29.58
Site Improvements	0.69	0.39
Property and equipment	3.76	3.50
Total	34.95	34.83
Total accumulated depreciation	19.78	19.62
Net Capital Assets	<u>\$ 15.17</u>	<u>\$ 15.21</u>

Long-term debt

As of June 30, 2019, the District had \$19,325,000, in general obligation and capital appreciation obligations outstanding. See financial statement footnote 4 for more information.

Table 4		
Outstanding Long-Term Debt		
<i>(in millions of dollars)</i>		
	2018	2019
General obligation bonds	\$ 19.89	\$ 19.32
Total	<u>\$ 19.89</u>	<u>\$ 19.32</u>

- The District's general obligation Limited Tax School bonds carry a rating of "AA" from Standard and Poor's.
- The state limits the amount of general obligation debt that the District can issue to 6.9% of the assessed value of all taxable property within the District's limits.

Dolton School District 149

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

Factors bearing on the District's Future

The following are circumstances that could significantly affect the District's financial health in the future:

- The Illinois General Assembly has imposed property tax legislation on school districts to give property taxpayers some relief by delaying tax increases each year. The legislation limits the levy increase to the lesser of the consumer price index (CPI) or five percent and mandates the use of the prior year's equalized assessed valuation (EAV) amount to generate the property tax levy. This "tax cap" continues to limit the District's tax collection ability. The District also suffers from a continued decline in the property tax revenue resulting from decreasing property values.
- Salaries and employee benefit cost represent a significant portion of the operating expenses in the district.
- Property tax relief grant- District will receive 1.4 million in income through evidence-based funding and the District will abate property tax for the next two years.
- The District will be applying the new regulations pertaining to student activity funds.
- The District will prepare for the change in IDEA Flow thru funds coming directly to the District for 2021.

BASIC FINANCIAL STATEMENTS

DOLTON SCHOOL DISTRICT NO. 149
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and investments - pooled accounts	\$ 20,072,213
Cash at district	5,000
Receivables	
Property taxes	7,420,311
Other	1,513,290
Prepaid items	307,431
Capital assets not being depreciated	1,358,241
Capital assets (net of accumulated depreciation)	<u>13,854,633</u>
 Total Assets	 <u>44,531,119</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	8,745,262
Deferred outflows related to other postemployment benefits	<u>523,587</u>
 Total Deferred Outflows of Resources	 <u>9,268,849</u>
LIABILITIES	
Accounts payable	958,728
Accrued payroll and related liabilities	147,972
Accrued interest payable	103,397
Noncurrent liabilities	
Due within one year	
Bonds payable	900,000
Accrued compensated absences	75,210
Due in more than one year	
Bonds payable	18,425,000
Net OPEB liability	22,501,477
Net pension liability	<u>7,259,406</u>
 Total Liabilities	 <u>50,371,190</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	7,867,500
Deferred inflows related to other postemployment benefits	<u>4,405,135</u>
 Total Deferred Inflows of Resources	 <u>12,272,635</u>
NET POSITION	
Net investment in capital assets	9,832,874
Restricted for	
Transportation	489,580
Employee retirement	328,622
Debt service	584,050
Capital projects	3,085,997
Unrestricted	<u>(23,164,980)</u>
 Total Net Position	 <u><u>\$ (8,843,857)</u></u>

The accompanying notes are an integral part of the financial statements.

DOLTON SCHOOL DISTRICT NO. 149
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
				Total
				Governmental
				Activities
Governmental Activities				
Instructional services				
Regular programs	\$ 14,721,031	\$ 50	\$ 2,923,237	\$ (11,797,744)
Special programs	1,319,946	-	892,887	(427,059)
Other instructional programs	322,209	-	-	(322,209)
State retirement contributions	9,003,779	-	9,003,779	-
Support services				
Pupils	1,948,447	-	-	(1,948,447)
Instructional staff	741,815	-	31,365	(710,450)
General administration	3,272,789	-	-	(3,272,789)
School administration	3,079,755	-	-	(3,079,755)
Business	2,661,039	3,296	2,086,640	(571,103)
Operation and				
maintenance of facilities	3,997,680	-	-	(3,997,680)
Transportation	3,568,251	-	1,472,199	(2,096,052)
Central	1,134,788	-	-	(1,134,788)
State retirement contributions	2,821,515	-	2,821,515	-
Community services	691,864	-	-	(691,864)
Nonprogrammed charges	2,499,575	-	-	(2,499,575)
Interest on long-term				
liabilities	898,794	-	-	(898,794)
Total governmental activities	<u>\$ 52,683,277</u>	<u>\$ 3,346</u>	<u>\$ 19,231,622</u>	<u>(33,448,309)</u>

General revenues

Property taxes levied for	
Current operating purposes	12,350,700
Debt service	1,164,912
Personal property replacement taxes	305,655
Evidence-based funding	21,036,290
Earnings on investments	326,989
Miscellaneous	356,311
Total general revenues	<u>35,540,857</u>
Change in net position	<u>2,092,548</u>
Net position, beginning of year	<u>(10,936,405)</u>
Net position, end of year	<u>\$ (8,843,857)</u>

The accompanying notes are an integral part of the financial statements.

DOLTON SCHOOL DISTRICT NO. 149
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Transportation	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments - pooled accounts	\$ 15,769,208	\$ 304,336	\$ 3,085,997	\$ 912,672	\$ 20,072,213
Cash at district	5,000	-	-	-	5,000
Receivables					
Property taxes	5,718,482	493,809	-	1,208,020	7,420,311
Other	1,146,747	366,543	-	-	1,513,290
Prepaid items	307,431	-	-	-	307,431
Total Assets	<u>\$ 22,946,868</u>	<u>\$ 1,164,688</u>	<u>\$ 3,085,997</u>	<u>\$ 2,120,692</u>	<u>\$ 29,318,245</u>
LIABILITIES					
Accounts payable	\$ 778,717	\$ 180,011	\$ -	\$ -	\$ 958,728
Accrued payroll and related liabilities	146,684	1,288	-	-	147,972
Total Liabilities	<u>925,401</u>	<u>181,299</u>	<u>-</u>	<u>-</u>	<u>1,106,700</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	5,602,153	493,809	-	1,208,020	7,303,982
Other unavailable revenue	740,085	-	-	-	740,085
Total Deferred Inflows of Resources	<u>6,342,238</u>	<u>493,809</u>	<u>-</u>	<u>1,208,020</u>	<u>8,044,067</u>
FUND BALANCES					
Nonspendable					
Prepaid items	307,431	-	-	-	307,431
Restricted					
Employee retirement	-	-	-	328,622	328,622
Debt service	-	-	-	584,050	584,050
Capital projects	-	-	3,085,997	-	3,085,997
Assigned					
Transportation	-	489,580	-	-	489,580
Tort immunity	34,182	-	-	-	34,182
Unassigned (deficit)	15,337,616	-	-	-	15,337,616
Total Fund Balances	<u>15,679,229</u>	<u>489,580</u>	<u>3,085,997</u>	<u>912,672</u>	<u>20,167,478</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,946,868</u>	<u>\$ 1,164,688</u>	<u>\$ 3,085,997</u>	<u>\$ 2,120,692</u>	<u>\$ 29,318,245</u>

The accompanying notes are an integral part of the financial statements.

DOLTON SCHOOL DISTRICT NO. 149
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances - governmental funds		\$ 20,167,478
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		15,212,874
Some of the District's governmental revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and are therefore not accrued in the governmental funds.		8,044,067
Interest on long-term liabilities (interest payable) accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental fund balance sheet.		(103,397)
Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not reported in governmental funds:		
Deferred outflows of resources	9,268,849	
Deferred inflows of resources	<u>(12,272,635)</u>	(3,003,786)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Long-term debt	(19,325,000)	
Compensated absences payable	(75,210)	
Net pension liability	(7,259,406)	
Net other postemployment benefits liability	<u>(22,501,477)</u>	<u>(49,161,093)</u>
Net position of governmental activities		<u><u>\$ (8,843,857)</u></u>

The accompanying notes are an integral part of the financial statements.

DOLTON SCHOOL DISTRICT NO. 149
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General	Transportation	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local sources					
Property taxes	\$ 10,045,052	\$ 996,438	\$ -	\$ 2,115,395	\$ 13,156,885
Personal property replacement taxes	240,655	-	-	65,000	305,655
Charges for services	3,296	-	-	-	3,296
Refund of prior year expenditures	112,098	-	-	-	112,098
Earnings on investments	248,493	9,090	49,230	20,176	326,989
Other	244,261	-	-	2	244,263
Evidence-based funding	19,854,932	-	-	436,358	20,291,290
Restricted state aid	1,845,473	2,568,935	-	-	4,414,408
Restricted federal aid	5,009,694	-	-	-	5,009,694
State retirement contributions	1,831,551	-	-	-	1,831,551
Total Revenues	39,435,505	3,574,463	49,230	2,636,931	45,696,129
EXPENDITURES					
Current					
Instruction	17,925,978	-	-	314,674	18,240,652
Support services	15,561,684	3,563,624	46,974	787,480	19,959,762
Community services	680,458	-	-	11,406	691,864
Non-programmed charges	2,499,575	-	-	-	2,499,575
Capital outlay	529,028	-	442,181	-	971,209
Debt service					
Principal	-	-	-	569,469	569,469
Interest and fiscal charges	-	-	-	1,045,222	1,045,222
Total Expenditures	37,196,723	3,563,624	489,155	2,728,251	43,977,753
Net change in fund balances	2,238,782	10,839	(439,925)	(91,320)	1,718,376
Fund balances at beginning of year	13,440,447	478,741	3,525,922	1,003,992	18,449,102
Fund balances at end of year	\$ 15,679,229	\$ 489,580	\$ 3,085,997	\$ 912,672	\$ 20,167,478

The accompanying notes are an integral part of the financial statements.

DOLTON SCHOOL DISTRICT NO. 149
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds \$ 1,718,376

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

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities. Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds:

Capital outlays	\$ 971,208	
Deletions	(181,172)	
Depreciation expense	<u>(747,567)</u>	42,469

Revenues in the statement of activities that are not available in governmental funds are not reported as revenue in governmental funds until received. (914,047)

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 146,428

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Change in compensated absences	46,930	
Change in net pension liability	(495,147)	
Change in deferred inflows/outflows related to pensions	1,793,289	
Change in net other postemployment benefits liability	153,858	
Change in deferred inflows/outflows related to other postemployment benefits	<u>(969,077)</u>	529,853

The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Repayment of bond and loan principal	<u>569,469</u>
--------------------------------------	----------------

Change in net position of governmental activities \$ 2,092,548

The accompanying notes are an integral part of the financial statements.

DOLTON SCHOOL DISTRICT NO. 149
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2019

	Agency Fund
ASSETS	
Cash	<u>\$ 108,450</u>
LIABILITIES	
Due to activity fund organizations	<u>\$ 108,450</u>

The accompanying notes are an integral part of the financial statements.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Dolton School District 149 (the “District”) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The financial statement also includes the Management’s Discussion and Analysis (MD&A) which provides an analysis of the District’s overall financial position and results of operations.

The District includes all funds of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization’s governing body, imposition of will, and fiscal dependency.

This report includes all of the funds of the District. The reporting entity for the District consist of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity’s financial statements to be misleading. The District has not identified any organizations that meet this criteria.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements present governmental activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the District’s funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION (CONTINUED)

The District reports the following major governmental funds:

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those accounted for in other funds. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid. The General Fund include the Educational, Operation and Maintenance, Working Cash and Tort Immunity subfunds.

The *Transportation Fund* is a special revenue fund used to account for costs of transporting pupils for any purpose. Revenue is derived primarily from a separate tax levy and state grants.

The *Capital Projects Fund* is a capital projects fund created to account for financial resources to be used for the acquisition or construction of major capital facilities.

The District reports the following nonmajor governmental funds:

The *Municipal Retirement/Social Security Fund* is a special revenue fund created when separate tax is levied for the purpose of providing resources for the District's share of retirement benefits and/or Social Security and Medicare only payments for covered employees.

The *Debt Service* is a debt service fund maintained to account for separate taxes levied to provide cash to retire bonds and to pay the interest and other related costs on them.

Fiduciary fund types 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. The District reports the following fiduciary fund type:

Agency Funds include Student Activity Funds. They account for assets held by the District as an agent for the students. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

Government-wide and Fiduciary Fund Financial Statements

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (i.e., intended to finance). Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING (CONTINUED)

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The District considers all revenues reported in the governmental funds to be available if the revenues are due (or past due) within sixty days after year-end. Property taxes, grants, tuition, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. DEPOSIT AND INVESTMENTS

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at fair market value. All other investments are reported at fair value. Investments are placed according to guidelines provided by the Illinois Compiled Statutes.

Under Illinois law, the District is restricted to investing funds in specific types of investments instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued and guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 270 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Illinois Public Treasurers' Investment Pool.
- Repurchase agreements which meet instrument transactions requirements of Illinois law.

E. PROPERTY TAXES RECEIVABLE

Property taxes receivable represent the 2018 net uncollected tax levies. An allowance for estimated collection losses of 6% of the total levy has been provided to reduce the receivable to the estimated amounts collectible. See additional information on allowance under footnote 6.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. CAPITAL ASSET

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Improvements	10-20
Buildings	20-40
Transportation equipment	5
Other equipment	5-20

G. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Deferred revenues also arise when the District receives resources before it has a legal claim to them. In subsequent periods, when the revenue recognition criterion is met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Deferred revenues at the government-wide level arise only when the District receives resources before it has a legal claim to them. The District has deferred outflows and inflows in relation to pensions (see footnote 10 and 11) and other post-employment benefits (see footnote 13 and 14) that are reflected on the statement of net position.

H. VACATION AND SICK LEAVE

Employee vacation and sick leave, including salary related payments, is recorded when it is paid. Accumulated unpaid employee vacation and sick leave which was earned prior to the current fiscal year but unused at the end of the current fiscal year is not significant. Vacation and sick leave will be paid with future tax collections and therefore has not been reported as a current liability of the governmental funds.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bond issuance costs are expensed as incurred.

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

J. USE OF ESTIMATES

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

K. USE OF RESTRICTED RESOURCES

When both restricted and unrestricted resources are available to use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

L. ELIMINATIONS AND RECLASSIFICATIONS

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

M. PERSONAL PROPERTY REPLACEMENT TAXES

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

N. NET POSITION/FUND BALANCE

Equity is classified as net position in the government-wide financial statements and displayed in three components:

- *Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.
- *Restricted net position* – Consists of net position placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) laws through constitutional provisions, or enabling legislation.
- *Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. NET POSITION/FUND BALANCE (CONTINUED)

Fund balance is reported in the fund financial statements in the following five categories:

- Nonspendable: includes amounts not in spendable form or amounts required to be maintained intact legally or contractually (e.g. inventory, pre-paid items, permanent scholarships).
- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation. Restrictions imposed by creditors, grantors, and contributors.
- Committed: fund balances that contain self-imposed constraints of the District from its highest level of decision-making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.
- Assigned: fund balances that contain self-imposed constraints of the District to be used for a particular purpose. Intent should be expressed by a) the governing body itself or b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned: includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balance for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

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

NOTE 2. DEPOSITS AND INVESTMENTS

Under Illinois Compiled Statutes, the Thornton Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independent elected body, to serve the school districts in the township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances as well as investment earnings are accounted for separately for each fund and/or district.

Cash and investments, other than the student activity, imprest funds and petty cash, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records which segregate the cash and investment balance by district or cooperative. Income from investments is distributed annually based on the District's percentage participation in the pool.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

The Treasurer's investment policy is established by the Thornton Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

Because all cash and investments are pooled by a separate legal governmental agency (Treasurer), categorization by risk category is not determinable. Further information regarding collateralization of investments and insurance is available from the Treasurer's financial statements. As of June 30, 2019, the amount of cash and investments held by the Thornton Township School Treasurer to the District was \$20,072,313.

NOTE 3. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 666,428	\$ -	\$ -	\$ 666,428
Construction in progress	300,405	391,408	-	691,813
Total capital assets not being depreciated	<u>966,833</u>	<u>391,408</u>	<u>-</u>	<u>1,358,241</u>
Capital assets being depreciated				
Buildings	29,533,679	50,773	-	29,584,452
Improvements	691,467	-	299,465	392,002
Equipment	3,761,069	529,027	792,514	3,497,582
Total capital assets being depreciated	<u>33,986,215</u>	<u>579,800</u>	<u>1,091,979</u>	<u>33,474,036</u>
Less accumulated depreciation for				
Buildings	15,935,425	640,324	-	16,575,749
Improvements	652,212	13,780	299,465	366,527
Equipment	3,195,006	93,463	611,342	2,677,127
Total accumulated depreciation	<u>19,782,643</u>	<u>747,567</u>	<u>910,807</u>	<u>19,619,403</u>
Total capital assets being depreciated, net	<u>14,203,572</u>	<u>(167,767)</u>	<u>181,172</u>	<u>13,854,633</u>
Governmental activities capital assets, net	<u>\$ 15,170,405</u>	<u>\$ 223,641</u>	<u>\$ 181,172</u>	<u>\$ 15,212,874</u>

Total depreciation for the year is \$747,567. Depreciation expense is reported on the statement of activities and is allocated to specific functions/programs of the District as follows: \$747,567 of depreciation on buildings, which is charged to facilities acquisition and construction services.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4. LONG-TERM LIABILITIES

Changes in general long-term liabilities as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due Within One Year
General obligation	\$ 19,894,469	\$ -	\$ 569,469	\$ 19,325,000	\$ 900,000
Accrued vacation and sick leave	122,140	75,210	122,140	75,210	75,210
Net OPEB liabilities					
Other postemployment benefits plan	3,117,184	3,682,268	3,117,184	3,682,268	-
Teachers' Health Insurance Security Fund	19,538,151	18,819,209	19,538,151	18,819,209	-
Net pension liabilities					
Teachers' Retirement System	4,047,088	1,838,032	4,047,088	1,838,032	-
Illinois Municipal Retirement Fund	2,717,171	5,421,374	2,717,171	5,421,374	-
Total	<u>\$ 49,436,203</u>	<u>\$ 29,836,093</u>	<u>\$ 30,111,203</u>	<u>\$ 49,161,093</u>	<u>\$ 975,210</u>

A. BONDS PAYABLE

General obligation bonds payable at June 30, 2019 consisted of the following individual issues:

\$6,795,000 General Obligation Limited Tax School Bonds, Series 2014 A-1, dated June 25, 2014 were issued to refund the Series 1999 bonds, Series 2001A debt certificates, and a portion of the Series 2003B bonds. Principal payments are due starting June 1, 2027 thru December 1, 2033. Interest on the bonds vary between 4.0% to 4.125% and is paid semi-annually on June 1 and December 1. Bonds are callable on December 1, 2025 or thereafter at the option of the District.	\$6,795,000
\$6,300,000 Taxable General Obligation Limited Tax School Bonds, Series 2014 A-2, dated June 25, 201 were issued for working cash purposes. The bonds have principal payments due on December 1, 2014 then from December 1, 2020 thru December 1, 2033. Interest varies from 0.65% (on the bonds due December 1, 2014) to 4.6%. Interest is paid semi-annually on June 1 and December 1. Bonds are callable on December 1, 2025 or thereafter at the option of the District.	6,120,000
\$5,870,000 General Obligation School Bonds (Alternative Revenue Source), Series 2016A, dated June 30, 2016, were issued for building purposes. The bonds have principal payments due on December 1, 2017 thru December 1, 2035. Interest on the bonds vary between 2.0% to 3.0% and is paid semi-annually on June 1 and December 1.	5,380,000

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4. LONG-TERM LIABILITIES (CONTINUED)

A. BONDS PAYABLE (CONTINUED)

\$1,030,000 Taxable General Obligation Limited Tax School Bonds, Series 2016B, dated June 30, 2016, were issued for working cash purposes. The bonds have principal payments due on December 1, 2020 thru December 1, 2031. Interest on the bonds vary between 2.1% to 4.0% and is paid semi-annually on June 1 and December 1.

1,030,000

Total General Obligation Bonds

\$ 19,325,000

In prior years, the District refunded (defeased) certain general obligation bonds by placing the refunding portion of the proceeds of new bonds in irrevocable trusts to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. As of June 30, 2019, there are no longer any defeased bonds.

At June 30, 2019, the annual cash flow requirements of bond principal and interest as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 900,000	\$ 707,864	\$ 1,607,864
2021	945,000	681,203	1,626,203
2022	990,000	648,727	1,638,727
2023	1,040,000	614,008	1,654,008
2024	1,085,000	577,692	1,662,692
2025	1,140,000	538,413	1,678,413
2026	1,190,000	495,695	1,685,695
2027	1,255,000	449,375	1,704,375
2028	1,315,000	398,954	1,713,954
2029	1,380,000	348,769	1,728,769
2030	1,440,000	296,893	1,736,893
2031	1,510,000	240,793	1,750,793
2032	1,420,000	185,143	1,605,143
2033	1,445,000	130,968	1,575,968
2034	1,500,000	75,262	1,575,262
2035	380,000	17,400	397,400
2036	390,000	5,850	395,850
	<u>\$ 19,325,000</u>	<u>\$ 6,413,009</u>	<u>\$ 25,738,009</u>

As of June 30, 2019, the District's legal debt margin is (\$2,990,250) based on a debt limitation of \$16,334,750 equal to 6.9% of the 2018 equalized assessed valuation of \$236,735,505 and outstanding debt of \$19,325,000. The Illinois School Code permits school districts to issue certain types of bonds, such as the Series 2016 Bonds, in excess of statutory debt limitations.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5. OPERATING LEASE

District entered into a copier lease agreement on January 26, 2017. The lease requires a monthly payment of \$5,648 for a term of sixty (60) months. Lease payments are paid through the Educational Fund.

At June 30, 2019, the future minimum lease payments for the above lease is as follows:

Year Ending June 30,	Total
2020	\$ 67,772
2021	67,772
2022	<u>56,477</u>
Total	<u><u>\$ 192,021</u></u>

NOTE 6. PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. Property is appraised by the County Assessor at various percentages of fair market value and then subjected to equalization by standard of 33-1/3 of fair market value. 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 lessor of 5% or the percentage increase in the consumer price index for the year preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation.

Property taxes levied for any year attach as an enforceable lien on property as of January 1 and are due and payable in the following calendar year. Real estate tax bills are payable in two installments. The first installment is computed at 55% of the prior year's bill and is mailed in late January with a March 1 due date. The second installment is computed after the assessed valuations for the current year have been determined, usually in June or July. Final tax bills are mailed with a penalty date at least 30 days after the date of mailing, but not earlier than August 1. The District normally collects property taxes within 60 days of the respective installment dates. The District considers that the first installment of the 2018 levy is to be used to finance operations in fiscal 2019. The District has determined that the second installment of the 2018 levy is to be used to finance operations in fiscal 2020 and has deferred the corresponding receivable.

For taxing districts in Cook County, including the District, the tax rate limit is required to be applied to the equalized assessed valuation (EAV) of property for the levy year prior to the levy year for which taxes are then being extended. The actual levy rate is stated based on the current EAV of property. As a result, a tax rate may be at its maximum for the levy year even though it is less than its corresponding limit. The Board passed the current levy on December 13, 2018.

Reserves for uncollectible property taxes are netted against the receivable as follows:

	<u>Total</u>
Receivable - gross	\$ 8,339,745
Allowance for uncollectibles	<u>(919,434)</u>
Receivable - net	<u><u>\$ 7,420,311</u></u>

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6. PROPERTY TAXES (CONTINUED)

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100.00 of equalized assessed valuation:

Equalized Assessed Valuation (EAV)		<u>\$ 236,735,505</u>	<u>\$ 247,091,172</u>
	Limit	Actual 2018 Levy	Actual 2017 Levy
Educational	As needed	3.7317	3.3369
Special Education	0.4000	0.4000	0.3926
Operations and Maintenance	0.5500	0.5500	0.5386
Transportation	As needed	0.4309	0.5151
Municipal Retirement	As needed	0.0742	0.2257
Social Security	As needed	0.4153	0.2287
Debt Service	As needed	0.5649	0.5176
Working Cash	0.0500	-	-
Tort Immunity	As needed	0.3052	0.2833
		<u>6.4722</u>	<u>6.0385</u>

NOTE 7. JOINT AGREEMENT

The District is a participant in Exceptional Children Have Opportunities (ECHO), which was established as a result of a joint agreement between 17 local public-school districts for the purpose of providing special education services to the children of its member districts.

The joint agreement is governed by a Board of Directors composed of superintendents (or an alternative person appointed by the superintendent) from each member district. Complete financial statements of the joint agreement may be obtained from its administrative office at 350 West 154th Street, South Holland, Illinois 60473. The District paid \$2,238,858 to ECHO for tuition and services during the year ended June 30, 2019.

The following is summary financial information on the joint agreement as of and for the year ended June 30, 2018, the most recent information available:

Total assets-modified cash basis	\$ 28,839,119
Total liabilities-modified cash basis	2,523,296
Net investment in capital assets	5,283,228
Restricted net position - modified cash	322,270
Unrestricted net position - modified cash	20,710,325
Total net position-modified cash basis	26,315,823
Revenues received	57,886,134
Expenditures disbursed	47,970,290
Net change in fund balance	9,915,844

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
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NOTE 8. CONTINGENCIES

The District has received funding from State and Federal grants in the current and prior years, which are subject to audits by the granting agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, District management believes that such disallowances, if any, would be immaterial.

NOTE 9. 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; and natural disasters for which the District carries commercial insurance. Premiums have been displayed as expenditures in appropriate funds. The District also operates a self-insurance program for medical coverage for employees. No material reductions in insurance coverages have occurred from the previous year nor have any insurance claims in excess of insurance coverages been paid or reported during the last three years.

The District maintains a self-insurance plan to provide medical insurance to its employees. An outside administrator administers claims for a fixed fee per enrolled employee. The District makes periodic payments to an escrow account established by the plan administrator. The administrator pays employee claims from this escrow account and requires the District to cover any deficiencies. The District liability is limited by private insurance which provides a \$65,000 specific stop loss and a minimum aggregate stop loss of \$2,236,926. There were no significant reductions in insurance coverage in the current fiscal year.

An analysis of health insurance claims activity consisted of the following:

	June 30, 2018	June 30, 2019
Accrued insurance liability, beginning	\$ 399,567	\$ 200,643
Current year claims and changes in estimate	2,980,756	3,182,887
Claims Paid	(3,179,680)	(3,083,053)
Accrued insurance liability, ending	<u>\$ 200,643</u>	<u>\$ 300,477</u>

NOTE 10. 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 non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington Street, P.O. Box 19253, Springfield, Illinois 62794; or by calling (888) 678-3675, option 2.

NOTE 10. TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Benefit Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, required 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 District, is submitted to TRS by the District.

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the employer, and the District recognized revenue and expenditures of \$1,621,398 in pension contributions from the State of Illinois.

2.2 Formula Contributions to TRS

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 \$98,298, and are deferred because they were paid after the June 30, 2018 measurement date.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10. TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Federal and Special Trust Funds 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's pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$486,949 were paid from federal and special trust funds that required employer contributions of \$47,964. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

Early Retirement Cost Contribution

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.

A one-time contribution is also required for members granted salary 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 \$539 to TRS for employer contributions due on salary increases in excess of 6 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 employer. 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 follows:

District's proportionate share of the net pension liability	\$ 1,838,032
State's proportionate share of the net pension liability associated with the District	<u>125,912,867</u>
Total	<u><u>\$ 127,750,899</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0023581184 percent, which was an decrease of .0029392464 percent from its proportion measured as of June 30, 2017.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10. TEACHERS' RETIREMENT SYSTEM (CONTINUED)

For the year ended June 30, 2019, the District recognized pension expense of \$11,825,294 and revenue of \$11,825,294 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,941	\$ 401
Changes of assumptions	80,615	52,094
Net difference between projected and actual earnings on pension plan investment	-	5,628
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>6,870,981</u>	<u>7,809,377</u>
Total deferred amounts to be recognized in pension expense in future periods	6,988,537	7,867,500
Pension contributions made subsequent to the measurement date	<u>150,783</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 7,139,320</u></u>	<u><u>\$ 7,867,500</u></u>

\$150,783 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 Ending June 30,	Net Deferred Outflows of Resources
2020	\$ (1,220,667)
2021	(653,805)
2022	1,261,300
2023	(86,938)
2024	(178,853)
Thereafter	<u>-</u>
Total	<u><u>\$ (878,963)</u></u>

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10. TEACHERS' RETIREMENT SYSTEM (CONTINUED)

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	Varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%	1.30%
Emerging international debt	2.6%	4.50%
Real estate	16.0%	5.40%
Real return	4.0%	1.80%
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 a 7.0 percent, which was a change 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.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10. TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was not projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially-funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 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 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%
Employer's proportionate share of the net pension liability	\$ 2,254,172	\$ 1,838,032	\$ 1,502,913

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

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

Benefit Provided

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.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Benefit Provided (Continued)

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

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

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	245
Inactive Plan Members entitled to but not yet receiving benefits	113
Active Plan Members	<u>73</u>
Total	<u><u>431</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2018 was 15.64%. For the fiscal year ended June 30, 2019, the District contributed \$556,245 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%.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Actuarial Assumptions (Continued)

- 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.
- The IMRF-specific rates for Mortality (for non-disabled retirees) was used with fully generational projection scale MP-2017 (based year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

Asset Class	Portfolio Target Percentage	Return 12/31/18	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	37%	-6.08%	8.50%	7.15%
International Equities	18%	-14.16%	9.20%	7.25%
Fixed Income	28%	-28.00%	3.75%	3.75%
Real Estate	9%	8.36%	7.30%	6.25%
Alternative Investments	7%			
Private Equity		N/A	12.40%	8.50%
Hedge Funds		N/A	5.75%	5.50%
Commodities		N/A	4.75%	3.20%
Cash Equivalents	1%	N/A	2.50%	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

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Single Discount Rate (Continued)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.31% (based on the daily rate closest to but no later than the measurement date of the "20-Bond Go Index") and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 19,268,492	\$ 16,551,321	\$ 2,717,171
Changes for the year:			
Service Cost	320,266	-	320,266
Interest on the Total Pension Liability	1,417,850	-	1,417,850
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	381,129	-	381,129
Changes of Assumptions	557,230	-	557,230
Contributions- Employer	-	522,891	(522,891)
Contributions- Employee	-	149,317	(149,317)
Net Investment Income	-	(952,212)	952,212
Benefit Payments, including Refunds			
of Employee Contribution	(1,047,930)	(1,047,930)	-
Other (Net Transfer)	-	252,276	(252,276)
Net Changes	1,628,545	(1,075,658)	2,704,203
Balances at December 31, 2018	\$ 20,897,037	\$ 15,475,663	\$ 5,421,374

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

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 7,914,490	\$ 5,421,374	\$ 3,329,655

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Pension Expense Deferred Outflows of Resources and Deferrer Inflows of Resources Related to Pensions

For the calendar year ended December 31, 2018, the District's pension expense was \$880,343.

At June 30, 2019, the District's deferred outflows of resources related to pensions were from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 104,688
Changes of assumptions	153,059
Net difference between projected and actual earnings on pension plan investment	<u>1,047,093</u>
Total deferred amounts to be recognized in pension expense in future periods	1,304,840
Pension contributions made subsequent to the measurement date	<u>301,102</u>
Total deferred amounts related to pensions	<u><u>\$ 1,605,942</u></u>

Deferred outflows and inflows of resources by year to be recognized in future pension expenses:

<u>Year Ending Decemeber 31</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$ 593,662
2020	146,480
2021	126,910
2022	437,788
2023	-
Thereafter	-
Total	<u><u>\$ 1,304,840</u></u>

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12. SUMMARY OF PENSION INFORMATION

The summary of pension information is to consolidate the net pension liability and deferrals from TRS (footnote 10) and IMRF (footnote 11) and tie the totals to the Statement of Net Position.

	TRS	IMRF	Total
Deferred outflows of resources	\$ 7,139,320	\$ 1,605,942	\$ 8,745,262
Net Pension Liability	1,838,032	5,421,374	7,259,406
Deferred inflows of resources	7,867,500	-	7,867,500

NOTE 13. TEACHERS HEALTH INSURANCE SECURITY

Plan and Benefit Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago.

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) 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.

Contributions

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) required that all active contributors of the TRS, who are not employees of a state agency, make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to .92% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. Employer and non-employer contributing entity contributions are recognized as revenue when due pursuant to statutory or contractual requirements.

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% of pay during the year ended June 30, 2019. State of Illinois contributions were \$210,153, and the District recognized revenue and expenditures of this amount during the year.

The District made contributions to the THIS Fund during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$366,073 to the THIS Fund, which was 100% of the required contribution.

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

At June 30, 2019, the District reported a liability for its proportionate share of the net OPEB liability 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 OPEB liability that was associated with the District were as follows:

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13. TEACHERS HEALTH INSURANCE SECURITY (CONTINUED)

District's proportionate share of the net OPEB liability	\$ 18,819,209
State's proportionate share of the net OPEB liability associated with the District	<u>25,270,139</u>
Total	<u><u>\$ 44,089,348</u></u>

The net OPEB liability was measured as of June 30, 2018, and the OPEB pension liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The employer's proportion of the net OPEB liability was based on the employer's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating THIS employers and the State during that period. At June 30, 2018, the employer's proportion was 0.071431%, which was an decrease of 0.00386 from its proportion measured as of June 30, 2017.

OPEB Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2019, the District recognized OPEB expense of \$837,857 and revenue of \$210,153 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 67,524
Changes in assumptions	-	2,740,393
Net difference between projected and actual earnings on OPEB plan investments	-	578
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>29</u>	<u>1,104,780</u>
Total deferred amounts to be recognized in OPEB expense in future periods	29	3,913,275
District contributions subsequent to the measurement date	<u>366,073</u>	<u>-</u>
Total	<u><u>\$ 366,102</u></u>	<u><u>\$ 3,913,275</u></u>

\$366,073 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13. TEACHERS HEALTH INSURANCE SECURITY (CONTINUED)

Year Ending June 30,	Net Deferred Outflows of Resources
2019	\$ (782,649)
2020	(782,649)
2021	(782,649)
2022	(782,649)
2023	(782,649)
Total	<u>\$ (3,913,246)</u>

Actuarial Assumptions

The following assumptions and trust information are applicable to the plan as a whole.

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

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Inflation	2.75%
Salary increases	3.25% to 9.25%, 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 costs on and after 2022 to account for the Excise Tax.
Mortality	Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014. The projections of the sharing of benefit-related costs are based on an established practice.

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 fixed-income municipal bond with 20-years to maturity that included only federally tax-exempt municipal bonds are reported in Fidelity's index's "20-year municipal GO AA index" has been selected. The discount rates are 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13. TEACHERS HEALTH INSURANCE SECURITY (CONTINUED)

The increase in the single discount rate from 3.56% to 3.62% caused the total OPEB liability to decrease by approximately \$285 billion from 2017 to 2018.

The actuarial valuation was based on the entry age normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

During 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 assumption was set to zero.

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate

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

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
District's proportionate share of the net pension liability	\$ 22,627,933	\$ 18,819,209	\$ 15,812,534

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the District's net OPEB liability, calculated using the healthcare cost trend rates as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% decreasing to an ultimate trend rate of 4.86% in 2028 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
District's proportionate share of the net pension liability	\$ 15,259,331	\$ 18,819,209	\$ 23,615,219

(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 2018 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.

NOTE 13. TEACHERS HEALTH INSURANCE SECURITY (CONTINUED)

Financial Statements for the Plan

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under “Central Management Services” (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

THIS’s financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

NOTE 14. POST RETIREMENT MEDICAL PLAN

Plan Description

The medical benefit plan for the District is a single-employer defined benefit plan administered by the District. The District has the authority to establish and amend benefit provisions of the medical benefit plan. The following benefit provisions are below:

TRS Employees- Upon retirement, TRS employees who retire on or after August 1, 2017 are eligible to have their TRS premiums (retiree’s portion of single coverage only) paid for by the District until the retiree becomes eligible for Medicare.

IMRF Retirees- Eligible IMRF retirees may elect to pay the COBRA premiums and continue coverage in the District’s medical and dental plans indefinitely.

Effective July 1, 2018, IMRF employees who worked during the 2018-2019 fiscal year and retire with twelve or more years of service may elect to receive the District medical and dental coverage for the same employee contribution as active employees for a one-year period. At the end of the 1st year retirement, the IMRF retiree would be required to pay the Cobra rate for this coverage.

Funding Policy

The District has not established a trust fund to finance the cost of the Postretirement medical plan. Premiums are paid by retirees based on the rates established for active employees. The postretirement benefit plans for the District are funded on a pay-as-you-go basis

Eligible Plan Participants

All active and retired employees who are participants in the medical plan as of the valuation date and who are eligible, or may become eligible, in the future for District OPEB benefits are included in the calculations in this report.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14. POST RETIREMENT MEDICAL PLAN (CONTINUED)

Membership in the plan consisted of the following as of July 1, 2017, the most recent valuation date:

Active employees	185
Inactive employees entitled to but not yet receiving benefits	-
Retirees currently receiving benefits	<u>18</u>
Total	<u><u>203</u></u>

TRS Employees. Reimbursement of the retiree's portion of the single medical premium in the Teachers Retirement Insurance Program of the State of Illinois (TRIP) is offered to retired TRS staff after the employee has satisfied the eligibility requirements, as outlined below:

Tier 1: Members hired prior to July 1, 2011

- Age 60 and at least 10 years of TRS service;
- Age 62 and at least 8 years of TRS service, or
- Age 55 and at least 20 years of TRS service

Tier 2: Membership on or after July 1, 2011

- Age 62 and at least 10 years of TRS service

The difference in eligibility is consistent with the two TRS tier options. Employees who began accumulating TRS service before July 1, 2011 are categorized as Tier 1. Those who began accumulating TRS service on or after July 1, 2011 are Tier 2.

IMRF Employees. IMRF retirees may continue District medical and/or dental coverage after the employee has completed at least 8 years of IMRF service and is age 55 or greater at retirement if they were hired prior to January 1, 2011. For those hired on or after January 1, 2011, the requirement is 10 years of IMRF service and age 62 or greater. The difference in eligibility is consistent with the two IMRF tier options. Employees who began accumulating IMRF service before January 1, 2011 are categorized as IMRF Tier 1. Those who began accumulating IMRF service on or after January 1, 2011 are IMRF Tier 2.

Monthly Retiree and Employer Contributions

IMRF retirees contribute the COBRA rate which is based on the full monthly cost of coverage for the active group of employees. TRS retirees do not make any contributions to the District. The monthly contribution rates for medical/prescription drug and dental coverage for the year ended June 30, 2019 were as follows:

		Retiree +
OPEB Plan	Retiree Only	Spouse
IMRF retirees	\$ 877.51	\$ 1,729.42

TRS OPEB coverage benefits are only offered to the retiree only. Dependents are not eligible for any benefits. The postretirement benefit plan for the District are funded on a pay-as-you-go basis.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14. POST RETIREMENT MEDICAL PLAN (CONTINUED)

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2019.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2018	\$ 3,117,184	\$ -	\$ 3,117,184
Changes for the year:			
Service Cost	118,119	-	118,119
Interest Cost	114,918	-	114,918
Change in benefit terms	277,250	-	277,250
Difference between expected and actual experience	(813)	-	(813)
Changes in assumptions or inputs	178,261	-	178,261
Benefit Payments	(122,651)	-	(122,651)
Total Change	565,084	-	565,084
Balances as of June 30, 2019	\$ 3,682,268	\$ -	\$ 3,682,268

Discount Rate

GASB Statement No. 75 requires the discount rate to be based on a 20-year tax-exempt, high-quality municipal bond yield or index rate. The discount rate used for this valuation was changed from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019. These rates are the published rates for the Fidelity General Obligation 20-year bond index.

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

The following table presents the Net OPEB liability of the District, as well as what the District Net OPEB liability would be if it were calculated using discount rates that are 1-percentage-point higher/lower than the current discount rates as of June 30, 2019:

	1% Decrease 2.13%	Discount Rate 3.13%	1% Increase 4.13%
Net OPEB Liability	\$ 3,978,898	\$ 3,682,268	\$ 3,402,101

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the Net OPEB liability of the District, as well as what the District Net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher/lower than the current healthcare cost trend rates as of June 30, 2019:

	1% Decrease	Valuation Rate	1% Increase
Net OPEB Liability	\$ 3,284,820	\$ 3,682,268	\$ 4,139,835

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14. POST RETIREMENT MEDICAL PLAN (CONTINUED)

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

For the year ended June 30, 2019, the District recognized an OPEB expense of \$456,566. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ -	\$ 354,087
Changes in Assumptions	157,485	137,773
Net difference between projected and actual		
Earnings on OPEB Plan Investments	-	-
Total	<u>\$ 157,485</u>	<u>\$ 491,860</u>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$ (53,721)
2021	(53,721)
2022	(53,721)
2023	(53,721)
2024	(53,721)
Thereafter	<u>(65,770)</u>
Total	<u>\$ (334,375)</u>

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Valuation Method. GASB 75 requires the use of the Entry Age Normal (EAN) actuarial cost method. Under the EAN method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and the assumed exit ages. The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of the actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability.

Valuation of Assets. No assets have been set aside to fund the liabilities of the plan.

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14. POST RETIREMENT MEDICAL PLAN (CONTINUED)

The following actuarial assumptions were used for the most recent valuation of the District's OPEB plans:

Valuation date	July 1, 2017, rolled forward to July 1, 2018
Measurement date	June 30, 2019
Municipal Bond Index Rate	
As of June 30, 2018	3.62%
As of June 30, 2019	3.13%
Amortization method	
Plan changes	Immediate recognition
Assumption changes	Straight-line, closed amortization (layered bases) over average expected service of all employees (active and retired)
Experience better/worse than expected	Straight-line, closed amortization (layered bases) over average expected service of all employees (active and retired)
Mortality table	Base rates: headcount weighted PubT.H-2010 Mortality improvement scale: MP-2018
Projected average salary increases	3.5% per year
Percentage of TRS employees electing retiree coverage	100%
Percentage of IMRF electing retiree coverage	2%
Percentage of employees with spouses	
Male employees	80%
Female employees	70%
Percentage of IMRF spouses electing retiree coverage	2%

NOTE 15. SUMMARY OF OPEB INFORMATION

The summary of OPEB information is to consolidate the net pension liability and deferrals from THIS (footnote 13) and Post-Retirement medical plan (footnote 14) and tie the totals to the Statement of Net Position.

	THIS	Post Retirement Medical Plan	Total
Deferred outflows of resources	\$ 366,102	\$ 157,485	\$ 523,587
Net OPEB Liability	18,819,209	3,682,268	22,501,477
Deferred inflows of resources	3,913,275	491,860	4,405,135

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16. FUTURE GASB PRONOUNCEMENTS

GASB Statement No. 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 provision is effective for fiscal years beginning after December 15, 2018.

GASB Statement No. 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This provision is effective for fiscal years beginning after December 15, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FIVE CALENDAR YEARS

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
TOTAL PENSION LIABILITY					
Service cost	\$ 320,266	\$ 376,090	\$ 372,967	\$ 352,695	\$ 350,262
Interest	1,417,850	1,418,026	1,295,309	1,266,021	1,147,514
Change of benefit terms	-	-	-	-	-
Differences between expected and actual experience	381,129	(109,842)	952,629	(310,362)	169,845
Changes in assumptions	557,230	(643,360)	(158,003)	-	791,235
Benefit payments, including refunds of employee contributions	(1,047,930)	(982,781)	(999,119)	(849,491)	(756,469)
Net change in total pension liability	1,628,545	58,133	1,463,783	458,863	1,702,387
Total pension liability - beginning	19,268,492	19,210,359	17,746,576	17,287,713	15,585,326
Total pension liability - ending (A)	<u>\$ 20,897,037</u>	<u>\$ 19,268,492</u>	<u>\$ 19,210,359</u>	<u>\$ 17,746,576</u>	<u>\$ 17,287,713</u>
PLAN FIDUCIARY NET POSITION					
Contributions-employer	\$ 522,891	\$ 472,207	\$ 581,371	\$ 508,577	\$ 479,231
Contributions-employee	149,317	143,531	154,881	150,965	144,616
Net investment income	(952,212)	2,625,240	924,122	67,407	777,132
Benefit payments, including refunds of employee contributions	(1,047,930)	(982,781)	(999,119)	(849,491)	(756,469)
Other	252,276	(337,272)	422,995	92,264	125,732
Net change in plan fiduciary net position	(1,075,658)	1,920,925	1,084,250	(30,278)	770,242
Plan fiduciary net position - beginning	16,551,321	14,630,396	13,546,146	13,576,424	12,806,182
Plan fiduciary net position - ending (B)	<u>\$ 15,475,663</u>	<u>\$ 16,551,321</u>	<u>\$ 14,630,396</u>	<u>\$ 13,546,146</u>	<u>\$ 13,576,424</u>
NET PENSION LIABILITY - ENDING (A) - (B)	<u>\$ 5,421,374</u>	<u>\$ 2,717,171</u>	<u>\$ 4,579,963</u>	<u>\$ 4,200,430</u>	<u>\$ 3,711,289</u>
Plan fiduciary net position as a percentage of the total pension liability	74.06%	85.90%	76.16%	76.33%	78.53%
Covered-employee payroll	\$ 3,309,971	\$ 3,186,203	\$ 3,439,895	\$ 3,224,227	\$ 3,061,732
Net pension liability as a percentage of covered-employee payroll	163.79%	85.28%	133.14%	130.28%	121.22%

Notes to schedule:

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

See independent auditor's report.

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS

	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.002358118%	0.005297365%	-0.010910105%	0.008790383%	0.013188509%
District's proportionate share of the net pension liability	\$ 1,838,032	\$ 4,047,088	\$ (8,612,006)	\$ 5,758,586	\$ 8,026,299
State's proportionate share of the net pension liability associated with the District Total	<u>125,912,867</u> <u>\$ 127,750,899</u>	<u>127,854,246</u> <u>\$ 131,901,334</u>	<u>140,361,587</u> <u>\$ 131,749,581</u>	<u>118,470,568</u> <u>\$ 124,229,154</u>	<u>107,746,392</u> <u>\$ 115,772,691</u>
District's covered-employee payroll	\$ 16,760,794	\$ 17,360,780	\$ 17,650,654	\$ 18,259,609	\$ 17,497,083
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	10.97%	23.31%	-48.79%	31.54%	45.87%
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:

This schedule is intended to illustrate the 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 have a measurement date of the previous fiscal year.

See independent auditor's report.

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST THREE FISCAL YEARS

	2019	2018	2017
TOTAL OPEB LIABILITY			
Service cost	\$ 118,119	\$ 115,959	\$ 147,892
Interest	114,918	103,719	100,162
Change of benefit terms	277,250	168,884	-
Differences between expected and actual experience	(813)	(460,777)	-
Changes in assumptions	178,261	(26,414)	(170,374)
Benefit payments	(122,651)	(107,401)	(73,064)
	<u>565,084</u>	<u>(206,030)</u>	<u>4,616</u>
Net change in total opeb liability			
	565,084	(206,030)	4,616
Total OPEB liability - beginning	<u>3,117,184</u>	<u>3,323,214</u>	<u>3,318,598</u>
Total OPEB liability - ending (A)	<u><u>\$ 3,682,268</u></u>	<u><u>\$ 3,117,184</u></u>	<u><u>\$ 3,323,214</u></u>
PLAN FIDUCIARY NET POSITION			
Contributions-employer	\$ -	\$ -	\$ -
Contributions-employee	-	-	-
Net investment income	-	-	-
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (B)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
NET OPEB LIABILITY - ENDING (A) - (B)	<u><u>\$ 3,682,268</u></u>	<u><u>\$ 3,117,184</u></u>	<u><u>\$ 3,323,214</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 16,329,191	\$ 16,690,248	\$ 19,185,047
Net OPEB liability as a percentage of covered-employee payroll	22.55%	18.68%	17.32%

Notes to schedule:

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

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS' HEALTH INSURANCE SECURITY FUND
LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.071431%	0.075293%	0.075907%
District's proportionate share of the net OPEB liability	\$ 18,819,209	\$ 19,538,151	\$ 20,749,876
State's proportionate share of the net OPEB liability associated with the District	25,270,139	25,658,447	28,771,859
Total	<u>\$ 44,089,348</u>	<u>\$ 45,196,598</u>	<u>\$ 49,521,735</u>
District's covered-employee payroll	\$ 16,760,794	\$ 17,360,780	\$ 17,650,654
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	112.28%	112.54%	117.56%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%	-0.22%

Notes to schedule:

This schedule is intended to illustrate the 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 have a measurement date of the previous fiscal year.

See independent auditor's report.

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

Actuarial cost method:	Aggregate entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	Taxing bodies (Regular, SLEP, and ECO groups): 25-year closed period. Early retirement Incentive Plan liabilities; a period up to 10 years selected by the Employer upon adoption of ERI
Asset valuation method:	5-year smoothed market; 20% corridor
Wage growth:	3.50%
Price inflation:	2.75%, approximate
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 (based year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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.

Notes

There were no benefit changes during the year.

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

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DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS

	2019	2018	2017	2016	2015
Statutorily-required contribution	\$ 146,261	\$ 132,210	\$ 216,233	\$ 173,534	\$ 170,051
Contributions in relation to the statutorily-required contribution	150,783	133,384	216,186	170,610	170,265
Contribution deficiency (excess)	<u>\$ (4,522)</u>	<u>\$ (1,174)</u>	<u>\$ 47</u>	<u>\$ 2,924</u>	<u>\$ (214)</u>
Covered-employee payroll	\$ 16,947,845	\$ 16,760,794	\$ 17,360,780	\$ 17,650,654	\$ 18,259,609
Contributions as a percentage of covered-employee payroll	0.89%	0.80%	1.25%	0.97%	0.93%

Notes to schedule:

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

Changes of assumptions: For the 2018, 2017 and 2016 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit but the rates of increase in the 2018 measurement year were slightly higher. For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the threeyear period ending June 30, 2014. For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

See independent auditor's report.

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily-required contribution	\$ 155,920	\$ 147,495	\$ 145,831
Contributions in relation to the statutorily-required contribution	<u>155,920</u>	<u>147,495</u>	<u>145,831</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 16,947,845	\$ 16,760,794	\$ 17,360,780
Contributions as a percentage of covered-employee payroll	0.92%	0.88%	0.84%

Notes to schedule:

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

See independent auditor's report.

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual
REVENUES		
Local sources		
Property taxes	\$ 9,978,648	\$ 10,045,052
Personal property replacement taxes	270,000	240,655
Charges for services	48,000	3,296
Refund of prior year expenditures	750,000	112,098
Earnings on investments	123,720	248,493
Other	975,000	244,261
Unrestricted state aid	19,270,671	19,854,932
Restricted state aid	635,000	1,845,473
Restricted federal aid	5,704,000	5,009,694
Employee retirement contributions	59,181	1,831,551
	<u>37,814,220</u>	<u>39,435,505</u>
EXPENDITURES		
Current		
Instruction	18,090,917	17,925,978
Support services	16,102,227	15,561,684
Community services	643,250	680,458
Non-programmed charges	1,725,000	2,499,575
Capital outlay	267,170	529,028
	<u>36,828,564</u>	<u>37,196,723</u>
Total Expenditures	<u>36,828,564</u>	<u>37,196,723</u>
Net change in fund balance	<u>\$ 985,656</u>	2,238,782
Fund balance at beginning of year		<u>13,440,447</u>
Fund balance at end of year		<u>\$ 15,679,229</u>

See independent auditor's report and accompanying notes to required supplementary information.

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2019

	2019		2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
			Actual
REVENUES			
Local sources			
Transportation levy	\$ 1,107,000	\$ 996,438	\$ (110,562)
Earnings on investments	10,000	9,090	(910)
Total local sources	1,117,000	1,005,528	(111,472)
State aid			
Unrestricted			
Evidence-based funding	-	745,000	745,000
Restricted			
Transportation	1,211,420	1,823,935	612,515
Total state aid	1,211,420	2,568,935	1,357,515
Total Revenues	2,328,420	3,574,463	1,246,043
EXPENDITURES			
Support services			
Business			
Pupil transportation services			
Salaries	-	22,103	22,103
Employee benefits	-	621	621
Purchased services	2,613,023	3,540,900	927,877
Total pupil transportation services	2,613,023	3,563,624	950,601
Total support services	2,613,023	3,563,624	950,601
Total Expenditures	2,613,023	3,563,624	950,601
Net change in fund balance	\$ (284,603)	10,839	\$ 295,442
Fund balance at beginning of year		478,741	484,732
Fund balance at end of year		\$ 489,580	\$ 478,741

See independent auditor's report and accompanying notes to required supplementary information.

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

	2019		2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
			Actual
REVENUES			
Local sources			
Earnings on investments	\$ 35,000	\$ 49,230	\$ 14,230
Total local sources	35,000	49,230	14,230
Total Revenues	35,000	49,230	14,230
EXPENDITURES			
Support services			
Facilities acquisition and construction services			
Purchased services	50,000	46,974	(3,026)
Capital outlay	600,000	442,181	(157,819)
Total facilities acquisition and construction services	650,000	489,155	(160,845)
Total support services	650,000	489,155	(160,845)
Total Expenditures	650,000	489,155	(160,845)
Net change in fund balance	\$ (615,000)	(439,925)	\$ 175,075
Fund balance at beginning of year		3,525,922	4,519,406
Fund balance at end of year		\$ 3,085,997	\$ 3,525,922

See independent auditor's report and accompanying notes to required supplementary information.

DOLTON ELEMENTARY SCHOOL DISTRICT 149
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1. BUDGET AND BUDGETARY ACCOUNTING

The budget for all governmental fund types is prepared on the accrual basis of accounting. The budget, which was not amended, was passed on September 24, 2018.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. Unexpended budgetary balances lapse at the end of each fiscal year.

The District, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the financial statements.

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

Over-Expenditure of Budget

Expenditures exceeded the budget in the following individual funds:

Fund	Budget	Actual	Amount Over Budget
Educational fund	\$ 32,681,612	\$ 32,820,862	* \$ 139,250
Tort immunity	644,400	1,394,322	749,922
Debt service	1,614,440	1,614,691	251
Transportation	2,613,023	3,563,624	950,601
Municipal Retirement/Social Security	1,067,540	1,113,560	46,020
Fund			

* Includes On-Behalf payments of \$1,831,551

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

DOLTON SCHOOL DISTRICT NO. 149
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2019

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Immunity Account	Total General Fund
ASSETS					
Cash and investments - pooled accounts	\$ 6,596,703	\$ 1,318,608	\$ 7,801,672	\$ 52,225	\$ 15,769,208
Cash at district	5,000	-	-	-	5,000
Receivables					
Property taxes	4,738,025	630,270	-	350,187	5,718,482
Other	1,146,747	-	-	-	1,146,747
Prepaid items	45,865	-	-	261,566	307,431
Total Assets	<u>\$ 12,532,340</u>	<u>\$ 1,948,878</u>	<u>\$ 7,801,672</u>	<u>\$ 663,978</u>	<u>\$ 22,946,868</u>
LIABILITIES					
Accounts payable	\$ 674,702	\$ 88,882	\$ -	\$ 15,133	\$ 778,717
Accrued payroll and related liabilities	81,387	62,387	-	2,910	146,684
Total Liabilities	<u>756,089</u>	<u>151,269</u>	<u>-</u>	<u>18,043</u>	<u>925,401</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	4,621,696	630,270	-	350,187	5,602,153
Other unavailable revenue	740,085	-	-	-	740,085
Total Deferred Inflows of Resources	<u>5,361,781</u>	<u>630,270</u>	<u>-</u>	<u>350,187</u>	<u>6,342,238</u>
FUND BALANCES					
Nonspendable					
Prepaid items	45,865	-	-	261,566	307,431
Assigned					
Tort immunity	-	-	-	34,182	34,182
Unassigned (deficit)	<u>6,368,605</u>	<u>1,167,339</u>	<u>7,801,672</u>	<u>-</u>	<u>15,337,616</u>
Total Fund Balances	<u>6,414,470</u>	<u>1,167,339</u>	<u>7,801,672</u>	<u>295,748</u>	<u>15,679,229</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,532,340</u>	<u>\$ 1,948,878</u>	<u>\$ 7,801,672</u>	<u>\$ 663,978</u>	<u>\$ 22,946,868</u>

DOLTON SCHOOL DISTRICT NO. 149
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Immunity Account	Total General Fund
REVENUES					
Local sources					
Property taxes	\$ 8,280,680	\$ 1,145,986	\$ -	\$ 618,386	\$ 10,045,052
Personal property replacement taxes	240,655	-	-	-	240,655
Charges for services	3,296	-	-	-	3,296
Refund of prior year expenditures	112,098	-	-	-	112,098
Earnings on investments	113,380	21,746	114,925	(1,558)	248,493
Other	233,361	10,900	-	-	244,261
Evidence-based funding	17,259,932	1,815,000	-	780,000	19,854,932
Restricted state aid	1,845,473	-	-	-	1,845,473
Restricted federal aid	5,009,694	-	-	-	5,009,694
State retirement contribution	1,831,551	-	-	-	1,831,551
Total Revenues	34,930,120	2,993,632	114,925	1,396,828	39,435,505
EXPENDITURES					
Current					
Instruction	17,925,978	-	-	-	17,925,978
Support services	11,224,838	2,942,524	-	1,394,322	15,561,684
Community services	680,458	-	-	-	680,458
Non-programmed charges	2,499,575	-	-	-	2,499,575
Capital outlay	490,013	39,015	-	-	529,028
Total Expenditures	32,820,862	2,981,539	-	1,394,322	37,196,723
Net change in fund balances	2,109,258	12,093	114,925	2,506	2,238,782
Fund balances at beginning of year	4,305,212	1,155,246	7,686,747	293,242	13,440,447
Fund balances at end of year	\$ 6,414,470	\$ 1,167,339	\$ 7,801,672	\$ 295,748	\$ 15,679,229

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
REVENUES				
Local sources				
General levy	\$ 7,799,362	\$ 7,438,036	\$ (361,326)	\$ 7,525,458
Special education levy	406,290	842,644	436,354	782,632
Personal property replacement taxes	270,000	240,655	(29,345)	215,730
Earnings on investments	33,220	113,380	80,160	46,317
Food services	23,000	3,296	(19,704)	3,746
Refund of prior years' expenditures	750,000	112,098	(637,902)	16,465
Other	975,000	233,361	(741,639)	440,523
Total local sources	10,256,872	8,983,470	(1,273,402)	9,030,871
State aid				
Unrestricted				
Evidence-based funding	17,770,671	17,259,932	(510,739)	18,015,500
Restricted				
Special education				
Private facility tuition	30,000	18,526	(11,474)	10,805
Extraordinary	-	-	-	108,223
Personnel	-	-	-	55,634
Orphanage - individual	-	253,211	253,211	271,386
Orphanage - summer individual	-	872	872	7,104
CTE - secondary program improvement	-	-	-	425
Bilingual education	-	-	-	1,184
State free lunch and breakfast	-	43,064	43,064	36,651
Education block grant	605,000	1,529,800	924,800	874,648
State retirement contribution	59,181	1,831,551	1,772,370	7,524,223
Total state aid	18,464,852	20,936,956	2,472,104	26,905,783
Federal aid				
Restricted				
School lunch programs	1,200,000	1,179,464	(20,536)	1,249,591
Special breakfast program	700,000	744,859	44,859	763,589
Child adult care food program	-	11,039	11,039	12,751
Fresh fruits and vegetables	65,000	5,485	(59,515)	2,794
Food service - other	-	-	-	23,775
Title I - low income	1,800,000	1,341,087	(458,913)	1,252,722
Federal - special education				
Pre-school	200,000	11,151	(188,849)	-
I.D.E.A - flow through	700,000	856,718	156,718	171,818
I.D.E.A - room and board	-	8,042	8,042	744
Race to the Top - preschool expansion	734,000	727,439	(6,561)	628,740
Title IV- state & drug free school	-	17,511	17,511	-
Title II - teacher quality	200,000	31,365	(168,635)	35,016
Medicaid matching/ administrative outreach	50,000	75,534	25,534	27,693
Medicaid matching/fee-for-service	55,000	-	(55,000)	-
Total federal aid	5,704,000	5,009,694	(694,306)	4,169,233
Total Revenues	34,425,724	34,930,120	504,396	40,105,887

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
EXPENDITURES				
Instruction				
Regular programs				
Salaries	\$ 11,882,385	\$ 12,087,453	\$ 205,068	\$ 11,638,144
Employee benefits	1,432,912	1,339,296	(93,616)	1,240,577
Purchased services	579,741	271,804	(307,937)	194,130
Supplies and materials	1,447,172	286,282	(1,160,890)	579,368
Capital outlay	6,796	437,666	430,870	20,170
Other objects	-	-	-	508
Total regular programs	15,349,006	14,422,501	(926,505)	13,672,897
Pre-k programs				
Salaries	765,785	809,737	43,952	725,070
Employee benefits	150,796	173,341	22,545	73,302
Purchased services	10,000	-	(10,000)	4,878
Supplies and materials	3,000	5,806	2,806	21,014
Total pre-k programs	929,581	988,884	59,303	824,264
Special education programs				
Salaries	1,084,656	799,509	(285,147)	851,120
Employee benefits	223,887	181,203	(42,684)	70,360
Purchased services	79,000	208,958	129,958	322,542
Supplies and materials	75,000	49,375	(25,625)	34,040
Capital outlay	-	50,099	50,099	-
Total special education programs	1,462,543	1,289,144	(173,399)	1,278,062
Interscholastic programs				
Salaries	35,000	42,273	7,273	39,600
Employee benefits	203	781	578	1,179
Purchased services	45,000	-	(45,000)	2,649
Supplies and materials	15,000	12,195	(2,805)	14,184
Total interscholastic programs	95,203	55,249	(39,954)	57,612
Summer school programs				
Salaries	120,000	49,423	(70,577)	81,022
Employee benefits	12,516	1,437	(11,079)	894
Purchased services	-	33,500	33,500	52,000
Supplies and materials	-	53,631	53,631	19,224
Total summer school programs	132,516	137,991	5,475	153,140

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
EXPENDITURES (CONTINUED)				
Instruction (continued)				
Bilingual programs				
Salaries	\$ 106,248	\$ 106,615	\$ 367	\$ 102,953
Employee benefits	22,616	14,809	(7,807)	6,443
Purchased services	-	1,300	1,300	1,300
Supplies and materials	-	2,707	2,707	12,949
Total bilingual programs	128,864	125,431	(3,433)	123,645
State retirement contributions	-	1,394,543	1,394,543	5,919,306
Total instruction	18,097,713	18,413,743	316,030	22,028,926
Support services				
Pupils				
Attendance and social work services				
Salaries	698,533	618,660	(79,873)	690,269
Employee benefits	81,050	75,682	(5,368)	60,131
Supplies and materials	-	2,910	2,910	2,940
Total attendance and social work services	779,583	697,252	(82,331)	753,340
Guidance services				
Salaries	104,988	105,023	35	100,950
Employee benefits	11,609	11,519	(90)	9,456
Supplies and materials	2,865	19,099	16,234	1,026
Total guidance services	119,462	135,641	16,179	111,432
Health services				
Salaries	323,521	271,733	(51,788)	308,586
Employee benefits	34,877	34,045	(832)	18,367
Purchased services	42,839	255,316	212,477	64,918
Supplies and materials	11,000	4,878	(6,122)	678
Total health services	412,237	565,972	153,735	392,549
Psychological services				
Employee benefits	-	-	-	4,761
Purchased services	25,000	28,210	3,210	18,150
Supplies and materials	40,000	208	(39,792)	3,876
Total psychological services	65,000	28,418	(36,582)	26,787

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	2019		2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
			Actual
EXPENDITURES (CONTINUED)			
Support services (continued)			
Pupils (continued)			
Speech pathology and audiology services			
Purchased services	\$ 590,000	\$ 479,419	\$ (110,581)
			\$ 402,829
Total speech pathology and audiology services	590,000	479,419	(110,581)
			402,829
Total pupils	1,966,282	1,906,702	(59,580)
			1,686,937
Instructional staff			
Improvement of instruction services			
Salaries	612,256	192,493	(419,763)
			235,369
Employee benefits	120,983	18,095	(102,888)
			11,257
Purchased services	332,864	316,935	(15,929)
			156,929
Supplies and materials	343,584	13,182	(330,402)
			79,815
Other objects	9,900	15,850	5,950
			17,780
Total improvement of instruction services	1,419,587	556,555	(863,032)
			501,150
Educational media services			
Salaries	56,003	56,455	452
			54,266
Employee benefits	11,325	7,376	(3,949)
			2,503
Purchased services	27,000	-	(27,000)
			388
Supplies and materials	36,250	29,295	(6,955)
			39,978
Total educational media services	130,578	93,126	(37,452)
			97,135
Assessment and testing			
Employee benefits	-	299	299
			179
Purchased services	-	84,789	84,789
			71,538
Supplies and materials	-	492	492
			28,851
Total assessment and testing	-	85,580	85,580
			100,568
Total instructional staff	1,550,165	735,261	(814,904)
			698,853
General administration			
Board of Education services			
Salaries	-	-	-
			2,900
Employee benefits	-	-	-
			1,608
Purchased services	234,000	393,637	159,637
			479,970
Supplies and materials	10,000	9,421	(579)
			8,090
Capital outlay	12,000	-	(12,000)
			13,721
Other objects	-	14,319	14,319
			62,968
Total Board of Education services	256,000	417,377	161,377
			569,257

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
EXPENDITURES (CONTINUED)				
Support services (continued)				
General administration (continued)				
Executive administration services				
Salaries	\$ 612,307	\$ 593,833	\$ (18,474)	\$ 511,824
Employee benefits	35,983	185,939	149,956	100,745
Purchased services	-	36,900	36,900	39,055
Supplies and materials	-	691	691	994
Capital outlay	-	-	-	4,554
Other objects	-	8,422	8,422	2,974
Total executive administration services	648,290	825,785	177,495	660,146
Special area administration services				
Salaries	141,831	381,505	239,674	318,087
Employee benefits	11,823	41,361	29,538	26,239
Other objects	-	360	360	-
Total special area administration services	153,654	423,226	269,572	344,326
Total general administration	1,057,944	1,666,388	608,444	1,573,729
School administration				
Office of the principal services				
Salaries	2,584,655	2,535,933	(48,722)	2,425,756
Employee benefits	341,879	393,977	52,098	339,414
Purchased services	-	3,000	3,000	2,500
Supplies and materials	14,930	7,034	(7,896)	8,367
Total office of the principal services	2,941,464	2,939,944	(1,520)	2,776,037
Total school administration	2,941,464	2,939,944	(1,520)	2,776,037
Business				
Direction of business support services				
Salaries	180,353	275,328	94,975	280,302
Employee benefits	11,000	33,778	22,778	24,211
Purchased services	-	2,080	2,080	-
Supplies and materials	-	-	-	265
Capital outlay	-	-	-	1,669
Other objects	250,000	-	(250,000)	-
Total direction of business support services	441,353	311,186	(130,167)	306,447

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
EXPENDITURES (CONTINUED)				
Support services (continued)				
Business (continued)				
Fiscal services				
Salaries	\$ 294,340	\$ 203,078	\$ (91,262)	\$ 168,166
Employee benefits	44,000	26,505	(17,495)	40,310
Purchased services	44,086	41,341	(2,745)	169,528
Supplies and materials	-	9,157	9,157	14,240
Capital outlay	-	2,248	2,248	1,223
Total fiscal services	382,426	282,329	(100,097)	393,467
Operation and maintenance of plant services				
Capital outlay	-	-	-	9,947
Total operation and maintenance of plant services	-	-	-	9,947
Food services				
Purchased services	2,313,511	1,848,468	(465,043)	1,921,942
Supplies and materials	151,000	9,236	(141,764)	10,873
Capital outlay	-	-	-	23,775
Total food services	2,464,511	1,857,704	(606,807)	1,956,590
Internal services				
Purchased services	120,100	70,828	(49,272)	78,644
Supplies and materials	500	-	(500)	-
Total internal services	120,600	70,828	(49,772)	78,644
Total business	3,408,890	2,522,047	(886,843)	2,745,095
Central				
Information services				
Salaries	118,450	96,943	(21,507)	113,108
Employee benefits	22,000	16,105	(5,895)	10,913
Total information services	140,450	113,048	(27,402)	124,021

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
EXPENDITURES (CONTINUED)				
Support services (continued)				
Central (continued)				
Staff services				
Salaries	\$ -	\$ 50,835	\$ 50,835	\$ -
Employee benefits	-	3,159	3,159	-
Purchased services	-	670	670	10,351
Supplies and materials	90,000	33,965	(56,035)	4,871
Other objects	20,000	-	(20,000)	448
Total staff services	110,000	88,629	(21,371)	15,670
Data processing services				
Salaries	460,876	502,331	41,455	430,854
Employee benefits	55,823	49,281	(6,542)	72,208
Purchased services	130,200	241,800	111,600	228,009
Supplies and materials	150,500	18,147	(132,353)	2,281
Capital outlay	179,874	-	(179,874)	-
Other objects	4,000	6,500	2,500	85
Total data processing services	981,273	818,059	(163,214)	733,437
Total central	1,231,723	1,019,736	(211,987)	873,128
Other support services				
Supplies and materials	-	-	-	14,622
Total other support services	-	-	-	14,622
State retirement contributions	59,181	437,008	377,827	1,604,917
Total support services	12,215,649	11,227,086	(988,563)	11,973,318
Community services				
Salaries	51,750	52,866	1,116	51,981
Employee benefits	11,000	20,374	9,374	4,658
Purchased services	535,000	569,326	34,326	454,296
Supplies and materials	45,500	37,892	(7,608)	12,247
Capital outlay	-	-	-	1,784
Total community services	643,250	680,458	37,208	524,966

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
EXPENDITURES (CONTINUED)				
Non-programmed charges				
Payments for special education programs	\$ 1,725,000	\$ 2,442,032	\$ 717,032	\$ 2,343,015
Other payments to in-state govt. units	-	57,543	57,543	76,056
Total non-programmed charges	1,725,000	2,499,575	774,575	2,419,071
Total Expenditures	32,681,612	32,820,862	139,250	36,946,281
Net change in fund balance	<u>\$ 1,744,112</u>	2,109,258	<u>\$ 365,146</u>	3,159,606
Fund balance at beginning of year		<u>4,305,212</u>		<u>1,145,606</u>
Fund balance at end of year		<u>\$ 6,414,470</u>		<u>\$ 4,305,212</u>

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
REVENUES				
Local sources				
Operations and maintenance levy	\$ 1,097,996	\$ 1,145,986	\$ 47,990	\$ 1,199,054
Earnings on investments	18,500	21,746	3,246	22,770
Rentals	25,000	-	(25,000)	5,000
Other	-	10,900	10,900	18,363
Total local sources	1,141,496	1,178,632	37,136	1,245,187
State aid				
Unrestricted				
Evidence-based funding	1,500,000	1,815,000	315,000	1,500,000
Total state aid	1,500,000	1,815,000	315,000	1,500,000
Total Revenues	2,641,496	2,993,632	352,136	2,745,187
EXPENDITURES				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	100,000	-	(100,000)	-
Capital outlay	-	-	-	27,580
Total facilities acquisition and construction services	100,000	-	(100,000)	27,580
Operation and maintenance of plant services				
Salaries	1,198,252	1,443,261	245,009	1,196,154
Employee benefits	297,000	187,846	(109,154)	127,616
Purchased services	1,238,000	728,582	(509,418)	1,203,821
Supplies and materials	600,800	579,189	(21,611)	661,301
Capital outlay	43,500	39,015	(4,485)	30,868
Other objects	-	112	112	-
Total operation and maintenance of plant services	3,377,552	2,978,005	(399,547)	3,219,760
Food services				
Capital outlay	25,000	-	(25,000)	1,441
Non-capitalized equipment	-	3,534	3,534	9,543
Total food services	25,000	3,534	(21,466)	10,984
Total business	3,502,552	2,981,539	(521,013)	3,258,324
Total support services	3,502,552	2,981,539	(521,013)	3,258,324
Total Expenditures	3,502,552	2,981,539	(521,013)	3,258,324
Net change in fund balance	\$ (861,056)	12,093	\$ 873,149	(513,137)
Fund balance at beginning of year		1,155,246		1,668,383
Fund balance at end of year		\$ 1,167,339		\$ 1,155,246

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	2019		2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
			Actual
REVENUES			
Local sources			
Working cash levy	\$ -	\$ -	\$ (5,567)
Earnings on investments	65,000	114,925	79,981
Total Revenues	65,000	114,925	74,414
Net change in fund balance	\$ 65,000	114,925	\$ 49,925
Fund balance at beginning of year		7,686,747	7,612,333
Fund balance at end of year		\$ 7,801,672	\$ 7,686,747

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TORT IMMUNITY ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
REVENUES				
Local sources				
Tort immunity levy	\$ 675,000	\$ 618,386	\$ (56,614)	\$ 673,032
Earnings on investments	7,000	(1,558)	(8,558)	(7,557)
Total local sources	682,000	616,828	(65,172)	665,475
State aid				
Unrestricted				
Evidence-based funding	-	780,000	780,000	675,000
Total state aid	-	780,000	780,000	675,000
Total Revenues	682,000	1,396,828	714,828	1,340,475
EXPENDITURES				
Support services				
General administration				
Tort immunity services				
Salaries	160,000	157,936	(2,064)	163,887
Employee benefits	-	124,175	124,175	412,675
Purchased services	479,400	1,112,211	632,811	708,238
Supplies and materials	5,000	-	(5,000)	-
Other objects	-	-	-	120,000
Total tort immunity services	644,400	1,394,322	749,922	1,404,800
Total Expenditures	644,400	1,394,322	749,922	1,404,800
Net change in fund balance	\$ 37,600	2,506	\$ (35,094)	(64,325)
Fund balance at beginning of year		293,242		357,567
Fund balance at end of year		\$ 295,748		\$ 293,242

DOLTON SCHOOL DISTRICT NO. 149
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Municipal Retirement/ Social Security	Debt Service	Total
ASSETS			
Cash and investments - pooled accounts	\$ 328,622	\$ 584,050	\$ 912,672
Receivables			
Property taxes	560,548	647,472	1,208,020
	<u>560,548</u>	<u>647,472</u>	<u>1,208,020</u>
Total Assets	<u>\$ 889,170</u>	<u>\$ 1,231,522</u>	<u>\$ 2,120,692</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent year	560,548	647,472	1,208,020
	<u>560,548</u>	<u>647,472</u>	<u>1,208,020</u>
Total Deferred Inflows of Resources	<u>560,548</u>	<u>647,472</u>	<u>1,208,020</u>
FUND BALANCES			
Restricted			
Employee retirement	328,622	-	328,622
Debt service	-	584,050	584,050
	<u>328,622</u>	<u>584,050</u>	<u>912,672</u>
Total Fund Balances	<u>328,622</u>	<u>584,050</u>	<u>912,672</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 889,170</u>	<u>\$ 1,231,522</u>	<u>\$ 2,120,692</u>

DOLTON SCHOOL DISTRICT NO. 149
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Municipal Retirement/ Social Security	Debt Service	Total
REVENUES			
Local sources			
Property taxes	\$ 992,611	\$ 1,122,784	\$ 2,115,395
Personal property replacement taxes	65,000	-	65,000
Earnings on investments	7,157	13,019	20,176
Other	-	2	2
Evidence-based funding	-	436,358	436,358
	<u>1,064,768</u>	<u>1,572,163</u>	<u>2,636,931</u>
EXPENDITURES			
Current			
Instruction	314,674	-	314,674
Support services	787,480	-	787,480
Community services	11,406	-	11,406
Debt service			
Principal	-	569,469	569,469
Interest and fiscal charges	-	1,045,222	1,045,222
	<u>1,113,560</u>	<u>1,614,691</u>	<u>2,728,251</u>
Net change in fund balances	(48,792)	(42,528)	(91,320)
Fund balances at beginning of year	<u>377,414</u>	<u>626,578</u>	<u>1,003,992</u>
Fund balances at end of year	<u><u>\$ 328,622</u></u>	<u><u>\$ 584,050</u></u>	<u><u>\$ 912,672</u></u>

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
REVENUES				
Local sources				
Municipal retirement/social security levy	\$ 745,000	\$ 992,611	\$ 247,611	\$ 1,088,978
Personal property replacement taxes	25,000	65,000	40,000	58,942
Earnings on investments	9,000	7,157	(1,843)	4,643
Total local sources	779,000	1,064,768	285,768	1,152,563
Total Revenues	779,000	1,064,768	285,768	1,152,563
EXPENDITURES				
Instruction				
Regular programs	172,296	173,249	953	163,947
Pre-k programs	56,126	56,986	860	48,526
Special education programs	95,752	80,901	(14,851)	77,906
Interscholastic programs	508	611	103	570
Summer school programs	-	1,427	1,427	4,133
Bilingual programs	1,541	1,500	(41)	1,447
Drivers education	1,740	-	(1,740)	-
Total instruction	327,963	314,674	(13,289)	296,529
Support services				
Pupils				
Attendance and social work services	10,129	16,449	6,320	9,516
Guidance services	1,522	1,500	(22)	1,441
Health services	10,271	23,796	13,525	22,518
Total pupils	21,922	41,745	19,823	33,475
Instructional staff				
Improvement of instruction services	30,473	5,772	(24,701)	5,819
Educational media services	812	782	(30)	765
Total instructional staff	31,285	6,554	(24,731)	6,584
General administration				
Board of Education services	-	-	-	666
Executive administration services	30,249	40,093	9,844	28,502
Special area administration services	2,057	19,575	17,518	18,214
Tort immunity services	12,240	12,222	(18)	12,456
Total general administration	44,546	71,890	27,344	59,838
School administration				
Office of the principal services	154,711	142,440	(12,271)	128,137
Total school administration	154,711	142,440	(12,271)	128,137

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
EXPENDITURES (CONTINUED)				
Support services (continued)				
Business				
Direction of business support services	\$ 42,004	\$ 45,324	\$ 3,320	\$ 45,927
Fiscal services	68,552	45,408	(23,144)	39,271
Operation and maintenance of plant services	279,080	316,054	36,974	268,514
Pupil transportation	-	4,627	4,627	-
Total business	389,636	411,413	21,777	353,712
Central				
Information services	9,061	21,172	12,111	26,359
Staff services	-	10,779	10,779	-
Data processing services	76,363	81,487	5,124	69,010
Total central	85,424	113,438	28,014	95,369
Total support services	727,524	787,480	59,956	677,115
Community services	12,053	11,406	(647)	11,312
Total Expenditures	1,067,540	1,113,560	46,020	984,956
Net change in fund balance	<u>\$ (288,540)</u>	<u>(48,792)</u>	<u>\$ 239,748</u>	167,607
Fund balance at beginning of year		377,414		209,807
Fund balance at end of year		<u>\$ 328,622</u>		<u>\$ 377,414</u>

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
REVENUES				
Local sources				
Bond and interest levy	\$ 1,326,000	\$ 1,122,784	\$ (203,216)	\$ 1,338,097
Earnings on investments	8,000	13,019	5,019	10,029
Other	-	2	2	-
Total local sources	1,334,000	1,135,805	(198,195)	1,348,126
State aid				
Evidence-based funding	436,358	436,358	-	403,481
Total state aid	436,358	436,358	-	403,481
Total Revenues	1,770,358	1,572,163	(198,195)	1,751,607
EXPENDITURES				
Debt Service				
Principal	1,040,971	569,469	(471,502)	574,413
Interest and fiscal charges	573,469	1,045,222	471,753	1,034,327
Total Expenditures	1,614,440	1,614,691	251	1,608,740
Net change in fund balance	<u>\$ 155,918</u>	(42,528)	<u>\$ (198,446)</u>	142,867
Fund balance at beginning of year		626,578		483,711
Fund balance at end of year		<u>\$ 584,050</u>		<u>\$ 626,578</u>

DOLTON SCHOOL DISTRICT NO. 149
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
ASSETS				
Cash	\$ 93,007	\$ 186,590	\$ 171,147	\$ 108,450
LIABILITIES				
Due to activity fund organizations				
Caroline Sibley School	\$ 2,559	\$ 6,738	\$ 7,206	\$ 2,091
Carol Moseley Braun School	1,248	2,029	3,181	96
New Beginnings Learning Academy	1,598	3,765	2,110	3,253
Berger-Vanderberg School	(100)	1,950	2,062	(212)
Diekman School	2,647	1,235	466	3,416
District 149	34,792	25,635	30,824	29,603
Creative Communications	13,207	-	-	13,207
School of Fine Arts	14,415	-	-	14,415
Mathematics Academy	14,452	-	-	14,452
Flex Plan	8,189	145,238	125,298	28,129
Total Liabilities	\$ 93,007	\$ 186,590	\$ 171,147	\$ 108,450

OTHER SUPPLEMENTARY INFORMATION

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF ASSESSED VALUATIONS, TAX LEVIES EXTENDED AND COLLECTIONS
LAST THREE LEVY YEARS

	2018 Levy	2017 Levy	2016 Levy
Equalized assessed valuation	<u>\$ 236,735,505</u>	<u>\$ 247,091,172</u>	<u>\$ 242,622,986</u>
Tax rates (per \$100 of assessed valuation)			
Educational	3.7317	3.3369	3.3889
Special education	0.4000	0.3926	0.3120
Operations and maintenance	0.5500	0.5386	0.5325
Debt service	0.5649	0.5176	0.6684
Transportation	0.4309	0.5151	0.4818
Municipal retirement	0.0742	0.2257	0.2349
Social security	0.4153	0.2287	0.2349
Tort immunity	0.3052	0.2833	0.2885
	<u>6.4722</u>	<u>6.0385</u>	<u>6.1419</u>
Extended tax levy			
Educational	\$ 8,836,042	\$ 8,246,347	\$ 8,222,108
Special education	946,942	970,200	757,050
Operations and maintenance	1,302,045	1,330,828	1,292,053
Debt service	1,337,434	1,278,977	1,621,742
Transportation	1,020,163	1,272,780	1,168,951
Municipal retirement	175,622	557,705	570,000
Social security	983,152	565,000	570,000
Tort immunity	722,489	700,000	700,000
	<u>\$ 15,323,889</u>	<u>\$ 14,921,837</u>	<u>\$ 14,901,904</u>
Taxes collected year ended:			
June 30, 2019	\$ 6,984,144	\$ 6,862,591	\$ (689,850)
June 30, 2018	-	6,964,943	7,369,698
June 30, 2017	-	-	6,602,830
Total collected	<u>\$ 6,984,144</u>	<u>\$ 13,827,534</u>	<u>\$ 13,282,678</u>
Percent collected	<u>45.58%</u>	<u>92.67%</u>	<u>89.13%</u>

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

Year Ended June 30,	GO Bonds Series 2014A-1 Dated 6/25/14		GO Bonds Series 2014A-2 Dated 6/25/14		GO Bonds Series 2016A Dated 6/30/16		Taxable GO Limited Tax School Bonds Series 2016B Dated 6/30/16		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2020	\$ -	\$ 278,319	\$ 645,000	\$ 250,762	\$ 255,000	\$ 142,156	\$ -	\$ 36,627	\$ 1,607,864
2021	-	278,319	665,000	232,058	265,000	134,356	15,000	36,470	1,626,203
2022	-	278,319	690,000	208,117	270,000	126,331	30,000	35,960	1,638,727
2023	-	278,319	715,000	181,208	280,000	119,481	45,000	35,000	1,654,008
2024	-	278,319	745,000	151,892	285,000	113,831	55,000	33,650	1,662,692
2025	-	278,319	775,000	120,230	290,000	108,081	75,000	31,783	1,678,413
2026	-	278,319	810,000	86,130	295,000	101,863	85,000	29,383	1,685,695
2027	-	278,319	845,000	49,680	305,000	94,922	105,000	26,454	1,704,375
2028	655,000	278,319	230,000	10,810	310,000	87,425	120,000	22,400	1,713,954
2029	925,000	252,119	-	-	320,000	79,350	135,000	17,300	1,728,769
2030	960,000	215,118	-	-	325,000	70,275	155,000	11,500	1,736,893
2031	1,000,000	175,518	-	-	335,000	60,375	175,000	4,900	1,750,793
2032	1,040,000	134,268	-	-	345,000	50,175	35,000	700	1,605,143
2033	1,085,000	91,368	-	-	360,000	39,600	-	-	1,575,968
2034	1,130,000	46,612	-	-	370,000	28,650	-	-	1,575,262
2035	-	-	-	-	380,000	17,400	-	-	397,400
2036	-	-	-	-	390,000	5,850	-	-	395,850
	<u>\$ 6,795,000</u>	<u>\$ 3,419,874</u>	<u>\$ 6,120,000</u>	<u>\$ 1,290,887</u>	<u>\$ 5,380,000</u>	<u>\$ 1,380,121</u>	<u>\$ 1,030,000</u>	<u>\$ 322,127</u>	<u>\$ 25,738,009</u>

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF LEGAL DEBT MARGIN
JUNE 30, 2019

Equalized assessed valuation	\$ 236,735,505
Limiting rate	<u>6.90%</u>
Legal debt limit	16,334,750
Outstanding debt	<u>19,325,000</u>
Legal debt margin	<u><u>\$ (2,990,250)</u></u>

See footnote #4 for more information.

DOLTON SCHOOL DISTRICT NO. 149
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR-END FINANCIAL REPORT
JUNE 30, 2019

CSFA #	Program Name	State	Federal	Total
478-00-0251	Medicaid Assistance Program	\$ -	\$ 63,699	\$ 63,699
586-18-0407	National School Lunch Program	-	1,179,464	1,179,464
586-18-0406	School Breakfast Program	-	744,859	744,859
586-18-0409	Child and Adult Care	-	11,039	11,039
586-14-0869	Fresh Fruits and Vegetables	-	5,485	5,485
586-44-0414	Title I grants to local educational agencies	-	1,341,294	1,341,294
586-44-1082	Title I School Improvement and Accountability	-	39,790	39,790
587-47-0430	Improving teacher quality state grants	-	31,365	31,365
586-57-0420	IDEA preschool	-	13,772	13,772
586-64-0417	IDEA Flow through	-	470,155	470,155
586-18-0868	Early childhood block grant	835,044	-	835,044
586-14-0869	Preschool Expansion	-	727,439	727,439
586-44-1588	Title IV Student Support & Academic Enrich.	-	17,511	17,511
N/A	Other (commodities)	-	121,113	121,113
Total expenditures		\$ 835,044	\$ 4,766,985	\$ 5,602,029