

Proviso Township High School District 209
Forest Park, Illinois

Annual Financial Report

Year Ended June 30, 2019

Proviso Township High School District 209, Illinois

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Proviso Township High School District 209
Forest Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Proviso Township High School District 209 (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

The District's 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note O to the financial statements, long-term liabilities, net capital assets and net position as of July 1, 2018 have been restated as a result of the correction of errors in prior years. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 77 through 83, the other postemployment benefits data on page 84 through 86, budgetary comparison schedules and notes to the required supplementary information on pages 87 through 112 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 for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents in the supplementary financial information and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

(Continued)

Other Information (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 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 supplementary financial information for the year ended June 30, 2019 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

The District's basic financial statements for the year ended June 30, 2018 (not presented herein), were audited by other auditors whose report thereon dated January 10, 2019, contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated January 10, 2019, stated that the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund for the year ended June 30, 2018 were subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, were fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

The Other Supplemental Information has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
January 31, 2020

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2019

The discussion and analysis of Proviso Township High School District 209's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2019. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Total government-wide revenue of \$114.9 million exceeded expenses of \$112.7 million by \$2.2 million.
- Total governmental funds had revenues of \$106.8 million that exceeded expenditures of \$103.6 million by \$3.2 million (before other financing sources and uses).
- The District issued \$28.0 million in general obligation bonds during the year to fund planned construction projects.
- As of June 30, 2019, the total fund balance for all governmental funds equaled \$105.1 million which is a \$33.8 million increase from the prior year, mainly due to the issuance of general obligation bonds.
- The estimated 2019 financial profile designation for the District is "Recognition," which will be the ninth year in a row. The final score will be calculated by the Illinois State Board of Education.

Overview of the Financial Statements

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

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains required supplementary information, supplementary financial information, and other supplementary information in addition to the basic financial statements.

Government-wide financial statements

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

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

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2019

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds. The District does not have any proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for all funds.

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 this 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 government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2019

Notes to the financial statements

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

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the financial statements.

Government-Wide Financial Analysis

Statement of Net Position:

As indicated in Table 1, net capital assets totaled \$65.3 million, representing approximately 31.3% of total assets for the year ended June 30, 2019. Long-term liabilities outstanding totaled \$122.8 million, or 94.8% of total liabilities. This represents an increase in long-term liabilities of 28.4% from fiscal year 2018 mainly due to the issuance of bonds in fiscal year 2019. Other liabilities totaled \$6.7 million, which is an increase of \$5.1 million from fiscal year 2018. As a result, overall total liabilities increased by \$32.3 million or 32.2% from 2018.

In addition to assets, the Statement of Net Position reports deferred outflows of resources. This represents a consumption of net position that applies to a future period and thus, will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows of resources of \$11.1 million related to pensions and deferred outflows of resources of \$1.8 million related to other postemployment benefits.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This represents an increase of net position or fund balance that applies to a future period and so will not be recognized as revenue until that time. A deferred inflow of resources of \$31.7 million resulted from the District's legal claim to receive property taxes prior to the period that those taxes are intended to fund. Additionally, the District had deferred inflows of resources of \$10.5 million related to the pensions and deferred inflows of resources of \$5.5 million related to other postemployment benefits. The District has a deferred gain on refunding of bonds of \$1.9 million that resulted from the difference in the outstanding balance of refunded debt and its reacquisition price.

As a result of the change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources noted, net position increased 5.5%, or \$2.2 million. Total net position, as of June 30, 2019, was \$42.4 million. Of this total, \$81.2 million, or 191.5%, was restricted. Additional information is available in the Statement of Net Position of the financial statements

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2019

Table 1 Condensed Statement of Net Position Government-Wide <i>(in millions of dollars)</i>		
	<u>2019</u>	<u>2018*</u>
Assets:		
Current and other assets	\$143.3	\$103.8
Capital assets	<u>65.3</u>	<u>66.9</u>
Total assets	<u>208.6</u>	<u>170.7</u>
Deferred outflows of resources:		
Deferred charge on refunding	-	1.7
Other postemployment benefits	1.8	1.9
Pension	<u>11.1</u>	<u>5.5</u>
Total deferred outflows of resources	<u>12.9</u>	<u>9.1</u>
Liabilities:		
Long-term liabilities	122.8	95.6
Other liabilities	<u>6.7</u>	<u>1.6</u>
Total liabilities	<u>129.5</u>	<u>97.2</u>
Deferred inflows of resources:		
Property taxes levied for a future period	31.7	31.1
Other postemployment benefits	5.5	3.5
Pension	10.5	7.5
Deferred gain on refunding	<u>1.9</u>	-
Total deferred inflows of resources	<u>49.6</u>	<u>42.1</u>
Net position:		
Net investment in capital assets	28.1	26.3
Restricted	81.2	11.2
Unrestricted	<u>(66.9)</u>	<u>3.0</u>
Total net position	<u>\$42.4</u>	<u>\$40.5</u>
* As originally reported		

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2019

Statement of Activities:

Table 2 illustrates revenues and expenses from fiscal year 2019 and the ending net position of \$42.4 million. Comparative data for fiscal year 2018 is also illustrated.

The District's total revenues were \$114.9 million. Property taxes were 53.8% of the total, or \$61.8 million. Operating grants for specific programs brought in \$29.3 million in revenues.

The total cost of all programs and services was \$112.7 million. The District's expenses related to instruction accounted for 50.1% of the total, or \$56.5 million. The District's expenses in support services were 37.4% of total costs or \$42.2 million. Total revenues exceeded total expenses, increasing net position by \$2.2 million for the year.

Table 2		
Statement of Activities		
<i>(in millions of dollars)</i>		
	<u>2019</u>	<u>2018*</u>
Revenues:		
Program revenues:		
Charges for Services	\$0.6	\$0.5
Operating grants & contributions	29.3	27.9
General revenues:		
Property taxes	61.8	62.3
Unrestricted grants	15.7	15.4
Other	<u>7.5</u>	<u>6.8</u>
Total revenues:	<u>114.9</u>	<u>112.9</u>
Expenses:		
Instruction	56.5	63.0
Support services	42.2	41.7
Other	8.1	0.0
Interest and fees	<u>5.9</u>	<u>5.2</u>
Total expenses	<u>112.7</u>	<u>109.9</u>
Change in net position	<u>2.2</u>	<u>3.0</u>
* As originally reported		

Financial Analysis of the District's Funds

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

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2019

As of the end of the current fiscal year, the District's governmental funds reported a total combined ending fund balance of \$105.1 million. Of this amount, \$19.1 million constitutes *unassigned fund balance*. The Debt Service Fund, Capital Projects Fund and total Special Revenue funds have a combined *restricted fund balance* of \$81.0 million. The District has assigned \$4.4 million of fund balance to be used for the District's self-funded health and dental insurance program. The nonspendable portion of \$0.6 million represents prepaid items for collective liability insurance.

Educational Account of the General Fund

The greatest variety and the largest volume of transactions are recorded in the Educational Account because the Educational Account covers all transactions that are not specifically covered in another account or fund.

Certain expenditures that must be charged to this Account include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this Account include educational tax levies, tuition, and student fee revenue.

At the end of the current fiscal year, the Educational Account had an unassigned fund balance of \$15.7 million. The unassigned fund balance at June 30, 2018 was \$30.6 million. This represents a decrease of approximately \$14.9 million in the Educational Account, mainly due to the funding of capital projects.

Operations and Maintenance Fund

All costs of maintaining, improving, or repairing school buildings and property, renting buildings, and property for school purposes or paying premiums for insurance on school buildings are reported in the Operations and Maintenance Fund. All salaries and insurance benefit costs of custodial and maintenance employees, including all costs of fuel, lights, natural gas, water, telephone service, custodial supplies, and equipment are included in the Operations and Maintenance Fund.

The Operations and Maintenance Fund balance for the current year is \$4.3 million. The fund balance at June 30, 2018 was \$4.2 million. This represents a decrease of \$0.1 million from the previous fiscal year.

Working Cash Account of the General Fund

The Working Cash Account is created either by a separate tax levy or by the issuance of bonds. Interfund loans from the Working Cash Account may be made to any fund for which taxes are levied.

At the end of the current fiscal year, the Working Cash Account had a fund balance of \$3.4 million. The ending fund balance at the end of fiscal year 2018 was \$3.1 million. This represents an increase of \$0.3 million from the previous fiscal year.

Debt Service Fund

Bonds are generally issued to finance the construction on buildings and may be issued for other purposes. Taxes are levied to provide cash to retire these bonds and to pay the interest on them. To protect the bondholders, these tax collections must be accounted for in the Debt Service Fund.

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2019

At the end of the current fiscal year, the Debt Service Fund had a fund balance of \$6.7 million. This fund balance can only be used to pay the District's outstanding debt. The ending fund balance at the end of fiscal year 2018 was \$5.4 million.

Capital Projects Fund

If bonds are issued for construction purposes, the funds are deposited to the Capital Projects Fund. Monies may also be transferred into the fund from other funds for the use of capital projects. Funds can be used for the acquisition or construction and renovation of major capital facilities. At the end of the current fiscal year, the Capital Projects Fund had a fund balance of \$63.9 million. The fund balance at the end of fiscal year 2018 was \$17.3 million. The fund balance increased by \$46.7 million from the previous fiscal year, due to transfers to this fund to pay for future capital projects..

Transportation Fund

This fund is created if a separate tax is levied for providing resources for transporting pupils for any purpose whether the District provides the transportation itself or hires an outside company to provide the transportation services.

Costs of transportation may include the purchase of vehicles, insurance of buses, salaries, insurance benefit costs, and the costs of hiring an outside service. Monies received for transportation purposes from any source must be deposited into this fund, except for the portion of state reimbursement applicable to other funds (e.g. utility costs from the General Fund's Operations and Maintenance Account).

At the end of the current fiscal year, the Transportation Fund had a fund balance of \$3.6 million. The fund balance at the close of fiscal year 2018 was \$3.2 million, an increase of \$0.4 million.

Illinois Municipal Retirement/Social Security Fund

This Fund is created if a separate tax is levied for the purpose of providing resources for the District's share of retirement benefits for covered employees or a separate tax is levied for the purpose of providing resources for the District's share of Social Security and Medicare payments for covered employees.

At the end of the current fiscal year, the Municipal Retirement/Social Security Fund had a fund balance of \$1.5 million. The ending fund balance at the end of fiscal year 2018 was \$1.6 million, a decrease of \$0.1 million.

Tort Immunity Account of the General Fund

This fund is required if taxes are levied or bonds are sold for tort immunity or tort judgment purposes. At the end of the current fiscal year, the Tort Immunity Account had a fund balance of \$0.2 million. The ending fund balance at the end of the fiscal year 2018 was also \$0.2 million

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2019

Fire Prevention and Safety Fund

This fund accounts for the state-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes. At the end of the current fiscal year, the Fire Prevention and Safety Fund had a fund balance of \$1.2 million. The fund balance at the end of fiscal year 2018 was \$1.0 million, an increase of \$0.2 million.

The District's total revenues were \$106.8 million. Approximately 65.6% of total governmental fund revenues come from local sources, 29.8% from state sources, and 4.6% from federal sources.

General Fund Budgetary Highlights

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. All annual unencumbered appropriations lapse at fiscal year-end. The budget is prepared by fund, function, object, and program.

- For this fiscal year, the Board adopted and then amended a General Fund budget that reflected an operating surplus of \$4.3 million before other financing sources and uses.
- The General Fund ended the year with an operating surplus of \$5.8 million before other financing sources and uses which resulted in a favorable surplus for the year of \$1.6 million more than budgeted (before other financing sources and uses).

Capital Asset and Debt Administration

Capital assets

Table 3 below illustrates capital assets, net of depreciation, which reflect a decrease of \$1.8 million related to depreciation. Additional information is available in Note G – Capital Assets.

Table 3		
Capital Assets (net of depreciation)		
<i>(in millions of dollars)</i>		
	<u>2019</u>	<u>2018*</u>
Land	\$0.7	\$0.7
Construction in progress	0.5	0.0
Buildings	62.8	62.3
Equipment and furniture	<u>1.3</u>	<u>4.1</u>
Total	<u>\$65.3</u>	<u>\$67.1</u>
* - as restated (See Note O)		

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2019

Long-term liabilities

Table 4 illustrates the repayment of the District's outstanding long-term liabilities, according to the existing debt payment schedule. As of June 30, 2019, the District had \$78.2 million in general obligation debt,

\$0.9 million in debt certificates, \$7.3 million related to IMRF and TRS net pension liabilities, \$30.5 million related to Other Postemployment Benefits liabilities, and approximately \$5.9 million in other long-term liabilities outstanding.

The District is subject to the Illinois School Code, which limits the amount of certain bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$166.0 million, providing a debt margin of \$86.8 million.

Additional information is available in Note H – Long Term Liabilities

Table 4		
Outstanding Long-Term Liabilities		
<i>(in millions of dollars)</i>		
	<u>2019</u>	<u>2018*</u>
General obligation bonds	\$78.2	\$56.2
Debt certificates	0.9	1.0
OPEB liability	30.5	31.2
Net pension liability	7.3	9.5
Other	<u>5.9</u>	<u>2.9</u>
Total long-term Liabilities	<u>\$122.8</u>	<u>\$100.8</u>
* As restated (see Note O)		

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was not aware of any circumstances that may have a significant effect on the District's financial position or results of operations.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please call the Business Office, Proviso Township High Schools District 209, 8601 West Roosevelt Road, Forest Park, Illinois 60130.

BASIC FINANCIAL STATEMENTS

Proviso Township High School District 209
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2019

ASSETS

Cash and investments	\$ 107,131,776
Receivables (net of allowance for uncollectibles):	
Property taxes	33,122,753
Replacement taxes	552,847
Intergovernmental	1,836,120
Prepaid items	632,546
Capital assets:	
Land	723,510
Construction in progress	517,327
Depreciable buildings, property, and equipment, net	<u>64,076,528</u>
Total assets	<u>208,593,407</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to other postemployment benefits	1,772,820
Deferred outflows related to pensions	<u>11,126,648</u>
Total deferred outflows	<u>12,899,468</u>

LIABILITIES

Accounts payable	5,725,740
Salaries and benefits payable	160,165
Claims payable	572,068
Interest payable	289,798
Long-term liabilities:	
Due within one year	4,520,123
Due after one year	<u>118,231,328</u>
Total liabilities	<u>129,499,222</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to other postemployment benefits	5,477,602
Deferred inflows related to pensions	10,491,028
Deferred gain on refunding of bonds	1,961,259
Property taxes levied for a future period	<u>31,684,927</u>
Total deferred inflows	<u>49,614,816</u>

NET POSITION

Net investment in capital assets	28,062,041
Restricted For:	
Operations and maintenance	4,291,252
Debt service	6,431,329
Student transportation	3,578,306
Retirement benefits	1,481,795
Capital projects	65,175,426
Tort immunity	222,182
Unrestricted	<u>(66,863,494)</u>
Total net position	<u>\$ 42,378,837</u>

The accompanying notes are an integral part of this statement.

Proviso Township High School District 209

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 22,489,001	\$ 411,836	\$ 2,295,740	\$ (19,781,425)
Special programs	7,000,189	-	1,903,106	(5,097,083)
Other instructional programs	7,238,892	22,382	441,073	(6,775,437)
State retirement contributions	19,802,686	-	19,802,686	-
Support services:				
Pupils	7,947,113	-	-	(7,947,113)
Instructional staff	2,802,871	-	478,849	(2,324,022)
General administration	2,768,417	-	-	(2,768,417)
School administration	3,365,407	-	-	(3,365,407)
Business	2,726,339	57,921	1,327,760	(1,340,658)
Transportation	5,183,404	264	3,028,295	(2,154,845)
Operations and maintenance	10,401,406	78,754	-	(10,322,652)
Central	6,988,235	-	-	(6,988,235)
Other supporting services	30,614	-	-	(30,614)
Community services	349,966	-	-	(349,966)
Nonprogrammed charges -				
excluding special education	7,741,329	-	-	(7,741,329)
Interest and fees	<u>5,856,002</u>	<u>-</u>	<u>-</u>	<u>(5,856,002)</u>
Total governmental activities	<u>\$ 112,691,871</u>	<u>\$ 571,157</u>	<u>\$ 29,277,509</u>	<u>(82,843,205)</u>
General revenues:				
Taxes:				
				43,329,258
				12,874,837
				5,584,457
				3,401,945
				15,694,017
				1,263,967
				<u>2,893,209</u>
				<u>85,041,690</u>
				2,198,485
				<u>40,180,352</u>
				\$ 42,378,837

The accompanying notes are an integral part of this statement.

Proviso Township High School District 209

Governmental Funds

BALANCE SHEETJune 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 25,286,720	\$ 4,538,561	\$ 3,732,800	\$ 1,435,314
Receivables (net of allowance for uncollectibles):				
Property taxes	23,002,564	4,713,843	1,154,554	1,070,738
Replacement taxes	552,847	-	-	-
Intergovernmental	1,240,251	-	595,869	-
Prepaid items	632,546	-	-	-
Total assets	<u>\$ 50,714,928</u>	<u>\$ 9,252,404</u>	<u>\$ 5,483,223</u>	<u>\$ 2,506,052</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 4,163,760	\$ 383,850	\$ 798,243	\$ -
Salaries and benefits payable	150,769	7,157	2,239	-
Claims payable	511,138	60,930	-	-
Total liabilities	<u>4,825,667</u>	<u>451,937</u>	<u>800,482</u>	<u>-</u>
DEFERRED INFLOWS				
Unavailable grant revenue	38,817	-	-	-
Property taxes levied for a future period	22,004,025	4,509,215	1,104,435	1,024,257
Total deferred inflows	<u>22,042,842</u>	<u>4,509,215</u>	<u>1,104,435</u>	<u>1,024,257</u>
FUND BALANCES				
Nonspendable	632,546	-	-	-
Restricted	222,182	3,826,108	3,578,306	1,481,795
Assigned	3,902,066	465,144	-	-
Unassigned	19,089,625	-	-	-
Total fund balance	<u>23,846,419</u>	<u>4,291,252</u>	<u>3,578,306</u>	<u>1,481,795</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 50,714,928</u>	<u>\$ 9,252,404</u>	<u>\$ 5,483,223</u>	<u>\$ 2,506,052</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 6,590,909	\$ 64,323,775	\$ 1,223,697	\$ 107,131,776
3,000,434	-	180,620	33,122,753
-	-	-	552,847
-	-	-	1,836,120
-	-	-	632,546
<u>\$ 9,591,343</u>	<u>\$ 64,323,775</u>	<u>\$ 1,404,317</u>	<u>\$ 143,276,042</u>
\$ -	\$ 377,427	\$ 2,460	\$ 5,725,740
-	-	-	160,165
-	-	-	572,068
-	377,427	2,460	6,457,973
-	-	-	38,817
2,870,216	-	172,779	31,684,927
2,870,216	-	172,779	31,723,744
-	-	-	632,546
6,721,127	63,946,348	1,229,078	81,004,944
-	-	-	4,367,210
-	-	-	19,089,625
6,721,127	63,946,348	1,229,078	105,094,325
<u>\$ 9,591,343</u>	<u>\$ 64,323,775</u>	<u>\$ 1,404,317</u>	<u>\$ 143,276,042</u>

Proviso Township High School District 209
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2019

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

Total fund balance - governmental funds	\$ 105,094,325
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Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	65,317,365
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Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are unavailable revenue in the governmental funds balance sheet.	38,817
---	--------

Deferred gain on refunding of bonds, included in the statement of net position, is not available to pay for current period expenditures and, accordingly, is not included in the governmental funds balance sheet.	(1,961,259)
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:

Net deferred outflows and (inflows) of resources related to:

IMRF pension	\$ 4,520,138	
TRS pension	(3,884,518)	
RHP OPEB	60,045	
THIS OPEB	(3,764,827)	(3,069,162)

Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, accordingly, is not recognized in the governmental funds balance sheet.	(289,798)
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Long-term liabilities included in the statement of net position are not due and payable in the current period and, therefore, are not included in the governmental funds balance sheet.	<u>(122,751,451)</u>
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Net position - governmental activities	<u><u>\$ 42,378,837</u></u>
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The accompanying notes are an integral part of this statement.

Proviso Township High School District 209

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 42,996,256	\$ 8,776,664	\$ 2,124,120	\$ 1,974,053
Replacement taxes	2,854,559	501,553	-	45,833
State aid	28,818,143	-	3,028,295	-
Federal aid	4,874,971	-	-	-
Interest	755,333	70,782	50,201	25,999
Other	2,427,110	730,284	448,654	-
Total revenues	82,726,372	10,079,283	5,651,270	2,045,885
Expenditures				
Current:				
Instruction:				
Regular programs	19,947,478	-	-	265,070
Special programs	5,813,001	-	-	144,921
Other instructional programs	6,853,787	-	-	177,980
State retirement contributions	11,733,068	-	-	-
Support services:				
Pupils	7,130,047	-	-	428,192
Instructional staff	2,625,534	-	-	46,363
General administration	2,651,806	-	-	20,747
School administration	3,110,230	-	-	135,920
Business	2,414,248	-	-	82,949
Transportation	208,962	-	4,949,400	17,143
Operations and maintenance	-	9,248,218	-	648,667
Central	6,180,553	-	-	183,791
Other supporting services	30,614	-	-	-
Community services	329,406	-	-	13,790
Nonprogrammed charges	7,741,329	441,537	234,974	-
Debt service:				
Principal	-	-	29,453	-
Interest and other	-	-	15,975	-
Capital outlay	73,774	31,065	-	-
Total expenditures	76,843,837	9,720,820	5,229,802	2,165,533
Excess (deficiency) of revenues over expenditures	5,882,535	358,463	421,468	(119,648)
Other financing sources (uses)				
Transfers in	-	44,766,854	-	-
Transfers (out)	(52,300,854)	(45,013,707)	-	-
Deposit with escrow agent	-	-	-	-
Debt issuance	29,712,018	-	-	-
Premium on bonds sold	1,853,672	-	-	-
Total other financing sources (uses)	(20,735,164)	(246,853)	-	-
Net change in fund balance	(14,852,629)	111,610	421,468	(119,648)
Fund balance, beginning of year	38,699,048	4,179,642	3,156,838	1,601,443
Fund balance, end of year	\$ 23,846,419	\$ 4,291,252	\$ 3,578,306	\$ 1,481,795

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 5,584,457	\$ -	\$ 333,002	\$ 61,788,552
-	-	-	3,401,945
-	-	-	31,846,438
-	-	-	4,874,971
100,834	244,872	15,946	1,263,967
-	-	-	3,606,048
<u>5,685,291</u>	<u>244,872</u>	<u>348,948</u>	<u>106,781,921</u>
-	-	-	20,212,548
-	-	-	5,957,922
-	-	-	7,031,767
-	-	-	11,733,068
-	-	-	7,558,239
-	-	-	2,671,897
-	-	-	2,672,553
-	-	-	3,246,150
-	-	85,517	2,582,714
-	-	-	5,175,505
-	-	-	9,896,885
-	-	-	6,364,344
-	-	-	30,614
-	-	-	343,196
-	-	-	8,417,840
4,288,983	-	-	4,318,436
3,407,458	-	-	3,423,433
-	1,851,837	14,975	1,971,651
<u>7,696,441</u>	<u>1,851,837</u>	<u>100,492</u>	<u>103,608,762</u>
(2,011,150)	(1,606,965)	248,456	3,173,159
4,246,853	48,300,854	-	97,314,561
-	-	-	(97,314,561)
(15,275,755)	-	-	(15,275,755)
12,457,982	-	-	42,170,000
1,886,395	-	-	3,740,067
<u>3,315,475</u>	<u>48,300,854</u>	<u>-</u>	<u>30,634,312</u>
1,304,325	46,693,889	248,456	33,807,471
<u>5,416,802</u>	<u>17,252,459</u>	<u>980,622</u>	<u>71,286,854</u>
<u>\$ 6,721,127</u>	<u>\$ 63,946,348</u>	<u>\$ 1,229,078</u>	<u>\$ 105,094,325</u>

Proviso Township High School District 209
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

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

Net change in fund balances - total governmental funds	\$	33,807,471
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.		(1,786,470)
--	--	-------------

Interest revenue and other revenue included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund financial statements.		38,817
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Deferred gain on refunding of bonds, included in the statement of net position, is not available to pay for current period expenditures, and accordingly, is not included in the governmental funds balance sheet.

Gain on refunding	\$ (2,161,388)		
Amortization	200,129		
			(1,961,259)

Changes in deferred outflows and inflows of resources related to pensions and OPEB are reported only in the statement of activities:

Net deferred outflows and (inflows) of resources related to:

IMRF pension	\$ 8,747,387		
TRS pension	(6,003,204)		
RHP OPEB	60,045		
THIS OPEB	(2,239,326)		564,902

Governmental funds report the effects of the loss on refunding when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year net effect of these differences.		(1,721,223)
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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.		(163,333)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt, consumes the current financial resources of governmental funds.		(23,467,553)
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Governmental funds report the effect of premiums and discounts when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences.		(3,112,867)
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Change in net position - governmental activities	\$	2,198,485
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The accompanying notes are an integral part of this statement.

Proviso Township High School District 209

Fiduciary Funds

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2019

	Agency Fund	Private Purpose Trust Fund
<hr/>		
ASSETS		
Cash and investments	\$ <u>295,880</u>	\$ <u>394,144</u>
LIABILITIES		
Due to student organizations	<u>295,880</u>	<u>-</u>
NET POSITION HELD IN TRUST FOR EXTERNAL PARTIES	\$ <u>-</u>	\$ <u>394,144</u>

The accompanying notes are an integral part of this statement.

Proviso Township High School District 209
Fiduciary Funds - Private Purpose Trust Fund
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2019

	Private Purpose Trust Fund
<hr/>	
ADDITIONS	
Earnings on investments	\$ 9,601
DEDUCTIONS	
Scholarships paid	<u>5,500</u>
Change in net position	4,101
Net position, beginning of year	<u>390,043</u>
Net position, end of year	\$ <u><u>394,144</u></u>

The accompanying notes are an integral part of this statement.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Proviso Township High School District 209 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Cook County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its 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. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

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

2. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service fund), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all funds to be major.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues and local fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipients of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

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

a. General

The *General Fund* includes the Educational Account, Tort Immunity and Judgment Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property tax levy and state reimbursement grants and expenditures of these monies is for risk management activities. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon the collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Fund Account of at least 0.05% of the District's current equalized assessed valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property tax levy and expenditures of these monies is for risk management activities.

b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the debt service, capital projects, or fiduciary funds) that are legally restricted to expenditures for specified purposes.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds (Continued)

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenue consists primarily of local property taxes and personal property replacement taxes.

Transportation Fund - accounts for all revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions is derived primarily from local property taxes and personal property replacement taxes.

c. Debt Service Fund

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Funds

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds or transfers from other funds.

Fire Prevention and Safety Fund - accounts for state-approved life safety projects financed through local property taxes levied specifically for such purposes.

e. Fiduciary

The fiduciary fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Funds (Continued)

Agency Fund - includes Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds. The Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook and student clubs and council.

Private Purpose Trust Fund - is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Private Purpose Trust Fund accounts for scholarship and memorial trust funds, and is managed by the District Board and Management.

4. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if they are vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Property taxes, corporate personal property replacement taxes, interest, and intergovernmental revenues associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

The fiduciary fund statements are reported using the accrual basis of accounting.

5. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2019, the District has deferred outflows of resources related to pensions and other postemployment benefits. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2019, the District reported deferred inflows related to property taxes levied for a future period, pension liabilities, other postemployment benefits, unavailable grant revenue and deferred charges on refunding.

6. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

7. Deposits and Investments

The Illinois Compiled Statutes require the District to utilize the custodial services of the Township School Treasurer (the Treasurer). Investments are stated at fair value. Changes in fair value are included in investment income.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance at the discretion of the District.

9. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

10. Capital Assets

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

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

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	10 - 50
Furniture and equipment	3 - 15

Construction in progress is stated at cost and includes engineering, design, material, and labor costs incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. All of the District's restricted net position was restricted as a result of enabling legislation.

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

12. Accumulated Unpaid Vacation and Sick Pay

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within the calendar year. Employees who do not use their earned vacation time during the fiscal year will forfeit those days earned, however, if an employee retires or resigns, the employee will be compensated for their unused vacation time for the last fiscal year only. The liability for unused compensated absences is typically reported on the government-wide financial statements, however, as there is no long-term portion of the liability as the maximum amount to be paid out is related only to the current fiscal year, the related liability is deemed a current fund level liability and is included with salaries and benefits payable on the governmental funds balance sheet.

For governmental funds, the current portion of the compensated absences is the amount that is normally expected to be paid using expendable and available financial resources. These amounts are recorded in the fund from which the employees who have accumulated vacation leave are paid.

All full-time employees receive a specified number of sick days per year depending on their years of service, in accordance with the agreement between the Board of Education and the Education Association. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward service credit for TRS (Teacher's Retirement System of the State of Illinois). Remaining unused sick leave up to 40 days will be paid at \$60 per day at retirement.

Due to the nature of the policies on sick leave and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. 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 and losses on refunding of bonds, are deferred and amortized over the life of the applicable bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

14. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

15. Fund Balance

In the fund financial statements, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria include items that are not expected to be converted to cash such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service and capital projects funds, are by definition restricted for those specified purposes.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Fund Balance (Continued)

- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balances at June 30, 2019.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegated the authority to assign amounts to be used for specific purposes. The Board of Education has declared that the Assistant Superintendent of Finance and Operations/ CSBO may assign amounts for a specific purpose. As of June 30, 2019, the District had an assigned fund balance of \$4,367,210 to pay for claims filed under the District's self-insurance policy (see Note I).
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The nonspendable fund balance in the General Fund consists of \$632,546 for prepaid items. The restricted fund balances are for the purposes of the restricted funds as described in Note A-3.

16. Pensions and Other Postemployment Benefits

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

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Government Funds Balance Sheet and the Government-Statement of Net Position

The governmental funds balance sheet includes a reconciliation between total fund balance - governmental funds and net position - governmental activities, as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities, included in the statement of net position are not due and payable in the current period and, therefore, are not included in the governmental funds balance sheet." The details of this difference are as follows:

Capital lease	\$ (211,423)
General obligation bonds	(78,165,000)
Unamortized premium on general obligation bonds, net	(5,393,139)
Debt certificates	(893,901)
TRS net pension liability	(2,773,192)
IMRF net pension liability	(4,492,267)
RHP total other postemployment benefit liability	(2,385,748)
THIS net other postemployment benefit liability	(28,092,919)
Early retiree incentive program	<u>(343,862)</u>
Net adjustment to reduce total fund-balance - governmental funds to arrive at net position - governmental activities	<u>\$ (122,751,451)</u>

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position - governmental activities, as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 1,961,361
Depreciation expense	<u>(3,747,831)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ (1,786,470)</u>

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

Principal repayments	
General obligation bonds	\$ 20,441,388
Capital leases	29,453
Debt certificates	148,983
Issuance of general obligation bonds	(42,170,000)
Accreted interest	(239,587)
TRS net pension liability, net	6,704,439
IMRF net pension liability, net	(9,096,193)
RHP other postemployment benefit liability, net	(177,695)
THIS other postemployment benefit liability, net	887,693
Early retiree incentive program, net	<u>3,966</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ <u>(23,467,553)</u>

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy, which is the same as the Treasurer's, is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Cash and Investments Under the Custody of the Township Treasurer

As explained in Note A-7, the Illinois Compiled Statutes require the District to utilize the investment services of the Proviso Township School Treasurer (the "Treasurer"). As such, the Treasurer is the lawful custodian of these school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the township. The investment policies are established by the Treasurer, as prescribed by the Illinois Compiled Statutes. 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.

District cash and investments (other than the student activity, scholarship fund, general account, self-funded account, imprest funds, and petty cash funds) are part of a common pool for all the school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balances by district or cooperative. Income from investments is distributed based upon the District's percentage participation in the pool. Cash for all funds, including cash applicable to the Debt Services Fund and the Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's office operates as a nonrated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office.

The weighted-average maturity of all pooled marketable investments held by the Treasurer was 0.79 years at June 30, 2019. The Treasurer also holds money market type investments and deposits with financial institutions, including certificates of deposit. As of the same date, the fair value of all underlying investments held by the Treasurer's office was \$354,637,471 (as provided by the Treasurer), and the fair value of the District's proportionate share of the pool was \$98,051,451.

Because all cash and investments are pooled by a separate legal governmental agency (the Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

2. Cash and Investments in the Custody of the District

Deposits of the student activity, scholarship fund, general account, self-funded account, imprest funds, and petty cash funds, which are held in the District's custody, consist of deposits with financial institutions. At June 30, 2019, the carrying value of the cash and investments held in custody of the District was \$6,107,031, all of which was deposited with financial institutions.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Cash and Investments in the Custody of the District (Continued)

Custodial Credit Risk - With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be in high quality investment pools and/or secured by private insurance or collateral.

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on November 13, 2018. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

Tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The District's annual property tax levy is subject to Property Tax Extension Limitation Act (PTELA), which is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations, and tax increment finance district property becoming eligible for taxation.

The Cook County Assessor is responsible for the assessment of all taxable property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of the county is reassessed every year by the Assessor.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.9109 for 2018.

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2018 tax levy was \$2,406,119,130.

Property taxes are collected by the Cook County Collector/Treasurer, who remits them to the District. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment bill is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2018 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 3%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days are reflected as deferred inflow of resources - property taxes levied for a future period.

NOTE E - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

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

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information about the Pension Plan (Continued)

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

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II 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.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information about the Pension Plan (Continued)

Contributions

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

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

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$17,841,809 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$11,404,794 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019, were \$153,548, and are deferred because they were paid after the June 30, 2018 measurement date.

Federal and Special Trust Fund Contributions

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

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information about the Pension Plan (Continued)

Contributions (Continued)

Federal and Special Trust Fund Contributions (Continued)

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. As the District has certain employees paid from federal funds and special trusts, this change in allocation methodology due to a change in the Pension Law at July 1, 2017, significantly lowered the District's proportionate share of net pension liability.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$797,650 were paid from federal and special trust funds that required employer contributions of \$78,569.

Early Retirement Cost Contributions

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the District paid \$30,946 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

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

District's proportionate share of the net pension liability	\$	2,773,192
State's proportionate share of the net pension liability associated with the District		<u>189,975,267</u>
Total	\$	<u><u>192,748,459</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0035578904 percent, which was a decrease of 0.0088476873 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue	\$ 17,841,809	\$ 11,404,794
and expense/expenditure		
District TRS pension expense (benefit)	<u>(656,509)</u>	<u>153,548</u>
Total TRS expense/expenditure	<u><u>\$ 17,185,300</u></u>	<u><u>\$ 11,558,342</u></u>

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

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	\$ 55,736	\$ 605
Net differences between projected and actual earnings on pension plan investments	-	8,491
Changes in assumptions	121,631	78,598
Changes in proportion and differences between District contributions and proportionate share of contributions	1,357,210	5,484,949
Total deferred amounts to be recognized in pension expense in future periods	1,534,577	5,572,643
District contributions subsequent to the measurement date	153,548	-
Total deferred amount related to pensions	\$ 1,688,125	\$ 5,572,643

The District reported \$153,548 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which 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:

<u>Year ended June 30:</u>	Net Deferred Inflows of Resources
2020	\$ 809,633
2021	593,686
2022	940,187
2023	1,154,613
2024	539,947
	\$ 4,038,066

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 based on a fully-generational basis using projection table MP-2017. In the June 30, 2017 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
U.S. Equities Large Cap	15.0 %	6.7 %
U.S. Equities Small/Mid Cap	2.0	7.9
International Equities Developed	13.6	7.0
Emerging Market Equities	3.4	9.4
U.S. Bonds Core	8.0	2.2
U.S. Bonds High Yield	4.2	4.4
International Debt Developed	2.2	1.3
Emerging International Debt	2.6	4.5
Real Estate	16.0	5.4
Real Return	4.0	1.8
Absolute Return	14.0	3.9
Private Equity	15.0	10.2
Total	<u>100.0 %</u>	

Discount Rate

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

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

Discount Rate (Continued)

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

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ <u>3,401,058</u>	\$ <u>2,773,192</u>	\$ <u>2,267,571</u>

TRS Fiduciary Net Position

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

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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

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

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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	283
Inactive plan members entitled to but not yet receiving benefits	104
Active plan members	<u>236</u>
Total	<u><u>623</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 8.41%. For the fiscal year ended June 30, 2019 the District contributed \$832,844 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:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2014-2017.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

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

Long-term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equity	37%	(6.08%)
International Equities	18%	(14.16%)
Fixed Income	28%	(0.28%)
Real Estate	9%	8.36%
Alternative Investments	7%	4.75% - 12.40%
Cash Equivalents	1%	2.50%
Total	100%	

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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:

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

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 3.71% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability (Asset)

The following table shows the components of the change in the District's net pension liability (asset) for the calendar year ended December 31, 2018:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2017	\$ 61,053,777	\$ 65,657,703	\$ (4,603,926)
Changes for the year:			
Service cost	1,170,042	-	1,170,042
Interest on the total pension liability	4,473,663	-	4,473,663
Difference between expected and actual experience of the total pension liability	(142,985)	-	(142,985)
Changes of assumptions	1,661,676	-	1,661,676
Contributions - employer	-	994,192	(994,192)
Contributions - employees	-	539,756	(539,756)
Net investment income (loss)	-	(3,849,968)	3,849,968
Benefit payments, including refunds of employee contributions	(3,979,921)	(3,979,921)	-
Other (net transfer)	-	382,223	(382,223)
Net changes	<u>3,182,475</u>	<u>(5,913,718)</u>	<u>9,096,193</u>
Balances at December 31, 2018	<u>\$ 64,236,252</u>	<u>\$ 59,743,985</u>	<u>\$ 4,492,267</u>

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

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	<u>\$ 11,987,094</u>	<u>\$ 4,492,267</u>	<u>\$ (1,724,423)</u>

Proviso Township High School District 209
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2019 the District recognized pension expense of \$1,181,651. 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
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 190,502
Change of assumptions	1,197,780	994,559
Net difference between projected and actual earnings on pension plan investments	<u>7,886,233</u>	<u>3,733,324</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>9,084,013</u>	 <u>4,918,385</u>
 Pension contributions made subsequent to the measurement date	 <u>354,510</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 9,438,523</u>	 <u>\$ 4,918,385</u>

The District reported \$354,510 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$ 1,121,556
2021	562,993
2022	741,698
2023	1,739,381
2024	-
Thereafter	<u>-</u>
Total	\$ <u><u>4,165,628</u></u>

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 153,548	\$ 354,510	\$ 508,058
Investments	-	7,886,233	7,886,233
Experience	55,736	-	55,736
Assumptions	121,631	1,197,780	1,319,411
Proportionate share	1,357,210	-	1,357,210
	<u>\$ 1,688,125</u>	<u>\$ 9,438,523</u>	<u>\$ 11,126,648</u>
Net pension liability	<u>\$ 2,773,192</u>	<u>\$ 4,492,267</u>	<u>\$ 7,265,459</u>
Pension expense	<u>\$ 17,185,300</u>	<u>\$ 1,181,651</u>	<u>\$ 18,366,951</u>
Deferred inflows of resources:			
Investments	\$ 8,491	\$ 3,733,324	\$ 3,741,815
Experience	605	190,502	191,107
Assumptions	78,598	994,559	1,073,157
Proportionate share	5,484,949	-	5,484,949
	<u>\$ 5,572,643</u>	<u>\$ 4,918,385</u>	<u>\$ 10,491,028</u>

4. Social Security/Medicare

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

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

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

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

Benefits Provided

The 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.

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2019. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2019, the District recognized revenue and expenses of \$1,960,877 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$328,274 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

General Information about the Other Postemployment Benefit Plan (Continued)

Contributions (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$243,558 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 measurement date.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

District's proportionate share of the net OPEB liability	\$ 28,092,919
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>37,722,732</u>
Total	<u><u>\$ 65,815,651</u></u>

* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate based allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

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

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.106631 percent, which was a decrease of 0.005050 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - OPEB revenue	\$ 1,960,877	\$ 328,274
and expense/expenditure		
District OPEB pension expense	<u>1,578,641</u>	<u>243,558</u>
Total OPEB expense/expenditure	<u>\$ 3,539,518</u>	<u>\$ 571,832</u>

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 100,798
Change of assumptions	-	4,090,801
Net difference between projected and actual earnings on OPEB plan investments	-	862
Changes in proportion and differences between District contributions and proportionate share of contributions	1,469,217	1,285,141
Total deferred amounts to be recognized in OPEB expense in future periods	1,469,217	5,477,602
District contributions subsequent to the measurement date	243,558	-
Total deferred amounts related to OPEB	\$ 1,712,775	\$ 5,477,602

The District reported \$243,558 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Inflows of Resources
2020	\$ 656,535
2021	656,535
2022	656,535
2023	656,459
2024	656,300
Thereafter	726,021
Total	\$ 4,008,385

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

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

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2018, contribution rates are 1.18% of pay for active members, 0.88% of pay for school districts, and 1.18% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75 percent
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

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

Actuarial Assumptions (Continued)

Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Trend Rate	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 cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

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

Discount Rate

The State, the District and active members contribute 1.18 percent, 0.88 percent, 1.18 percent of pay, respectively for fiscal year 2018. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.56 percent at June 30, 2017, and 3.62 percent at June 30, 2018, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.56 percent to 3.62 percent, caused the total OPEB liability to decrease by approximately \$285 million as of June 30, 2018.

Investment Return

During plan year end June 30, 2018, the trust earned \$743,000 in interest, and due to a significant benefit payable, the plan fiduciary net position at June 30, 2018, is a negative \$9.23 million. Given the significant benefit payable, negative plan fiduciary net position and pay-as-you-go funding policy, the investment return assumption was set to zero.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 1.301% for plan year end June 30, 2018, and 0.678% for plan year end June 30, 2017.

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

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

Proviso Township High School District 209
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

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

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
District's proportionate share of the net OPEB liability	\$ 33,778,522	\$ 28,092,919	\$ 23,604,618

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

The following table shows the District's net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease*	Current Healthcare Trend Rate	1% Increase**
District's proportionate share of the net OPEB liability	\$ 22,778,807	\$ 28,092,919	\$ 35,252,302

* 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.

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

2. Retiree Health Plan

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

Proviso Township High School District 209
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan** (Continued)

Benefits Provided

The plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement. Eligible participants that retire from the District may continue their health care coverage, depending on length of service, by paying the monthly premium. The District subsidizes a portion of the cost for coverage for retired employees and their dependents.

Employees Covered by Benefit Terms

As of June 30, 2019 the following employees were covered by the benefit terms:

Active Employees	445
Inactive Employees Entitled to But Not Yet	-
Inactive Employees Currently Receiving Benefits	<u>15</u>
Total	<u><u>460</u></u>

Contributions

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2019, the District contributed \$101,477 toward the cost of the postemployment benefits for retirees, which was 0.26% of covered payroll.

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2017 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2017
Measurement date	June 30, 2019
Actuarial cost method	Entry Age Normal

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions

Inflation	2.50%
Discount rate	3.50% *
Salary rate increase	2.25%
Healthcare inflation	6.50% initial 5.00% ultimate

Mortality rates

Active IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. Active, retiree, and spousal TRS mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with white collar adjustments.

Election at Retirement

30% of IMRF and TRS employees will elect District coverage at retirement.

Marital Status

50% of employees electing coverage continuation are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

* In 2019, changes in assumptions related to the discount rate were made (3.87% to 3.50%).

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 3.50% is used, which is the Bond Buyer 20 year bond GO index as of June 30, 2019.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Changes in Total OPEB

The following table shows the components of the change in the District's net OPEB liability for the fiscal year ended June 30, 2019 based upon a rollforward actuarial valuation from the actuarial valuation performed July 1, 2017 to the fiscal year end:

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2018	\$ 2,208,053	\$ -	\$ 2,208,053
Changes for the year:			
Service cost	134,705	-	134,705
Interest on the total OPEB liability	77,838	-	77,838
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes in assumption and other inputs	66,629	-	66,629
Contributions - employer	-	101,477	(101,477)
Contributions - active and inactive	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(101,477)	(101,477)	-
Net Changes	177,695	-	177,695
Balances at June 30, 2019	\$ 2,385,748	\$ -	\$ 2,385,748

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.50%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower 2.50%	Current Discount Rate 3.50%	1% Higher (4.50%)
Total OPEB Liability	\$ 2,633,936	\$ 2,385,748	\$ 2,162,553

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 5.00% - 6.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower 4.00 - 5.50%	Current Healthcare Rate 5.00 - 6.50%	1% Higher 6.00 - 7.50%
Total OPEB Liability	\$ 2,101,700	\$ 2,385,748	\$ 2,721,540

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

For the year ended June 30, 2019 the District recognized OPEB expense of \$219,127. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future periods		
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	60,045	-
Total deferred amounts to be recognized in OPEB expense in peri	\$ 60,045	\$ -

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

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

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$ 6,584
2021	6,584
2022	6,584
2023	6,584
2024	6,584
Thereafter	<u>27,125</u>
Total	<u>\$ 60,045</u>

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

Below is a summary of the various postemployment benefit items at June 30, 2019:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of			
Employer contributions	\$ 243,558	\$ -	\$ 243,558
Assumptions	-	60,045	60,045
Proportionate Share	<u>1,469,217</u>	<u>-</u>	<u>1,469,217</u>
	<u>\$ 1,712,775</u>	<u>\$ 60,045</u>	<u>\$ 1,772,820</u>
OPEB liability	<u>\$ 28,092,919</u>	<u>\$ 2,385,748</u>	<u>\$ 30,478,667</u>
OPEB expense	<u>\$ 3,539,518</u>	<u>\$ 219,127</u>	<u>\$ 3,758,645</u>
Deferred inflows of			
Assumptions	\$ 4,090,801	\$ -	\$ 4,090,801
Experience	100,798	-	100,798
Investments	862	-	862
Proportionate Share	<u>1,285,141</u>	<u>-</u>	<u>1,285,141</u>
	<u>\$ 5,477,602</u>	<u>\$ -</u>	<u>\$ 5,477,602</u>

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE G - CAPITAL ASSETS

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

	Balance July 1, 2018 (as restated)*	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 723,510	\$ -	\$ -	\$ 723,510
Construction in progress	<u>-</u>	<u>517,327</u>	<u>-</u>	<u>517,327</u>
Total capital assets not being depreciated	<u>723,510</u>	<u>517,327</u>	<u>-</u>	<u>1,240,837</u>
Capital assets, being depreciated				
Buildings and building improvements	109,395,940	1,324,499	-	110,720,439
Furniture and equipment	<u>18,273,293</u>	<u>119,535</u>	<u>-</u>	<u>18,392,828</u>
Total capital assets being depreciated	<u>127,669,233</u>	<u>1,444,034</u>	<u>-</u>	<u>129,113,267</u>
Less accumulated depreciation for:				
Buildings and building improvements	47,126,964	850,713	-	47,977,677
Furniture and equipment	<u>14,161,944</u>	<u>2,897,118</u>	<u>-</u>	<u>17,059,062</u>
Total accumulated depreciation	<u>61,288,908</u>	<u>3,747,831</u>	<u>-</u>	<u>65,036,739</u>
Total capital assets being depreciated, net	<u>66,380,325</u>	<u>(2,303,797)</u>	<u>-</u>	<u>64,076,528</u>
Governmental activities capital assets, net	<u>\$ 67,103,835</u>	<u>\$ (1,786,470)</u>	<u>\$ -</u>	<u>\$ 65,317,365</u>

*Furniture and equipment was restated as of July 1, 2018 due to a capital lease that was not recorded in a prior year (see Note O).

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE G - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities

General Government

Regular programs	\$ 1,910,300
Special programs	265,871
Other instructional programs	250,821
Pupils	155,924
Instructional staff	89,243
General administration	87,850
School administration	63,812
Business	58,567
Operations and maintenance	259,125
Food service	62,172
Staff	544,146
	<u>\$ 3,747,831</u>

NOTE H - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2019.

	Balance July 1, 2018 (as restated)	Increases/ Accretion	Decreases / Defeased	Balance June 30, 2019
General obligation bonds	\$ 56,196,801	\$ 42,409,587	\$ 20,441,388	\$ 78,165,000
Debt certificates	1,042,884	-	148,983	893,901
Capital lease*	240,876	-	29,453	211,423
Unamortized premiums	2,280,272	3,740,067	627,200	5,393,139
Early retirement incentive liability*	347,828	50,920	54,886	343,862
RHP total other postemployment benefit liability	2,208,053	279,172	101,477	2,385,748
THIS net other postemployment benefit liability	28,980,612	1,578,641	2,466,334	28,092,919
IMRF net pension liability **	-	6,551,423	2,059,156	4,492,267
TRS net pension liability	9,477,631	197,515	6,901,954	2,773,192
Total long-term liabilities	<u>\$ 100,774,957</u>	<u>\$ 54,807,325</u>	<u>\$ 32,830,831</u>	<u>\$ 122,751,451</u>

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - LONG-TERM LIABILITIES (Continued)

*Restated as there was no balance reported in the prior year for a capital lease and early retirement incentive liability (see Note O).

**In 2018, the IMRF plan fiduciary net position exceeded the total pension liability resulting in a pension asset of \$4,603,926.

Due within one year:

General obligation bonds	\$	4,265,000
Debt certificates		148,983
Capital lease		31,407
Early retirement incentive plan		74,733

Total due within one year	\$	<u>4,520,123</u>
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1. General Obligation Bonds

The summary of activity in bonds payable for the year ended June 30, 2019 is as follows:

	<u>Bonds Payable July 1, 2018</u>	<u>Debt Issued/ Accretion</u>	<u>Debt Retired / Defeased</u>	<u>Bonds Payable June 30, 2019</u>
\$20,745,000 Capital Appreciation Bonds, Series 2008A;	\$ 16,061,801	\$ 239,587	\$ 16,301,388	\$ -
\$9,480,000 General Obligation Bonds, Series 2015A; due December 1, 2032, interest at 4.00%	9,480,000	-	-	9,480,000
\$9,640,000 General Obligation Bonds, Series 2016A; due December 1, 2035, interest at 3.00% - 4.00%	9,640,000	-	-	9,640,000
\$12,220,000 General Obligation Bonds, Series 2016B; due December 1, 2020, interest at 4.00%	12,220,000	-	4,100,000	8,120,000

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds (Continued)

	<u>Bonds Payable July 1, 2018</u>	<u>Debt Issued/ Accretion</u>	<u>Debt Retired / Defeased</u>	<u>Bonds Payable June 30, 2019</u>
\$8,795,000 General Obligation Bonds, Series 2017; due December 1, 2027, interest at 4.00% - 5.00%	\$ 8,795,000	\$ -	\$ 40,000	\$ 8,755,000
\$14,140,000 General Obligation Refunding Bonds, Series 2018; due December 1, 2027, interest at 2.90%	-	14,140,000	-	14,140,000
\$28,030,000 General Obligation Bonds, Series 2018A; due December 1, 2038, interest at 4.21%	-	28,030,000	-	28,030,000
Total	\$ <u>56,196,801</u>	\$ <u>42,409,587</u>	\$ <u>20,441,388</u>	\$ <u>78,165,000</u>

At June 30, 2019, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,265,000	\$ 3,389,725	\$ 7,654,725
2021	3,855,000	3,227,325	7,082,325
2022	2,825,000	3,079,600	5,904,600
2023	2,975,000	2,934,600	5,909,600
2024	3,105,000	2,786,375	5,891,375
2025 - 2029	17,490,000	11,584,000	29,074,000
2030 - 2034	19,435,000	7,646,450	27,081,450
2035 - 2039	24,215,000	2,752,488	26,967,488
Total	\$ <u>78,165,000</u>	\$ <u>37,400,563</u>	\$ <u>115,565,563</u>

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds (Continued)

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$6,721,127 in the Debt Service Fund to service the outstanding bonds payable.

During the year ended June 30, 2019, the District issued \$14,140,000 of General Obligation Limited Tax School Bonds, Series 2018. These bonds payable were used to refund all of the principal and interest maturities on the District's 2008A General Obligation Limited Tax School Refunding Bonds. This transaction resulted in a theoretical economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,889,915. The actual gain on refunding was \$2,161,388 which will be amortized over the life of the bonds in the government-wide financial statements in the current year.

The District defeased the debt by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$166,022,220, of which \$86,751,896 is fully available.

2. Debt Certificates

The District has \$893,901 remaining in Qualified Zone Academy Bond, Series 2014A, interest at 0.57%, at June 30, 2019. The debt certificates mature on December 15, 2024. At June 30, 2019, annual debt service requirements to maturity for debt certificates are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 148,983	\$ 4,671	\$ 153,654
2021	148,983	3,821	152,804
2022	148,983	2,972	151,955
2023	148,984	2,123	151,107
2024	148,984	1,274	150,258
2025	148,984	425	149,409
	<u>\$ 893,901</u>	<u>\$ 15,286</u>	<u>\$ 909,187</u>

The obligations for the debt certificates will be repaid from the Debt Service Fund with funds provided by the Operations and Maintenance Fund.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - LONG-TERM LIABILITIES (Continued)

3. Capital Lease

The District entered into a lease agreement dated July 6, 2016 for the acquisition of buses totaling \$313,925. The lease expires on July 7, 2021 and is payable annually at \$45,428 through July 2020, with a final payment due on July 7, 2021 of \$156,245. The obligations are paid from the Transportation Fund.

At June 30, 2019, the District's future cash flow requirements for retirement of lease payable principal and interest were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 31,407	\$ 14,021	\$ 45,428
2021	33,489	11,939	45,428
2022	<u>146,527</u>	<u>9,718</u>	<u>156,245</u>
	<u>\$ 211,423</u>	<u>\$ 35,678</u>	<u>\$ 247,101</u>

4. Early Retirement Incentive

The District has an early retirement incentive plan in which employees can notify the District of their intent to retire at the end of four upcoming school years. The employee shall receive a 6% increase in salary for each year up to retirement. This payment is paid to the employee over the course of the next four fiscal school years. As of June 30, 2019, future obligations under these arrangements were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 74,733
2021	128,412
2022	84,635
2023	<u>56,082</u>
	<u>\$ 343,862</u>

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE I - SELF-INSURANCE

The District is self-insured for health and dental coverage for eligible employees and dependents. Plan participants are full-time employees who have completed the enrollment form and authorized the necessary employee contributions, if any. Participation begins the first day of the month following date of employment. Coverage can be continued during an approved leave of absence or as a retiree. The District utilizes a third-party administrator to process the plan claims.

Stop-loss insurance has been obtained to limit the District's liability for individual and aggregate claims. The stop-loss coverage limits for the HMO for the year ended June 30, 2019 were \$125,000 for individual claims and \$2,367,275 for aggregate claims. The stop-loss coverage limits for the PPO for the year ended June 30, 2019 were \$125,000 for individual claims and \$4,754,886 for aggregate claims.

For the years ended June 30, 2019 and 2018, changes in the liability for unpaid claims are summarized as follows:

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of fiscal year	\$ 739,462	\$ 685,342
Incurred claims including claims incurred but not yet reported (IBNR)	5,732,651	5,575,173
Claims paid	<u>(5,900,045)</u>	<u>(5,521,053)</u>
Unpaid claims, end of fiscal year	<u>\$ 572,068</u>	<u>\$ 739,462</u>

NOTE J - INTERFUND TRANSFERS

The District transferred \$4,000,000 to the Debt Service Fund from the General (Educational Account) Fund and \$246,853 to the Debt Service Fund from the Operations and Maintenance Fund to fund a portion of the Series 2018 bond issuance.

The District transferred \$3,534,000 to the Capital Projects Fund from the General Fund (Working Cash Account), which represents an abatement of the General Fund (Working Cash Account).

The District transferred \$28,030,000 to the Operations and Maintenance Fund from the General Fund (Working Cash Account), and the District subsequently transferred \$28,030,000 from the Operations and Maintenance Fund to the Capital Projects Fund which represents an abatement of the General Fund (Working Cash Account) to fund future capital projects.

The District transferred \$16,736,854 to the Operations and Maintenance Fund from the General (Educational Account) Fund, and then subsequently transferred \$16,736,854 from the Operations and Maintenance Fund to the Capital Projects Fund to fund future capital projects.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE K - OPERATING LEASES

During the current year, the District entered into a noncancelable operating lease for copier equipment. The lease requires monthly base rents of \$7,985 and expires in August 2021. At June 30, 2019, future minimum lease payments for this lease were as follows:

Year Ending June 30,		Total
2020	\$	95,823
2021		95,823
2022		<u>15,970</u>
Total	\$	<u><u>207,616</u></u>

NOTE L - 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, injuries to employees, and natural disasters. The District purchases coverage against such risks. To protect the District from such risks, the District participates in the following public entity risk pools: School Employee Loss Fund (SELF) for worker's compensation claims and the Collective Liability Insurance Cooperative (CLIC) for casualty, property and liability protections. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools. Settlements have not exceeded coverages for each of the past three fiscal years.

Complete financial statements for SELF can be obtained from its business office at 1111 South Dee Road, Park Ridge, Illinois 60068. Complete financial statements for CLIC can be obtained from its Treasurer at 624 Kenilworth, Grayslake, Illinois 60030.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Proviso Township High School District 209

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE M - JOINT AGREEMENTS

The District is a member of a joint agreement that provides certain special education services to the residents of many school districts (the Proviso Area for Exceptional Children (PAEC)). Additionally, the District is a member of a joint agreement that provides vocational education programs and services to students enrolled from many school districts (Des Plains Valley Region (DVR)). It is also a member of the risk management pools described in Note L. The District believes that, because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not to be included as component units of the District.

NOTE N - CONTINGENCIES

1. Litigation

The District, in the normal course of business, is subject to various ongoing property tax appeals and objections, and general litigation. Although the outcome of these matters is not presently determinable, the resolution of these matters, should the outcome be unfavorable, could have a significant impact on future tax revenues and expenditures.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE O - RESTATEMENT

The District entered into a capital lease in a prior year that was not recorded. Additionally, the District has liabilities related to early retirement incentives that were not previously recorded. As a result, as of July 1, 2018, net position decreased by \$353,260, capital lease obligations and early retirement incentive liabilities (both included in long-term liabilities) increased by \$240,876 and \$347,828, respectively, equipment (included in capital assets) increased by \$313,925 and accumulated depreciation increased by \$78,481 in the government-wide financial statements. These adjustments had no impact on the individual fund financial statements.

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 31, 2020, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of position date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Proviso Township High School District 209

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Illinois Municipal Retirement Fund

Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 1,170,042	\$ 1,223,365	\$ 1,215,519
Interest on the total pension liability	4,473,663	4,518,068	4,394,439
Difference between expected and actual experience of the total pension liability	(142,985)	(146,696)	(166,848)
Assumption changes	1,661,676	(2,179,318)	(66,876)
Benefit payments and refunds	(3,979,921)	(3,981,744)	(3,638,227)
Net change in total pension liability	3,182,475	(566,325)	1,738,007
Total pension liability, beginning	61,053,777	61,620,102	59,882,095
Total pension liability, ending	<u>\$ 64,236,252</u>	<u>\$ 61,053,777</u>	<u>\$ 61,620,102</u>
Plan fiduciary net position			
Contributions, employer	\$ 994,192	\$ 968,760	\$ 951,611
Contributions, employee	539,756	509,279	484,418
Net investment income (loss)	(3,849,968)	10,514,475	3,923,861
Benefit payments, including refunds of employee contributions	(3,979,921)	(3,981,744)	(3,638,227)
Other (net transfer)	382,223	(1,670,295)	377,053
Net change in plan fiduciary net position	(5,913,718)	6,340,475	2,098,716
Plan fiduciary net position, beginning	65,657,703	59,317,228	57,218,512
Plan fiduciary net position, ending	<u>\$ 59,743,985</u>	<u>\$ 65,657,703</u>	<u>\$ 59,317,228</u>
Net pension liability (asset)	<u>\$ 4,492,267</u>	<u>\$ (4,603,926)</u>	<u>\$ 2,302,874</u>
Plan fiduciary net position as a percentage of the total pension liability	93.01 %	107.54 %	96.26
Covered valuation payroll	<u>\$ 11,821,542</u>	<u>\$ 11,317,293</u>	<u>\$ 10,764,824</u>
Net pension liability as a percentage of covered valuation payroll	38.00 %	(40.68) %	21.39

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore, 10 years of information is not available.

Note: Actuarial valuations are as of December 31st, which is six months prior to the end of the fiscal year.

	<u>2016</u>	<u>2015</u>
\$	1,183,785	\$ 1,220,686
	4,220,684	3,899,352
	436,058	135,524
	64,971	2,319,318
	(3,414,607)	(3,129,379)
	<u>2,490,891</u>	<u>4,445,501</u>
	<u>57,391,204</u>	<u>52,945,703</u>
\$	<u><u>59,882,095</u></u>	\$ <u><u>57,391,204</u></u>
\$	1,035,568	\$ 1,040,884
	485,687	471,697
	288,463	3,395,322
	(3,414,607)	(3,129,379)
	<u>184,208</u>	<u>391,261</u>
	<u>(1,420,681)</u>	<u>2,169,785</u>
	<u>58,639,193</u>	<u>56,469,408</u>
\$	<u><u>57,218,512</u></u>	\$ <u><u>58,639,193</u></u>
\$	<u><u>2,663,583</u></u>	\$ <u><u>(1,247,989)</u></u>
%	95.55 %	102.17 %
\$	<u><u>10,779,967</u></u>	\$ <u><u>10,478,898</u></u>
%	24.71 %	(11.91) %

Proviso Township High School District 209

MULTIYEAR SCHEDULE OF CONTRIBUTIONS

Illinois Municipal Retirement Fund

Five Most Recent Fiscal Years

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2019	\$ 994,192 *	\$ 994,192	\$ -	\$ 11,821,542	8.41 %
2018	968,760	968,760	-	11,317,293	8.56
2017	951,610	951,611	(1)	10,764,824	8.84
2016	1,001,459	1,035,568	(34,109)	10,779,967	9.61
2015	1,040,554	1,040,884	(330)	10,478,898	9.93

* Estimated based on contribution rate of 8.41% and covered valuation payroll of \$11,821,542 (most recent information available).

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore, 10 years of information is not available.

Proviso Township High School District 209
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.0035578904 %	0.0124055777 %	0.0110000000 %
District's proportionate share of the net pension liability	\$ 2,773,192	\$ 9,477,631	\$ 8,709,160
State's proportionate share of the net pension liability associated with the District	<u>189,975,267</u>	<u>191,024,360</u>	<u>176,398,253</u>
Total	<u>\$ 192,748,459</u>	<u>\$ 200,501,991</u>	<u>\$ 185,107,413</u>
District's covered employee payroll	\$ 25,298,195	\$ 25,720,999	\$ 24,324,231
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.96 %	36.85 %	35.80 %
Plan fiduciary net position as a percentage of the total pension liability	40.00 %	39.30 %	36.40 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore, 10 years of information is not available.

<u>2016</u>	<u>2015</u>
0.0082000000 %	0.0102000000 %
\$ 5,403,715	\$ 6,197,569
<u>68,367,205</u>	<u>212,827,875</u>
\$ <u><u>73,770,920</u></u>	\$ <u><u>219,025,444</u></u>
\$ 22,775,787	\$ 23,255,026

23.73 %	26.65 %
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41.50 %	43.00 %
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Proviso Township High School District 209
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 146,730	\$ 256,648	\$ 445,045
Contributions in relation to the contractually required contribution	<u>147,827</u>	<u>260,523</u>	<u>520,166</u>
Contribution deficiency (excess)	\$ <u>(1,097)</u>	\$ <u>(3,875)</u>	\$ <u>(75,121)</u>
District's covered-employee payroll	\$ <u>26,473,743</u>	\$ <u>25,298,195</u>	\$ <u>25,720,999</u>
Contributions as a percentage of covered-employee payroll	0.56 %	1.03 %	2.02 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore 10 years of information is not available.

<u>2016</u>	<u>2015</u>
\$ 429,892	\$ 357,875
<u>438,531</u>	<u>368,870</u>
\$ <u>(8,639)</u>	\$ <u>(10,995)</u>
\$ <u>24,324,231</u>	\$ <u>22,775,787</u>
1.80 %	1.62 %

Proviso Township High School District 209

MULTIYEAR SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

Retiree Health Plan

Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 134,705	\$ 122,746
Interest on the total OPEB liability	77,838	79,599
Difference between expected and actual experience of the total OPEB liability	-	-
Change in assumption and other inputs	66,629	-
Benefit payments, including the implicit rate subsidy	<u>(101,477)</u>	<u>(102,235)</u>
Net change in total OPEB liability	177,695	100,110
Total OPEB liability, beginning	2,208,053	2,107,943
Total OPEB liability, ending	<u><u>\$ 2,385,748</u></u>	<u><u>\$ 2,208,053</u></u>
Plan fiduciary net position		
Contributions, employer	\$ 101,477	\$ 102,235
Contributions, employee	-	-
Net investment income	-	-
Benefit payments, including refunds of employee contributions	(101,477)	(102,235)
Other (net transfer)	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>
Plan fiduciary net position, beginning	-	-
Plan fiduciary net position, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Net OPEB liability	<u><u>\$ 2,385,748</u></u>	<u><u>\$ 2,208,053</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %
Covered Valuation Payroll	\$ 39,282,453	\$ 29,252,575
Net OPEB liability as a percentage of covered valuation payroll	6.07 %	7.55 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Proviso Township High School District 209
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teacher Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.106631 %	0.111681 %
District's proportionate share of the net OPEB liability	\$ 28,092,919	\$ 28,980,612
State's proportionate share of the net OPEB liability associated with the District	<u>37,722,732</u>	<u>38,058,745</u>
Total	<u>\$ 65,815,651</u>	<u>\$ 67,039,357</u>
District's covered payroll	\$ 25,298,195	\$ 25,720,999
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	111.05%	112.67%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Proviso Township High School District 209
MUTLIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teacher Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 222,624	\$ 216,056
Contributions in relation to the contractually required contribution	<u>222,445</u>	<u>215,810</u>
Contribution excess (deficiency)	\$ <u>(179)</u>	\$ <u>(246)</u>
District's covered payroll	\$ 26,473,743	\$ 25,298,195
Contributions as a percentage of covered payroll	0.84%	0.85%

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Revenues					
Local sources					
General levy	\$45,122,530	\$ 45,122,530	\$ 42,996,256	\$ (2,126,274)	\$ 43,512,707
Corporate personal property replacement taxes	2,700,000	2,700,000	2,854,559	154,559	2,665,868
Summer school tuition from pupils or parents	41,000	41,000	22,382	(18,618)	30,152
Summer school tuition from other sources in state	12,000	12,000	-	(12,000)	-
Interest on investments	384,500	384,500	755,333	370,833	431,747
Sales to pupils - lunch	30,500	30,500	48,307	17,807	31,015
Sales to adults	16,000	16,000	9,614	(6,386)	14,655
Admissions - athletic	45,000	45,000	31,767	(13,233)	36,022
Fees	410,000	410,000	347,204	(62,796)	334,278
Other district/school activity revenue	31,000	31,000	20,081	(10,919)	21,648
Sales - regular textbook	15,500	15,500	12,784	(2,716)	20,013
Refund of prior years' expenditures	800,000	800,000	851,688	51,688	825,878
Payments of surplus moneys from TIF districts	50,000	50,000	393,471	343,471	768,209
Drivers' education fees	-	-	51,046	51,046	46,213
Sale of vocational projects	-	-	268,771	268,771	-
Other	<u>370,000</u>	<u>370,000</u>	<u>369,995</u>	<u>(5)</u>	<u>567,730</u>
Total local sources	<u>50,028,030</u>	<u>50,028,030</u>	<u>49,033,258</u>	<u>(994,772)</u>	<u>49,306,135</u>
State sources					
Evidence Based Funding	14,874,021	14,874,021	15,694,017	819,996	15,201,290
Special Education - Private Facility Tuition	344,119	344,119	659,493	315,374	685,072
Special Education - Funding for Children Requiring Sp Ed Services	-	-	-	-	170,776
Special Education - Personnel	-	-	-	-	112,735
Special Education - Orphanage - Individual	530,000	530,000	444,546	(85,454)	953,520

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	Actual
State sources (Continued)					
Special Education - Orphanage					
- Summer Individual	\$ 50,000	\$ 50,000	\$ 29,079	\$ (20,921)	\$ 123,356
Special Education - Summer School	-	-	-	-	25,160
CTE - Secondary Program					
Improvement (CTEI)	106,189	106,189	109,063	2,874	164,847
Bilingual Ed. - Downstate					
- T.P.I. and T.P.E.	-	-	-	-	196,361
State Free Lunch and Breakfast	10,000	10,000	24,533	14,533	22,814
Driver Education	80,000	80,000	77,547	(2,453)	107,085
Other state sources	85,010	85,010	46,797	(38,213)	345,946
On Behalf Payments to TRS					
from the State	<u>28,000,000</u>	<u>28,000,000</u>	<u>11,733,068</u>	<u>(16,266,932)</u>	<u>19,098,221</u>
Total state sources	<u>44,079,339</u>	<u>44,079,339</u>	<u>28,818,143</u>	<u>(15,261,196)</u>	<u>37,207,183</u>
Federal sources					
National School Lunch Program	1,200,000	1,200,000	1,060,799	(139,201)	1,118,119
School Breakfast Program	200,000	200,000	240,460	40,460	348,837
Title I - Low Income	2,665,002	2,665,002	2,192,344	(472,658)	1,733,077
Federal - Special Education					
- I.D.E.A. - Room and Board	25,000	25,000	94,653	69,653	1,076
CTE - Perkins -					
Title III Technical Prep	275,431	275,431	287,511	12,080	320,136
Title III - Emergency					
Immigrant Assistance	4,122	4,122	500	(3,622)	372
Title III - English					
Language Acquisition	78,272	78,272	43,999	(34,273)	96,646
Title II - Teacher Quality	510,707	510,707	279,370	(231,337)	196,546
Medicaid Matching Funds -					
Fee-For-Service-Program	<u>200,000</u>	<u>200,000</u>	<u>675,335</u>	<u>475,335</u>	<u>205,652</u>
Total federal sources	<u>5,158,534</u>	<u>5,158,534</u>	<u>4,874,971</u>	<u>(283,563)</u>	<u>4,020,461</u>
Total revenues	<u>99,265,903</u>	<u>99,265,903</u>	<u>82,726,372</u>	<u>(16,539,531)</u>	<u>90,533,779</u>

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Expenditures					
Instruction					
Regular programs					
Salaries	\$15,866,438	\$ 16,063,212	\$ 16,223,524	\$ (160,312)	\$ 15,714,410
Employee benefits	4,225,156	3,651,564	3,204,621	446,943	3,453,496
On-behalf payments to TRS from the State	28,000,000	28,000,000	11,733,068	16,266,932	19,098,221
Purchased services	166,816	168,621	198,839	(30,218)	123,120
Supplies and materials	350,366	302,213	274,757	27,456	639,931
Capital outlay	20,625	10,211	-	10,211	13,480
Other objects	13,382	21,744	16,659	5,085	7,101
Non-capitalized equipment	50,368	55,430	29,078	26,352	26,485
Termination benefits	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
Total	<u>48,723,151</u>	<u>48,302,995</u>	<u>31,680,546</u>	<u>16,622,449</u>	<u>39,076,244</u>
Special education programs					
Salaries	3,951,358	3,870,287	3,805,810	64,477	3,611,119
Employee benefits	902,114	886,614	893,073	(6,459)	740,099
Purchased services	78,017	107,532	78,268	29,264	50,308
Supplies and materials	74,997	48,354	40,685	7,669	45,076
Other objects	3,000	3,000	2,765	235	2,354
Non-capitalized equipment	<u>-</u>	<u>1,789</u>	<u>1,789</u>	<u>-</u>	<u>-</u>
Total	<u>5,009,486</u>	<u>4,917,576</u>	<u>4,822,390</u>	<u>95,186</u>	<u>4,448,956</u>
Remedial and Supplemental programs K-12					
Salaries	480,536	464,719	402,243	62,476	292,604
Employee benefits	26,744	39,172	39,735	(563)	16,146
Purchased services	126,934	128,223	214,967	(86,744)	134,290
Supplies and materials	5,000	14,434	6,875	7,559	5,053
Non-capitalized equipment	<u>328,830</u>	<u>326,792</u>	<u>326,791</u>	<u>1</u>	<u>407,494</u>
Total	<u>968,044</u>	<u>973,340</u>	<u>990,611</u>	<u>(17,271)</u>	<u>855,587</u>

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019					2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget		Actual
CTE programs						
Salaries	\$ 80,133	\$ 734,333	\$ 627,361	\$ 106,972	\$	752,202
Employee benefits	132,215	132,215	118,463	13,752		90,567
Purchased services	136,429	119,943	97,954	21,989		86,424
Supplies and materials	112,841	143,367	121,012	22,355		205,057
Capital outlay	-	46,325	48,194	(1,869)		7,968
Other objects	227,550	228,230	226,084	2,146		215,061
Non-capitalized equipment	<u>175,292</u>	<u>150,211</u>	<u>150,874</u>	<u>(663)</u>		<u>113,627</u>
Total	<u>864,460</u>	<u>1,554,624</u>	<u>1,389,942</u>	<u>164,682</u>		<u>1,470,906</u>
Interscholastic programs						
Salaries	1,221,082	1,221,082	1,256,204	(35,122)		1,200,679
Employee benefits	138,001	138,001	123,171	14,830		115,709
Purchased services	361,863	398,575	358,476	40,099		349,731
Supplies and materials	406,635	370,446	318,120	52,326		104,524
Capital outlay	27,100	28,269	23,029	5,240		15,585
Other objects	34,285	26,634	19,040	7,594		26,124
Non-capitalized equipment	<u>68,103</u>	<u>53,555</u>	<u>52,713</u>	<u>842</u>		<u>55,477</u>
Total	<u>2,257,069</u>	<u>2,236,562</u>	<u>2,150,753</u>	<u>85,809</u>		<u>1,867,829</u>
Summer school programs						
Salaries	190,000	190,000	357,151	(167,151)		258,314
Employee benefits	4,000	4,000	2,311	1,689		1,332
Purchased services	-	14,000	28,827	(14,827)		23,891
Supplies and materials	-	15,000	22,013	(7,013)		18,493
Other objects	<u>150</u>	<u>250</u>	<u>-</u>	<u>250</u>		<u>995</u>
Total	<u>194,150</u>	<u>223,250</u>	<u>410,302</u>	<u>(187,052)</u>		<u>303,025</u>
Gifted programs						
Purchased services	46,000	41,900	-	41,900		-
Supplies and materials	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>		<u>-</u>
Total	<u>68,000</u>	<u>63,900</u>	<u>-</u>	<u>63,900</u>		<u>-</u>

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Drivers education programs					
Salaries	\$ 88,000	\$ 50,175	\$ 50,744	\$ (569)	\$ 59,312
Employee benefits	1,100	1,100	260	840	344
Purchased services	35,895	32,395	23,512	8,883	23,450
Supplies and materials	20,360	20,422	20,139	283	4,430
Other objects	1,000	763	-	763	-
Non-capitalized equipment	1,500	1,500	-	1,500	-
Total	<u>147,855</u>	<u>106,355</u>	<u>94,655</u>	<u>11,700</u>	<u>87,536</u>
Bilingual programs					
Salaries	-	19,500	249,640	(230,140)	171,171
Employee benefits	-	-	35,496	(35,496)	35,434
Purchased services	13,000	-	-	-	13,000
Supplies and materials	17,978	-	-	-	40,374
Non-capitalized equipment	7,607	7,549	7,549	-	14,550
Total	<u>38,585</u>	<u>27,049</u>	<u>292,685</u>	<u>(265,636)</u>	<u>274,529</u>
Truant's alternative and optional programs					
Salaries	7,000	7,000	6,408	592	6,904
Employee benefits	675	675	36	639	40
Purchased services	16,457	16,457	4,160	12,297	16,841
Supplies and materials	7,263	3,263	991	2,272	2,140
Total	<u>31,395</u>	<u>27,395</u>	<u>11,595</u>	<u>15,800</u>	<u>25,925</u>
Special education programs					
K-12 - private tuition	<u>2,440,000</u>	<u>2,440,000</u>	<u>2,575,078</u>	<u>(135,078)</u>	<u>2,295,881</u>
Total instruction	<u>60,742,195</u>	<u>60,873,046</u>	<u>44,418,557</u>	<u>16,470,289</u>	<u>50,706,418</u>

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	Actual
Support services					
Pupils					
Attendance and social work services					
Salaries	\$ 1,832,434	\$ 1,832,434	\$ 1,820,715	\$ 11,719	\$ 1,556,252
Employee benefits	198,393	198,393	202,801	(4,408)	252,629
Purchased services	-	1,795	400	1,395	903
Supplies and materials	36,300	31,738	20,983	10,755	19,190
Other objects	40,720	41,037	8,340	32,697	8,936
Total	<u>2,107,847</u>	<u>2,105,397</u>	<u>2,053,239</u>	<u>52,158</u>	<u>1,837,910</u>
Guidance services					
Salaries	1,544,995	1,525,013	1,519,254	5,759	1,396,999
Employee benefits	329,044	325,175	268,455	56,720	247,838
Purchased services	50,091	119,266	85,443	33,823	45,948
Supplies and materials	9,200	8,902	7,370	1,532	4,724
Non-capitalized equipment	1,000	1,000	-	1,000	900
Total	<u>1,934,330</u>	<u>1,979,356</u>	<u>1,880,522</u>	<u>98,834</u>	<u>1,696,409</u>
Health services					
Salaries	262,359	262,359	262,431	(72)	246,741
Employee benefits	77,675	77,675	73,056	4,619	79,142
Purchased services	2,670	1,455	52	1,403	468
Supplies and materials	5,675	6,890	5,567	1,323	5,321
Non-capitalized equipment	-	-	-	-	900
Total	<u>348,379</u>	<u>348,379</u>	<u>341,106</u>	<u>7,273</u>	<u>332,572</u>

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	Actual
Other support services - pupils					
Salaries	\$ 2,034,454	\$ 2,034,454	\$ 2,066,216	\$ (31,762)	\$ 1,939,155
Employee benefits	587,183	587,183	568,833	18,350	473,185
Purchased services	257,304	165,198	157,985	7,213	226,853
Supplies and materials	89,450	83,639	58,136	25,503	84,101
Capital outlay	-	3,560	-	3,560	-
Other objects	600	450	450	-	762
Non-capitalized equipment	4,000	-	3,560	(3,560)	5,424
Total	2,972,991	2,874,484	2,855,180	19,304	2,729,480
Total pupils	7,363,547	7,307,616	7,130,047	177,569	6,596,371
Instructional staff					
Improvement of instruction services					
Salaries	1,120,988	1,040,749	895,953	144,796	624,596
Employee benefits	218,995	214,776	178,461	36,315	193,000
Purchased services	444,315	832,847	495,246	337,601	411,507
Supplies and materials	339,071	357,048	286,522	70,526	386,883
Other objects	-	2,800	2,285	515	-
Non-capitalized equipment	50,000	23,500	17,572	5,928	799
Total	2,173,369	2,471,720	1,876,039	595,681	1,616,785
Educational media services					
Salaries	272,467	256,011	241,303	14,708	257,973
Employee benefits	74,778	65,962	32,931	33,031	51,080
Purchased services	-	-	-	-	250
Supplies and materials	47,751	45,806	32,293	13,513	44,400
Other objects	500	500	169	331	109
Non-capitalized equipment	680	-	-	-	-
Total	396,176	368,279	306,696	61,583	353,812

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019					2018 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget		
Assessment and testing						
Salaries	\$ 188,912	\$ 185,265	\$ 181,000	\$ 4,265	\$	157,366
Employee benefits	49,014	49,014	14,292	34,722		33,495
Purchased services	208,300	281,249	233,876	47,373		279,406
Supplies and materials	95,800	37,200	13,472	23,728		42,509
Other objects	200	200	159	41		-
Total	<u>542,226</u>	<u>552,928</u>	<u>442,799</u>	<u>110,129</u>		<u>512,776</u>
Total instructional staff	<u>3,111,771</u>	<u>3,392,927</u>	<u>2,625,534</u>	<u>767,393</u>		<u>2,483,373</u>
General administration						
Board of education services						
Salaries	394	-	394	(394)		547
Purchased services	1,944,500	1,985,527	2,016,997	(31,470)		1,711,240
Supplies and materials	6,613	7,426	2,552	4,874		3,306
Other objects	<u>90,737</u>	<u>44,387</u>	<u>29,740</u>	<u>14,647</u>		<u>37,995</u>
Total	<u>2,042,244</u>	<u>2,037,340</u>	<u>2,049,683</u>	<u>(12,343)</u>		<u>1,753,088</u>
Executive administration services						
Salaries	349,960	347,813	347,523	290		312,642
Employee benefits	86,944	86,944	82,091	4,853		70,834
Purchased services	6,600	15,100	11,414	3,686		10,794
Supplies and materials	1,000	1,000	619	381		785
Other objects	<u>3,000</u>	<u>3,800</u>	<u>3,666</u>	<u>134</u>		<u>3,375</u>
Total	<u>447,504</u>	<u>454,657</u>	<u>445,313</u>	<u>9,344</u>		<u>398,430</u>

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019					2018 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget		
Tort immunity services						
Employee benefits	\$ 300,000	\$ 183,973	\$ 156,810	\$ 27,163	\$	220,383
Total	<u>300,000</u>	<u>183,973</u>	<u>156,810</u>	<u>27,163</u>		<u>220,383</u>
Total general administration	<u>2,789,748</u>	<u>2,675,970</u>	<u>2,651,806</u>	<u>24,164</u>		<u>2,371,901</u>
School administration						
Office of the principal services						
Salaries	2,176,714	2,176,714	2,149,241	27,473		2,191,965
Employee benefits	503,363	503,363	528,100	(24,737)		518,718
Purchased services	99,878	76,816	37,683	39,133		51,437
Supplies and materials	60,150	240,969	235,815	5,154		58,525
Capital outlay	29,000	29,000	-	29,000		23,092
Other objects	55,065	55,818	30,619	25,199		27,412
Non-capitalized equipment	<u>31,250</u>	<u>26,358</u>	<u>11,167</u>	<u>15,191</u>		<u>9,038</u>
Total	<u>2,955,420</u>	<u>3,109,038</u>	<u>2,992,625</u>	<u>116,413</u>		<u>2,880,187</u>
Other support services - school administration						
Salaries	100,470	100,470	100,470	-		98,500
Employee benefits	<u>23,874</u>	<u>23,874</u>	<u>17,135</u>	<u>6,739</u>		<u>22,880</u>
Total	<u>124,344</u>	<u>124,344</u>	<u>117,605</u>	<u>6,739</u>		<u>121,380</u>
Total school administration	<u>3,079,764</u>	<u>3,233,382</u>	<u>3,110,230</u>	<u>123,152</u>		<u>3,001,567</u>

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019					2018 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget		
Business						
Direction of business support services						
Salaries	\$ 145,000	\$ 145,000	\$ 153,872	\$ (8,872)	\$	146,057
Employee benefits	31,417	10,787	2,373	8,414		39,006
Purchased services	2,100	3,980	2,507	1,473		1,926
Supplies and materials	550	700	555	145		935
Other objects	1,400	-	-	-		1,395
Total	180,467	160,467	159,307	1,160		189,319
Fiscal services						
Salaries	654,723	661,843	634,959	26,884		625,620
Employee benefits	203,210	223,210	175,710	47,500		176,927
Purchased services	81,310	89,190	70,795	18,395		80,874
Supplies and materials	23,000	3,000	2,810	190		10,453
Other objects	17,800	36,200	75	36,125		1,245
Non-capitalized equipment	-	6,600	4,007	2,593		12,820
Total	980,043	1,020,043	888,356	131,687		907,939
Pupil transportation services						
Purchased services	43,007	333,137	208,962	124,175		47,237
Total	43,007	333,137	208,962	124,175		47,237
Food services						
Purchased services	1,430,000	1,431,382	1,350,429	80,953		1,224,183
Supplies and materials	30,000	3,548	1,009	2,539		10,843
Capital outlay	4,000	31,746	-	31,746		1,078
Other objects	-	-	1,170	(1,170)		-
Non-capitalized equipment	7,000	5,418	13,977	(8,559)		7,290
Total	1,471,000	1,472,094	1,366,585	105,509		1,243,394
Total business	2,674,517	2,985,741	2,623,210	362,531		2,387,889

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019					2018 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget		
Central						
Information services						
Salaries	\$ 119,360	\$ 69,360	\$ 36,067	\$ 33,293	\$ 60,737	
Employee benefits	153	153	144	9	8,995	
Purchased services	139,000	78,327	77,890	437	96,471	
Supplies and materials	1,200	1,140	220	920	606	
Other objects	8,000	8,000	-	8,000	47	
Total	<u>267,713</u>	<u>156,980</u>	<u>114,321</u>	<u>42,659</u>	<u>166,856</u>	
Staff services						
Salaries	337,500	337,500	335,364	2,136	327,761	
Employee benefits	106,240	106,240	65,900	40,340	75,339	
Purchased services	146,000	166,350	138,932	27,418	148,861	
Supplies and materials	36,870	26,927	12,418	14,509	15,319	
Capital outlay	2,000	2,000	-	2,000	-	
Other objects	22,500	4,519	3,041	1,478	9,100	
Non-capitalized equipment	-	3,831	-	3,831	-	
Total	<u>651,110</u>	<u>647,367</u>	<u>555,655</u>	<u>91,712</u>	<u>576,380</u>	
Data processing services						
Salaries	1,107,403	1,107,403	1,006,355	101,048	980,776	
Employee benefits	332,850	332,850	322,071	10,779	291,633	
Purchased services	1,333,501	1,757,751	1,650,078	107,673	1,214,659	
Supplies and materials	441,500	278,767	244,915	33,852	458,603	
Capital outlay	2,350,000	18,914	2,551	16,363	1,337,452	
Other objects	-	750	750	-	750	
Non-capitalized equipment	200,000	2,268,819	2,286,408	(17,589)	1,350,859	
Total	<u>5,765,254</u>	<u>5,765,254</u>	<u>5,513,128</u>	<u>252,126</u>	<u>5,634,732</u>	
Total central	<u>6,684,077</u>	<u>6,569,601</u>	<u>6,183,104</u>	<u>386,497</u>	<u>6,377,968</u>	

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	Actual
Other supporting services					
Supplies and materials	\$ 40,605	\$ 40,604	\$ 30,614	\$ 9,990	\$ 69,561
Total	<u>40,605</u>	<u>40,604</u>	<u>30,614</u>	<u>9,990</u>	<u>69,561</u>
Total support services	<u>25,744,029</u>	<u>26,205,841</u>	<u>24,354,545</u>	<u>1,851,296</u>	<u>23,288,630</u>
Community services					
Salaries	128,520	128,520	128,520	-	120,891
Employee benefits	10,714	10,714	40,956	(30,242)	13,428
Purchased services	166,837	260,573	148,438	112,135	90,433
Supplies and materials	44,995	72,905	11,492	61,413	13,840
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,063</u>
Total	<u>351,066</u>	<u>472,712</u>	<u>329,406</u>	<u>143,306</u>	<u>271,655</u>
Other payments to other districts and governmental units					
Purchased services	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	<u>-</u>	<u>543,606</u>
Total	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	<u>-</u>	<u>543,606</u>
Payments for special education programs - tuition					
Other objects	<u>6,938,116</u>	<u>6,936,016</u>	<u>7,233,329</u>	<u>(297,313)</u>	<u>6,084,211</u>
Total payments to other districts and other government units	<u>7,446,116</u>	<u>7,444,016</u>	<u>7,741,329</u>	<u>(297,313)</u>	<u>6,627,817</u>
Total expenditures	<u>94,283,406</u>	<u>94,995,615</u>	<u>76,843,837</u>	<u>18,167,578</u>	<u>80,894,520</u>
Excess of revenues over expenditures	<u>4,982,497</u>	<u>4,270,288</u>	<u>5,882,535</u>	<u>1,628,047</u>	<u>9,639,259</u>

(Continued)

Proviso Township High School District 209

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	Actual
Other financing sources (uses)					
Permanent transfer from Working Cash Fund - abatement	\$ (3,534,000)	\$(31,564,000)	\$ (31,564,000)	\$ -	\$(19,000,000)
Permanent transfer - out	-	(16,736,854)	(20,736,854)	(4,000,000)	-
Debt issuance	3,534,000	31,564,000	29,712,018	(1,851,982)	8,795,000
Premium on bonds sold	-	1,690	1,853,672	1,851,982	1,023,317
Other uses not classified elsewhere	<u>(715,000)</u>	<u>(3,746,853)</u>	<u>-</u>	<u>3,746,853</u>	<u>-</u>
Total other financing sources (uses)	<u>(715,000)</u>	<u>(20,482,017)</u>	<u>(20,735,164)</u>	<u>(253,147)</u>	<u>(9,181,683)</u>
Net change to fund balance	<u>\$ 4,267,497</u>	<u>\$(16,211,729)</u>	(14,852,629)	<u>\$ 1,359,100</u>	457,576
Fund balance, beginning of year			<u>38,699,048</u>		<u>38,241,472</u>
Fund balance, end of year			<u>\$ 23,846,419</u>		<u>\$ 38,699,048</u>

(Concluded)

Proviso Township High School District 209
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Revenues					
Local sources					
General levy	\$ 9,212,449	\$ 9,212,449	\$ 8,776,664	\$ (435,785)	\$ 8,964,824
Corporate personal property replacement taxes	100,000	100,000	501,553	401,553	421,630
Interest on investments	64,500	64,500	70,782	6,282	64,214
Rentals	60,000	60,000	78,754	18,754	101,598
Refund of prior years' expenditures	-	-	17,830	17,830	-
Other	-	-	633,700	633,700	59,556
Total local sources	<u>9,436,949</u>	<u>9,436,949</u>	<u>10,079,283</u>	<u>642,334</u>	<u>9,611,822</u>
State sources					
Evidence based funding	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>
Total state sources	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>
Total revenues	<u>9,516,949</u>	<u>9,516,949</u>	<u>10,079,283</u>	<u>562,334</u>	<u>9,611,822</u>
Expenditures					
Support services					
Operation and maintenance of plant services					
Salaries	4,464,314	4,464,314	4,426,983	37,331	4,180,229
Employee benefits	948,020	948,020	827,744	120,276	795,052
Purchased services	1,742,517	1,862,373	1,843,386	18,987	1,466,874
Supplies and materials	1,708,801	1,800,329	2,078,857	(278,528)	1,834,645
Capital outlay	200,000	125,541	31,065	94,476	277,151
Other objects	2,890	3,159	2,252	907	2,098
Non-capitalized equipment	<u>77,626</u>	<u>56,532</u>	<u>68,996</u>	<u>(12,464)</u>	<u>69,669</u>
Total	<u>9,144,168</u>	<u>9,260,268</u>	<u>9,279,283</u>	<u>(19,015)</u>	<u>8,625,718</u>
Total support services	<u>9,144,168</u>	<u>9,260,268</u>	<u>9,279,283</u>	<u>(19,015)</u>	<u>8,625,718</u>

(Continued)

Proviso Township High School District 209
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	Actual
Payments for special education programs					
Other objects	\$ 354,834	\$ 354,834	\$ 441,537	\$ (86,703)	\$ 370,049
Total other payments	<u>354,834</u>	<u>354,834</u>	<u>441,537</u>	<u>(86,703)</u>	<u>370,049</u>
Total expenditures	<u>9,499,002</u>	<u>9,615,102</u>	<u>9,720,820</u>	<u>(105,718)</u>	<u>8,995,767</u>
Excess (deficiency) of revenues over expenditures	<u>17,947</u>	<u>(98,153)</u>	<u>358,463</u>	<u>456,616</u>	<u>616,055</u>
Other financing sources (uses)					
Permanent transfer from Working Cash Fund - abatement	-	28,030,000	28,030,000	-	-
Permanent transfer - in	-	16,736,854	16,736,854	-	-
Permanent transfer - out	-	(44,766,854)	(45,013,707)	(246,853)	-
Other uses not classified elsewhere	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>	<u>(955,352)</u>
Total other financing sources (uses)	<u>-</u>	<u>(500,000)</u>	<u>(246,853)</u>	<u>253,147</u>	<u>(955,352)</u>
Net change to fund balance	<u>\$ 17,947</u>	<u>\$ (598,153)</u>	111,610	<u>\$ 709,763</u>	(339,297)
Fund balance, beginning of year			<u>4,179,642</u>		<u>4,518,939</u>
Fund balance, end of year			<u>\$ 4,291,252</u>		<u>\$ 4,179,642</u>

(Concluded)

Proviso Township High School District 209
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues					
Local sources					
General levy	\$ 2,207,852	\$ 2,207,852	\$ 2,124,120	\$ (83,732)	\$ 1,959,447
Regular transportation fees					
from pupils or parents	500	500	264	(236)	-
Interest on investments	31,700	31,700	50,201	18,501	32,866
Refund of prior years' expenditures	200,000	200,000	364,036	164,036	640,142
Payment from other Districts	3,000	3,000	-	(3,000)	-
Other	<u>3,000</u>	<u>3,000</u>	<u>84,354</u>	<u>81,354</u>	<u>4,654</u>
Total local sources	<u>2,446,052</u>	<u>2,446,052</u>	<u>2,622,975</u>	<u>176,923</u>	<u>2,637,109</u>
State sources					
Evidence based funding	540,000	540,000	-	(540,000)	-
Transportation - Regular/Vocational	738,000	738,000	235,605	(502,395)	697,791
Transportation - Special Education	<u>1,725,000</u>	<u>1,725,000</u>	<u>2,792,690</u>	<u>1,067,690</u>	<u>1,383,382</u>
Total state sources	<u>3,003,000</u>	<u>3,003,000</u>	<u>3,028,295</u>	<u>25,295</u>	<u>2,081,173</u>
Total revenues	<u>5,449,052</u>	<u>5,449,052</u>	<u>5,651,270</u>	<u>202,218</u>	<u>4,718,282</u>
Expenditures					
Support services					
Pupil transportation services					
Salaries	150,000	150,000	118,975	31,025	139,151
Purchased services	4,753,970	4,753,970	4,805,000	(51,030)	4,952,505
Supplies and materials	<u>32,000</u>	<u>32,000</u>	<u>25,425</u>	<u>6,575</u>	<u>22,702</u>
Total support services	<u>4,935,970</u>	<u>4,935,970</u>	<u>4,949,400</u>	<u>(13,430)</u>	<u>5,178,769</u>

(Continued)

Proviso Township High School District 209
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	Actual
Payments to other districts and government units					
Payment for special education programs					
Other objects	\$ 494,000	\$ 494,000	\$ 234,974	\$ 259,026	\$ 288,162
Total	<u>494,000</u>	<u>494,000</u>	<u>234,974</u>	<u>259,026</u>	<u>288,162</u>
Total payments to other districts and governmental units	<u>494,000</u>	<u>494,000</u>	<u>234,974</u>	<u>259,026</u>	<u>288,162</u>
Capital leases					
Principal	-	-	29,453	(29,453)	-
Interest	<u>-</u>	<u>-</u>	<u>15,975</u>	<u>(15,975)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>45,428</u>	<u>(45,428)</u>	<u>-</u>
Total debt service	<u>-</u>	<u>-</u>	<u>45,428</u>	<u>(45,428)</u>	<u>-</u>
Total expenditures	<u>5,429,970</u>	<u>5,429,970</u>	<u>5,229,802</u>	<u>200,168</u>	<u>5,466,931</u>
Excess of revenues over expenditures	<u>\$ 19,082</u>	<u>\$ 19,082</u>	421,468	<u>\$ 402,386</u>	(748,649)
Fund balance, beginning of year			<u>3,156,838</u>		<u>3,905,487</u>
Fund balance, end of year			<u>\$ 3,578,306</u>		<u>\$ 3,156,838</u>

(Concluded)

Proviso Township High School District 209
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Revenues					
Local sources					
General levy	\$ 491,071	\$ 491,071	\$ 452,126	\$ (38,945)	\$ 448,177
Social security/Medicare only levy	1,583,482	1,583,482	1,521,927	(61,555)	1,434,598
Corporate personal property replacement taxes	85,000	85,000	45,833	(39,167)	43,650
Interest on investments	<u>19,325</u>	<u>19,325</u>	<u>25,999</u>	<u>6,674</u>	<u>18,899</u>
Total local sources	<u>2,178,878</u>	<u>2,178,878</u>	<u>2,045,885</u>	<u>(132,993)</u>	<u>1,945,324</u>
State sources					
Evidence based funding	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Total state sources	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Total revenues	<u>2,218,878</u>	<u>2,218,878</u>	<u>2,045,885</u>	<u>(172,993)</u>	<u>1,945,324</u>
Expenditures					
Instruction					
Regular programs	271,036	271,036	265,070	5,966	255,471
Special education programs	162,800	162,800	144,921	17,879	149,255
Remedial and supplemental programs K-12	200	200	-	200	-
Vocational educational programs	104,888	104,888	81,736	23,152	103,600
Interscholastic programs	84,400	84,400	81,904	2,496	82,381
Summer school programs	9,700	9,700	13,585	(3,885)	10,212
Drivers education programs	1,050	1,050	662	388	860
Truant's alternative and optional programs	<u>300</u>	<u>300</u>	<u>93</u>	<u>207</u>	<u>100</u>
Total instruction	<u>634,374</u>	<u>634,374</u>	<u>587,971</u>	<u>46,403</u>	<u>601,879</u>

(Continued)

Proviso Township High School District 209
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	2018 Actual
Support services					
Pupils					
Attendance and social work services	\$ 70,200	\$ 68,700	\$ 67,320	\$ 1,380	\$ 60,471
Guidance services	29,014	29,014	31,338	(2,324)	23,878
Health services	46,631	46,631	38,016	8,615	39,771
Other support services -pupils	<u>306,700</u>	<u>306,700</u>	<u>291,518</u>	<u>15,182</u>	<u>304,469</u>
Total pupils	<u>452,545</u>	<u>451,045</u>	<u>428,192</u>	<u>22,853</u>	<u>428,589</u>
Instructional staff					
Improvement of instruction services	26,200	26,400	27,581	(1,181)	23,446
Educational media services	15,600	15,600	9,115	6,485	10,557
Assessment and testing	<u>6,700</u>	<u>6,700</u>	<u>9,667</u>	<u>(2,967)</u>	<u>6,295</u>
Total instructional staff	<u>48,500</u>	<u>48,700</u>	<u>46,363</u>	<u>2,337</u>	<u>40,298</u>
General administration					
Executive administration services	<u>17,193</u>	<u>19,340</u>	<u>20,747</u>	<u>(1,407)</u>	<u>19,307</u>
Total general administration	<u>17,193</u>	<u>19,340</u>	<u>20,747</u>	<u>(1,407)</u>	<u>19,307</u>
School administration					
Office of the principal services	159,200	159,200	134,462	24,738	155,010
Other support services - school administration	<u>1,500</u>	<u>1,500</u>	<u>1,458</u>	<u>42</u>	<u>1,428</u>
Total school administration	<u>160,700</u>	<u>160,700</u>	<u>135,920</u>	<u>24,780</u>	<u>156,438</u>

(Continued)

Proviso Township High School District 209
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	Actual
Business					
Direction of business support services	\$ 2,500	\$ 4,334	\$ 41,128	\$ (36,794)	\$ 46,097
Fiscal services	87,231	87,231	41,821	45,410	41,219
Operation and maintenance of plant services	542,672	539,990	648,667	(108,677)	697,298
Pupil transportation services	<u>22,600</u>	<u>22,600</u>	<u>17,143</u>	<u>5,457</u>	<u>22,454</u>
Total business	<u>655,003</u>	<u>654,155</u>	<u>748,759</u>	<u>(94,604)</u>	<u>807,068</u>
Central					
Information services	14,609	14,609	10,398	4,211	19,735
Staff services	38,200	38,200	27,468	10,732	28,063
Data processing services	<u>171,968</u>	<u>171,968</u>	<u>145,925</u>	<u>26,043</u>	<u>155,081</u>
Total central	<u>224,777</u>	<u>224,777</u>	<u>183,791</u>	<u>40,986</u>	<u>202,879</u>
Total support services	<u>1,558,718</u>	<u>1,558,717</u>	<u>1,563,772</u>	<u>(5,055)</u>	<u>1,654,579</u>
Community services	<u>13,900</u>	<u>13,900</u>	<u>13,790</u>	<u>110</u>	<u>13,983</u>
Total expenditures	<u>2,206,992</u>	<u>2,206,991</u>	<u>2,165,533</u>	<u>41,458</u>	<u>2,270,441</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 11,886</u>	<u>\$ 11,887</u>	(119,648)	<u>\$ (131,535)</u>	(325,117)
Fund balance, beginning of year			<u>1,601,443</u>		<u>1,926,560</u>
Fund balance, end of year			<u>\$1,481,795</u>		<u>\$ 1,601,443</u>

(Concluded)

Proviso Township High School District 209

Notes to the Required Supplementary Information

June 30, 2019

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided that funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 18, 2018, and amended on June 18, 2019.
- g) All budget lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following fund had expenditures in excess of budget at June 30, 2019:

<u>Fund</u>	<u>Variance</u>
Operations and Maintenance	\$ 105,718

Proviso Township High School District 209

Notes to the Required Supplementary Information

June 30, 2019

3. CHANGES OF ASSUMPTIONS - TEACHRS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. 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 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

Proviso Township High School District 209

Notes to the Required Supplementary Information

June 30, 2019

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2018 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling 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%
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 calculation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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.

Proviso Township High School District 209

Notes to the Required Supplementary Information

June 30, 2019

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE* (Continued)

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

Change in Assumptions:

For the 2018 measurement year, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00%.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Fiscal Year End	June 30, 2019

Methods and Assumptions Used to Determine the 2018 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.62%
Price Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

Proviso Township High School District 209

Notes to the Required Supplementary Information

June 30, 2019

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2018 Contribution Rate: (Continued)

Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
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 cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

The Discount Rate was changed from 3.56% used in the Fiscal Year 2018 valuation to 3.62%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	July 1, 2017
Measurement Date	June 30, 2019
Fiscal Year End	June 30, 2019

Proviso Township High School District 209

Notes to the Required Supplementary Information

June 30, 2019

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	10.12 years
Municipal Bond Index	3.50%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	2.50%
Salary Increases	2.25%
Retirement Rates	IMRF Employees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report. TRS Employees: Rates from the June 30, 2017 TRS Actuarial Valuation Report
Election at Retirement	30% of IMRF and TRS employees will elect District coverage at retirement.
Mortality	Active IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study
Healthcare Cost Trend Rates	6.50, Initial 5.00, Ultimate

Change in Assumptions:

The Discount Rate was changed from 3.87% used in the Fiscal Year 2018 valuation to 3.50%, which is the Bond Buyer 20 year bond GO index as of June 30, 2019.

SUPPLEMENTARY FINANCIAL INFORMATION

Proviso Township High School District 209

General Fund

COMBINING BALANCE SHEET

June 30, 2019

	Educational Account	Tort Immunity and Judgment	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 21,703,834	\$ 221,977	\$ 3,360,909	\$ 25,286,720
Receivables (net of allowance for uncollectibles):				
Property taxes	22,993,122	4,721	4,721	23,002,564
Replacement taxes	552,847	-	-	552,847
Intergovernmental	1,240,251	-	-	1,240,251
Prepaid items	<u>632,546</u>	<u>-</u>	<u>-</u>	<u>632,546</u>
Total assets	<u>\$ 47,122,600</u>	<u>\$ 226,698</u>	<u>\$ 3,365,630</u>	<u>\$ 50,714,928</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 4,163,760	\$ -	\$ -	\$ 4,163,760
Salaries and benefits payable	150,769	-	-	150,769
Claims payable	<u>511,138</u>	<u>-</u>	<u>-</u>	<u>511,138</u>
Total liabilities	<u>4,825,667</u>	<u>-</u>	<u>-</u>	<u>4,825,667</u>
DEFERRED INFLOWS				
Unavailable grant revenue	38,817	-	-	38,817
Property taxes levied for a future period	<u>21,994,993</u>	<u>4,516</u>	<u>4,516</u>	<u>22,004,025</u>
Total deferred inflows	<u>22,033,810</u>	<u>4,516</u>	<u>4,516</u>	<u>22,042,842</u>
FUND BALANCES				
Nonspendable	632,546	-	-	632,546
Restricted	-	222,182	-	222,182
Assigned	3,902,066	-	-	3,902,066
Unassigned	<u>15,728,511</u>	<u>-</u>	<u>3,361,114</u>	<u>19,089,625</u>
Total fund balance	<u>20,263,123</u>	<u>222,182</u>	<u>3,361,114</u>	<u>23,846,419</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 47,122,600</u>	<u>\$ 226,698</u>	<u>\$ 3,365,630</u>	<u>\$ 50,714,928</u>

Proviso Township High School District 209

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	Educational Account	Tort Immunity and Judgment	Working Cash Account	Total
Revenues				
Property taxes	\$ 42,978,554	\$ 9,026	\$ 8,676	\$ 42,996,256
Replacement taxes	2,854,559	-	-	2,854,559
State aid	28,818,143	-	-	28,818,143
Federal aid	4,874,971	-	-	4,874,971
Interest	535,390	3,255	216,688	755,333
Other	2,427,110	-	-	2,427,110
Total revenues	82,488,727	12,281	225,364	82,726,372
Expenditures				
Current:				
Instruction:				
Regular programs	19,947,478	-	-	19,947,478
Special programs	5,813,001	-	-	5,813,001
Other instructional programs	6,853,787	-	-	6,853,787
State retirement contributions	11,733,068	-	-	11,733,068
Support services:				
Pupils	7,130,047	-	-	7,130,047
Instructional staff	2,625,534	-	-	2,625,534
General administration	2,651,806	-	-	2,651,806
School administration	3,110,230	-	-	3,110,230
Business	2,414,248	-	-	2,414,248
Transportation	208,962	-	-	208,962
Central	6,180,553	-	-	6,180,553
Other supporting services	30,614	-	-	30,614
Community services	329,406	-	-	329,406
Nonprogrammed charges	7,741,329	-	-	7,741,329
Capital outlay	73,774	-	-	73,774
Total expenditures	76,843,837	-	-	76,843,837
Excess of revenues over expenditures	5,644,890	12,281	225,364	5,882,535
Other financing sources (uses)				
Transfers (out)	(20,736,854)	-	(31,564,000)	(52,300,854)
Debt issuance	-	-	29,712,018	29,712,018
Premium on bonds sold	-	-	1,853,672	1,853,672
Total other financing sources (uses)	(20,736,854)	-	1,690	(20,735,164)
Net change in fund balance	(15,091,964)	12,281	227,054	(14,852,629)
Fund balance, beginning of year	35,355,087	209,901	3,134,060	38,699,048
Fund balance, end of year	\$ 20,263,123	\$ 222,182	\$ 3,361,114	\$ 23,846,419

Proviso Township High School District 209

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues					
Local sources					
General levy	\$ 5,766,073	\$ 5,766,073	\$ 5,584,457	\$ (181,616)	\$ 5,641,902
Interest on investments	<u>54,550</u>	<u>54,550</u>	<u>100,834</u>	<u>46,284</u>	<u>54,885</u>
Total local sources	<u>5,820,623</u>	<u>5,820,623</u>	<u>5,685,291</u>	<u>(135,332)</u>	<u>5,696,787</u>
State sources					
Evidence Based Funding	<u>154,503</u>	<u>154,503</u>	<u>-</u>	<u>(154,503)</u>	<u>-</u>
Total state sources	<u>154,503</u>	<u>154,503</u>	<u>-</u>	<u>(154,503)</u>	<u>-</u>
Federal sources					
Total revenues	<u>5,975,126</u>	<u>5,975,126</u>	<u>5,685,291</u>	<u>(289,835)</u>	<u>5,696,787</u>
Expenditures					
Bond and other - interest	<u>1,115,720</u>	<u>4,514,395</u>	<u>2,656,934</u>	<u>1,857,461</u>	<u>1,448,359</u>
Total debt service - interest	<u>1,115,720</u>	<u>4,514,395</u>	<u>2,656,934</u>	<u>1,857,461</u>	<u>1,448,359</u>
Principal payments on long-term debt	<u>15,992,884</u>	<u>19,415,755</u>	<u>4,288,983</u>	<u>15,126,772</u>	<u>4,348,983</u>
Other debt service					
Purchased services	<u>274,166</u>	<u>750,525</u>	<u>750,524</u>	<u>1</u>	<u>184,317</u>
Total	<u>274,166</u>	<u>750,525</u>	<u>750,524</u>	<u>1</u>	<u>184,317</u>
Total debt service	<u>17,382,770</u>	<u>24,680,675</u>	<u>7,696,441</u>	<u>16,984,234</u>	<u>5,981,659</u>
Total expenditures	<u>17,382,770</u>	<u>24,680,675</u>	<u>7,696,441</u>	<u>16,984,234</u>	<u>5,981,659</u>

(Continued)

Proviso Township High School District 209

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	2018 Actual
Deficiency of revenues over expenditures	<u>\$ (11,407,644)</u>	<u>\$ (18,705,549)</u>	<u>\$ (2,011,150)</u>	<u>\$ 16,694,399</u>	<u>\$ (284,872)</u>
Other financing sources (uses)					
Debt issuance	10,606,000	10,606,000	12,457,982	1,851,982	-
Premium on bonds sold	1,412,067	3,738,376	1,886,395	(1,851,981)	180,645
Deposit with escrow agent	-	-	(15,275,755)	(15,275,755)	(9,800,000)
Other sources not classified elsewhere	<u>715,000</u>	<u>4,246,853</u>	<u>4,246,853</u>	<u>-</u>	<u>9,955,352</u>
Total other financing sources (uses)	<u>12,733,067</u>	<u>18,591,229</u>	3,315,475	<u>(15,275,754)</u>	335,997
Net change in fund balance	<u>\$ 1,325,423</u>	<u>\$ (114,320)</u>	1,304,325	<u>\$ 1,418,645</u>	51,125
Fund balance, beginning of year			<u>5,416,802</u>		<u>5,365,677</u>
Fund balance, end of year			<u>\$ 6,721,127</u>		<u>\$ 5,416,802</u>

(Concluded)

Proviso Township High School District 209
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	Actual
Revenues					
Local sources					
Interest on investments	\$ 75,000	\$ 75,000	\$ 244,872	\$ 169,872	\$ 75,703
Total local sources	75,000	75,000	244,872	169,872	75,703
Total revenues	75,000	75,000	244,872	169,872	75,703
Expenditures					
Support services					
Facilities acquisition and construction services					
Purchased services	-	470,000	-	470,000	759,696
Capital outlay	3,470,000	3,000,000	1,851,837	1,148,163	181,990
Total expenditures	3,470,000	3,470,000	1,851,837	1,618,163	941,686
Deficiency of revenues over expenditures	(3,395,000)	(3,395,000)	(1,606,965)	1,788,035	(865,983)
Other financing sources					
Permanent transfer from Working Cash Fund - abatement	3,534,000	3,534,000	31,564,000	(28,030,000)	-
Transfer from Operations and Maintenance Fund	-	44,766,854	16,736,854	28,030,000	10,000,000
Total other financing sources	3,534,000	48,300,854	48,300,854	-	10,000,000

(Continued)

Proviso Township High School District 209
Capital Projects Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	2018 Actual
Net change in fund balance	<u>\$ 139,000</u>	<u>\$ 44,905,854</u>	\$ 46,693,889	<u>\$ 1,788,035</u>	\$ 9,134,017
Fund balance, beginning of year			<u>17,252,459</u>		<u>8,118,442</u>
Fund balance, end of year			<u>\$ 63,946,348</u>		<u>\$17,252,459</u>

(Concluded)

Proviso Township High School District 209
Fire Prevention and Safety Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues					
Local sources					
General levy	\$ 340,082	\$ 340,082	\$ 333,002	\$ (7,080)	\$ 285,061
Interest on investments	<u>11,000</u>	<u>11,000</u>	<u>15,946</u>	<u>4,946</u>	<u>10,601</u>
Total local sources	<u>351,082</u>	<u>351,082</u>	<u>348,948</u>	<u>(2,134)</u>	<u>295,662</u>
Total revenues	<u>351,082</u>	<u>351,082</u>	<u>348,948</u>	<u>(2,134)</u>	<u>295,662</u>
Expenditures					
Support services					
Facilities acquisition and construction services					
Purchased services	100,000	115,000	3,349	111,651	399,803
Capital outlay	250,000	235,000	14,975	220,025	120,243
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>82,168</u>	<u>(82,168)</u>	<u>6,840</u>
Total expenditures	<u>350,000</u>	<u>350,000</u>	<u>100,492</u>	<u>249,508</u>	<u>526,886</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,082</u>	<u>\$ 1,082</u>	<u>248,456</u>	<u>\$ 247,374</u>	<u>(231,224)</u>
Fund balance, beginning of year			<u>980,622</u>		<u>1,211,846</u>
Fund balance, end of year			<u>\$1,229,078</u>		<u>\$ 980,622</u>

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

Proviso Township High School District 209
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Assets				
Cash and investments	\$ 307,289	\$ 617,511	\$ 628,920	\$ 295,880
Liabilities				
Due to student groups:				
Academic Bowl West	\$ 2	\$ -	\$ -	\$ 2
Academy Council - East	2,000	211	-	2,211
Advantage East	7	-	-	7
Afro American Club East	20	-	-	20
Afro American Club West	764	785	877	672
Alumni Hall of Fame West	2,057	-	-	2,057
Anime Club East	320	-	-	320
Anime Club PMSA	975	45	-	1,020
Anime Club West	100	100	-	200
Art Fund - Raiser East	1,422	40	1,363	99
Art Scholars West	468	255	-	723
Athletics East	45	-	-	45
Band East	4,150	19,146	20,826	2,470
Band West	222	28,444	28,366	301
Bank Redemption Fees	(662)	-	490	(1,152)
Bowling West/Strikers	826	-	56	770
Boys Baseball East	21	-	-	21
Boys Baseball West	4,644	1,627	2,256	4,015
Boys Cross Country West	650	670	-	1,320
Boys Soccer Club West	2	100	-	102
Boys Soccer East	362	-	-	362
Boys Track - West	341	1,872	1,641	572
Boys Track East	2,710	11,805	7,797	6,718
Boys Volleyball East	-	400	-	400
Boys Volleyball West	240	2,550	2,790	-
Cadet East	105	14,339	12,897	1,546
Cadets Fund West	407	14,208	12,086	2,529
Cap & Gown for Seniors	-	195	-	195
Chargebacks	(330)	-	41	(371)
Cheerleaders East	420	2,152	1,511	1,061
Cheerleaders West	2,554	13,263	9,998	5,819
Chess Club - PMSA	-	36	-	36
Chess Club East	157	-	-	157
Chess Club West	150	-	-	150
Child Care Career West	985	-	-	985
Choir East	160	359	165	354
Choir West	1,056	1,630	693	1,993
Chorus - PMSA	182	630	487	325
Class of 2017 PMSA	(108)	-	-	(108)
Class of 2018 - East	1,156	-	1,156	-

(Continued)

Proviso Township High School District 209
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Class of 2018 - West	\$ 8,965	\$ 75	\$ 8,000	\$ 1,039
Class of 2018 - PMSA	13,944	-	-	13,944
Class of 2019 - East	3,013	35,367	32,547	5,832
Class of 2019 - PMSA	10,175	13,595	22,952	818
Class of 2019 - West	309	30,110	26,603	3,815
Class of 2020 - East	756	2,541	1,260	2,037
Class of 2020 - PMSA	12,061	11,030	7,097	15,994
Class of 2020 - West	456	450	-	906
Class of 2021 - East	-	1,419	500	919
Class of 2021 - West	100	100	-	200
Class of 2021 - PMSA	238	1,897	-	2,136
Class of 2022 - PMSA	-	20	-	20
Class of 2022 - West	-	100	-	100
Class of 2022 - East	-	1,186	-	1,186
Club Mix	174	-	-	174
Commencement - PMSA	9,649	8,478	8,606	9,521
Coun Needy Student Fund West	35	-	-	35
CWT CC West	482	-	-	482
DECA (Marketing) East	9	1,820	1,728	100
Dev of Western Thought (DOWT)	19	-	-	19
Dividend Reinvestment	6,412	7,565	-	13,977
Drama I East	108	544	50	601
Drama West	472	-	-	472
Drama-Plays PMSA	3,957	1,571	2,048	3,481
East/West Magnet Program	865	-	-	865
Ecology Club East	271	-	-	271
F & S Recognition East	13,714	19,049	23,994	8,769
F & S Recognition PMSA	1,452	2,474	3,411	515
F & S Recognition West	8,606	35,103	32,048	11,660
F & S Recon - Superintendent	5,484	3,249	3,079	5,655
Fashion Merchandising West	353	-	-	353
Field Trip PMSA	858	4,136	4,243	750
Fine Arts Festival West	202	-	-	202
Flag & Rifle Corp West	133	400	-	533
G.R.A.C.E. East	68	50	66	52
Gay Straight Alliance	355	-	355	-
Girl Talk East	221	50	-	271
Girls Basketball Club East	1,483	-	1,273	210
Girls League West	1,012	400	-	1,412
Girls Soccer Club West	691	1,356	2,043	4
Girls Soccer East	79	-	-	79
Girls Track - West	1,540	1,941	766	2,716
Girls Track East	14,090	4,203	4,709	13,584
Girls Volleyball Club East	17	-	-	17
Girls Volleyball Club West	766	100	250	616
Girls XCountry	102	3,729	336	3,494

(Continued)

Proviso Township High School District 209
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Girlz w/ Pearlz - Boys w/ Suitz	\$ -	\$ 380	\$ -	\$ 380
Golf Club West	450	100	-	550
Golf East	49	7,500	600	6,949
Government NJROTC West	35	-	-	35
Gridiron East	1,127	2,972	1,190	2,909
Gridiron/Football Club West	620	220	800	40
HERO East	512	411	334	589
HERO West	334	-	-	334
Holiday Tournament West	39,506	45,431	84,361	576
Hoop Club West	400	-	200	200
IHSA Regionals West	6,155	16,251	18,766	3,641
IHSA Sectional/Regional - East	1,473	1,635	1,249	1,859
Interact East	203	-	-	203
Key Club PMSA	339	670	848	160
Key Club West	3,710	1,141	1,781	3,071
La Societe Honoraire Francaise	395	-	-	395
Ladies of Integrity	575	-	575	-
Lady Panther Club West	1,690	1,044	1,525	1,209
Le Cercle Francais West	342	-	-	342
Math Club- Freshman/Sophomore	260	2,050	1,542	768
Math Club West	249	-	-	249
Math Department PE	54	-	-	54
Miscellaneous Deposits	3,772	131,671	127,565	7,879
Multi-Cultural Club East	236	-	-	236
Multi-Culture Club West	2,019	400	75	2,344
Mural Yearbook West	596	150	-	746
National Honor Society East	13	816	385	444
National Honor Society West	9,577	11,622	15,585	5,614
Needy Student Fund East	22	-	-	22
Needy Student Fund West	1,367	115	-	1,482
Newspaper Club PMSA	720	423	300	843
NJROTC East	113	795	500	408
P.E. Activities West	506	-	-	506
P.T.O. West	34	-	-	34
Panther Club West	9,056	24,390	25,458	7,988
Pantherettes West	934	500	-	1,434
Parent CORP NJROTC West	324	-	99	226
PAWS/Gospel Choir West	811	1,018	961	868
PE Dept Activities East	251	-	-	251
Peer Mediation/Peace Team PMSA	95	-	95	-
Photography Club West	441	-	271	170
Physics Club - PMSA	1,200	-	1,200	-
Pirateers East	1,397	337	415	1,319
PMSA Debate Club	553	-	-	553
PMSA Talent Show 2011	131	-	131	-
Pre-Med Club	-	630	-	630

(Continued)

Proviso Township High School District 209
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Profile West	\$ 1,701	\$ 100	\$ -	\$ 1,801
Proviso - Yearbook East	3,205	9,055	9,000	3,260
Proviso East Donations	4,008	732	357	4,383
Proviso Interpretive PIP West	2,238	700	1,157	1,781
Proviso Township HS	(3,700)	-	-	(3,700)
PTHS General	2	-	-	2
PTSA East	305	-	-	305
Raz Unida East	908	46	-	954
Reading Incentives Club -West	133	-	-	133
RESTRVO-S.A.S.S.	-	360	287	73
Robotics Team PMSA	-	249	-	249
Runners Club East	406	1,312	276	1,442
S.E.E.D. Club West	293	100	-	393
SADD West	1,991	100	618	1,473
School Store Fund West	-	9,047	7,497	1,550
SHH-Spanish Honor Soc- West	346	-	264	82
Social Studies Dept	339	-	-	339
Softball Club East	609	271	460	421
Softball Club West	2,110	2,714	-	4,824
Spanish Club West	96	-	-	96
Speech Team West	333	-	-	333
Student Council East	140	6,558	5,699	999
Student Council PMSA	16,484	8,015	3,510	20,989
Student Council West	10,119	9,015	11,063	8,072
Studio & Art Club	49	-	49	-
Suspense	60	-	-	60
Swim Club West	380	200	-	580
T.S.T. West	3,312	-	468	2,844
Teen Issues West	374	-	-	374
Tennis Club West	446	260	-	706
Tennis- East	36	-	-	36
Textiles & Design Occupations	-	290	50	240
Time Travelers Club	2,899	434	-	3,333
Torch Club	100	100	-	200
Unidos West	531	101	-	632
Uniform/Books NJROTC West	237	-	-	237
WAC - West	627	-	-	627
Wall of Fame East	5,563	-	-	5,563
Wellness Club	125	850	850	125
Wrestling Club East	1,297	800	530	1,567
Wrestling Club West	616	100	715	1
Yearbook Club - PMSA	3,334	4,365	5,800	1,899
Young Entrepreneur Society	310	-	-	310
	\$ <u>307,289</u>	\$ <u>617,511</u>	\$ <u>628,920</u>	\$ <u>295,880</u>

(Concluded)

Proviso Township High School District 209
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST FOUR TAX LEVY YEARS

	2018	2017	2016	2015
Assessed valuation	\$2,406,119,130	\$ 2,473,419,922	\$ 2,124,250,834	\$ 2,044,478,289
Rates Extended				
Educational	\$ 46,863,982	\$ 45,859,678	\$ 44,428,706	\$ 44,132,108
Operations and Maintenance	9,607,633	9,329,739	9,274,479	9,316,687
Debt Service	6,114,686	5,911,598	5,786,000	5,600,910
Transportation	2,353,184	2,184,029	1,854,470	1,568,114
Municipal Retirement	514,909	494,683	486,453	392,539
Working Cash	9,624	9,893	10,621	10,222
Tort immunity	9,624	9,893	10,621	10,222
Fire Prevention and Safety	368,136	348,752	244,288	343,472
Social Security	1,667,440	1,587,935	1,368,017	1,177,619
Total rates extended	\$ 67,509,218	\$ 65,736,200	\$ 63,463,655	\$ 62,551,893
Tax Collections				
Year Ended June 30:				
2016	\$ -	\$ -	\$ -	\$ 30,597,261
2017	-	-	30,952,093	30,336,983
2018	-	32,521,875	30,776,120	(536,005)
2019	29,325,525	32,361,187	-	-
Total Collections	\$ 29,325,525	\$ 64,883,062	\$ 61,728,213	\$ 60,398,239
Percentage of extensions collected	43.44%	98.70%	97.27%	96.56%

Note: Tax Rates are expressed in dollars per \$100 of assessed valuation.

Proviso Township High School District 209

OPERATING COSTS AND TUITION CHARGE

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>3,541.90</u>	<u>3,696.74</u>
Operating costs:		
Educational	\$ 65,110,769	\$ 61,796,299
Operations and Maintenance	9,720,820	8,995,767
Debt Service	7,696,441	5,981,659
Transportation	5,229,802	5,466,931
Municipal Retirement/Social Security	<u>2,165,533</u>	<u>2,270,441</u>
Subtotal	<u>89,923,365</u>	<u>84,511,097</u>
Less Revenues/Expenditures of Nonregular Programs:		
Total payments to other Districts and Gov't Units	8,417,840	7,286,028
Summer school	423,887	269,858
Special education	2,575,078	2,295,881
Capital outlay	104,839	341,562
Non-capitalized equipment	2,974,481	1,468,324
Debt principal retired	4,318,436	4,348,983
Community services	<u>343,196</u>	<u>2,291,301</u>
Subtotal	<u>19,157,757</u>	<u>18,301,937</u>
Operating costs	<u>\$ 70,765,608</u>	<u>\$ 66,209,160</u>
Operating costs per pupil - based on ADA	<u>\$ 19,980</u>	<u>\$ 17,910</u>
Tuition Charge		
Operating costs	\$ 70,765,608	\$ 66,209,160
Less - revenues from specific programs, such as special education or lunch programs	<u>11,275,287</u>	<u>9,568,535</u>
Net operating costs	59,490,321	56,640,625
Depreciation allowance	<u>4,053,496</u>	<u>3,550,697</u>
Allowance tuition costs	<u>\$ 63,543,817</u>	<u>\$ 60,191,322</u>
Tuition charge per pupil - based on ADA	<u>\$ 17,941</u>	<u>\$ 16,282</u>

Proviso Township High School District 209

General Obligation Bonds

Schedule of Debt Service Requirements

June 30, 2019

Fiscal Year Ending April 30,	Series 2015 A General Obligation Bonds		Series 2016 A General Obligation Bonds		Series 2016B General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ -	\$ 379,200	\$ -	\$ 324,200	\$ 4,265,000	\$ 239,500
2021	-	379,200	-	324,200	3,855,000	77,100
2022	-	379,200	-	324,200	-	-
2023	-	379,200	-	324,200	-	-
2024	-	379,200	-	324,200	-	-
2025	-	379,200	-	324,200	-	-
2026	-	379,200	-	324,200	-	-
2027	-	379,200	-	324,200	-	-
2028	-	379,200	-	324,200	-	-
2029	1,750,000	344,200	750,000	311,075	-	-
2030	1,825,000	272,700	1,000,000	277,950	-	-
2031	1,900,000	198,200	1,000,000	237,950	-	-
2032	1,975,000	120,700	1,125,000	195,450	-	-
2033	2,030,000	40,600	1,300,000	153,450	-	-
2034	-	-	1,450,000	112,200	-	-
2035	-	-	1,475,000	68,325	-	-
2036	-	-	1,540,000	23,100	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
Total	\$ 9,480,000	\$ 4,389,200	\$ 9,640,000	\$ 4,297,300	\$ 8,120,000	\$ 316,600

Series 2017 General Obligation Bonds		Series 2018 General Obligation Bonds		Series 2018B General Obligation Bonds	
Principal	Interest	Principal	Interest	Principal	Interest
\$ -	\$ 399,200	\$ -	\$ 682,000	\$ -	\$ 1,365,625
-	399,200	-	682,000	-	1,365,625
-	399,200	2,825,000	611,375	-	1,365,625
-	399,200	2,975,000	466,375	-	1,365,625
755,000	384,100	2,350,000	333,250	-	1,365,625
800,000	353,000	2,475,000	212,625	-	1,365,625
2,300,000	291,000	1,115,000	122,875	-	1,365,625
2,400,000	185,000	1,150,000	66,250	-	1,365,625
2,500,000	62,500	1,250,000	18,750	-	1,365,625
-	-	-	-	1,000,000	1,340,625
-	-	-	-	750,000	1,296,875
-	-	-	-	830,000	1,257,375
-	-	-	-	775,000	1,217,250
-	-	-	-	725,000	1,179,750
-	-	-	-	2,750,000	1,086,000
-	-	-	-	2,925,000	929,938
-	-	-	-	3,075,000	764,938
-	-	-	-	4,825,000	547,688
-	-	-	-	5,100,000	313,000
-	-	-	-	5,275,000	105,499
<u>\$ 8,755,000</u>	<u>\$ 2,872,400</u>	<u>\$ 14,140,000</u>	<u>\$ 3,195,500</u>	<u>\$ 28,030,000</u>	<u>\$ 22,329,563</u>

(Continued)

Proviso Township High School District 209

General Obligation Bonds

Schedule of Debt Service Requirements

June 30, 2019

Fiscal Year Ending April 30,	Total	
	Principal	Interest
2020	\$ 4,265,000	\$ 3,389,725
2021	3,855,000	3,227,325
2022	2,825,000	3,079,600
2023	2,975,000	2,934,600
2024	3,105,000	2,786,375
2025	3,275,000	2,634,650
2026	3,415,000	2,482,900
2027	3,550,000	2,320,275
2028	3,750,000	2,150,275
2029	3,500,000	1,995,900
2030	3,575,000	1,847,525
2031	3,730,000	1,693,525
2032	3,875,000	1,533,400
2033	4,055,000	1,373,800
2034	4,200,000	1,198,200
2035	4,400,000	998,263
2036	4,615,000	788,038
2037	4,825,000	547,688
2038	5,100,000	313,000
2039	<u>5,275,000</u>	<u>105,499</u>
Total	\$ <u>78,165,000</u>	\$ <u>37,400,563</u>

(Concluded)

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

The Members of the Board of Education
Proviso Township High School District 209
Forest Park, Illinois

We have audited the financial statements of Proviso Township High School District 209 (“the District”) as of and for the year ended June 30, 2019, and have issued our report thereon dated January 31, 2020. Professional standards require that we advise you of the following matters related to the audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As communicated in our engagement letter dated June 6, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. In accordance with *Government Auditing Standards*, we have also performed tests of internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the District’s internal control over financial reporting or on compliance and other matters.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you. We have provided our comments regarding material weaknesses, a significant control deficiency, control deficiencies, and other matters noted during our audit in a separate letter to you dated January 31, 2020.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District’s audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. We are not aware of any documents that include the audited financial statements.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing that we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Management and the Board of Education have acknowledged our role in providing requested non-audit services and has taken full responsibility for these non-audit services, as detailed in the engagement letter.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Policies which will be Applicable in Future Years

GASB Statement No. 84, *Fiduciary Activities*, issued in January 2017, will be effective for the District beginning with its year ending June 30, 2020. 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. The Statement establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 87, *Leases*, issued in June 2017, will be effective for the District beginning with its year ending June 30, 2021. The objective of this Statement is to improve the accounting and financial reporting for leases by governments. This statement will require recognition of certain lease assets, liabilities, and a deferred inflow of resources related to certain leases that were previously classified as operating leases.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, issued April 2018, will be effective for the District beginning with its year ending June 30, 2020. The objective of this Statement is to improve information that is disclosed in the notes of government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued June 2018, will be effective for the District beginning with its year ending June 30, 2021. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simply accounting for interest cost incurred before the end of a construction period.

Qualitative Aspects of the District's Significant Accounting Practices (Continued)

Significant Accounting Policies which will be Applicable in Future Years (Continued)

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, issued August 2018, will be effective for the District beginning with its year ending June 30, 2020. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the District beginning with its year ending June 30, 2022. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice.

The District's management has not yet determined the effect that these statements will have on the District's financial statements.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are self-insurance liabilities and assumptions used for pension and other postemployment benefit liabilities, and on-behalf payment calculations for the Teachers' Retirement Fund of the State of Illinois (TRS) and the Teachers' Health Insurance Security Fund (THIS). Included in the notes to the financial statements are the methodologies used by management to determine the estimates.

We evaluated the key factors and assumptions used to develop those estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the District's financial statements relate to self-insurance, the retirement incentive plan, restatement, and actuarial methods and assumptions regarding the Illinois Municipal Retirement Fund (IMRF), Teachers' Retirement System (TRS), and other postemployment benefits (OPEB) liabilities.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Significant Difficulties Encountered During the Audit (Continued)

Although we ultimately received the full cooperation of management and believe that we were given direct and unrestricted access, we experienced significant difficulties in the performance of the audit due to the delays in audit requests and poor condition of the books and records. These issues, as well as some turnover within the accounting department, contributed to the added time and related cost of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected misstatements, including disclosures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached listing of material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

We assisted your personnel with non-audit services necessary for the preparation of the financial statements, including drafting of the financial statements and AFR, preparation of the Schedule of Expenditures of Federal Awards, assistance with the preparation of the Data Collection Form, assistance with modified accrual adjustments and GASB 34 entries, and filing the AFR with the Illinois State Board of Education.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the representation letter dated January 31, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters including the application of accounting principles and auditing standards, business conditions affecting the District, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Existence of a Material Misstatement that Affects the Financial Statements of a Prior Period in Which There Was a Predecessor Auditor

We have identified the existence of material misstatements that affect the prior period financial statements on which the predecessor auditor had previously reported without modification.

The District entered into a capital lease in a prior year that was not properly recorded as a capital lease. Additionally, the District had liabilities related to early retirement incentives that were not previously recorded. As a result of these restatements, as of July 1, 2018, net position decreased by \$353,260, capital lease obligations and early retirement incentive liabilities (both included in long-term liabilities) increased by \$240,876 and \$347,828, respectively, equipment (included in capital assets) increased by \$313,925 and accumulated depreciation increased by \$78,481.

* * * * *

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

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
January 31, 2020

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

To the Member of the Board of Education
Proviso Township High School District 209
Forest Park, Illinois

In planning and performing our audit of the financial statements of Proviso Township High School District 209 (the "District") as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, control deficiencies, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the District's internal control to be material weaknesses:

Restatement for Capital Lease and Early Retirement Incentive Liability

During the current year audit, we noted that the District had not previously recorded the capital asset and capital lease liability for a bus lease that was entered into during fiscal year 2017. The lack of recording of this asset and liability resulted in a restatement of capital assets net of accumulated depreciation, long-term liabilities and net position as of July 1, 2018. In addition, the District also did not record a liability for early retirement incentives provided to certain employees from prior years. The impact of not recording this liability resulted in a restatement of long-term liabilities and net position as of July 1, 2018.

As a result of these restatements, as of July 1, 2018, net position decreased by \$353,260, capital lease obligations and early retirement incentive liabilities (both included in long-term liabilities) increased by \$240,876 and \$347,828, respectively, equipment (included in capital assets) increased by \$313,925 and accumulated depreciation increased by \$78,481. We recommend that management determines any potential liabilities the District may have and bring those to the attention of the finance team to ensure proper recording. In addition, when the District enters into a new lease agreement, management should determine whether the lease is capital or operating lease in order to properly record in the financial statements.

Transactions Not Recorded in General Ledger and Timely Reconciliation of District Cash Accounts

During our testing of cash accounts that are held in the custody of the District, it was noted that various transactions throughout the year that were included in the bank activity were never recorded in the general ledger. This caused difficulty when trying to reconcile cash at year-end, which caused a delay in providing us and the Township Treasurer's Office with reconciled accounts as of June 30, 2019. Had the District been reconciling these accounts (specifically the general account and student activities account) in a timely manner throughout the entire fiscal year, the missed transactions would have been identified on a timely basis. We recommend that bank accounts be reconciled timely (within the first two weeks of the following month) and all differences between book and bank balances be investigated on a timely basis by the appropriate Business Office personnel so that errors and adjustments can be quickly identified and corrected.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the District's internal control to be a significant deficiency:

Controls Over Procurement Cards (P-Cards) and Untimely Payment of P-Card Vendor Invoices

Through our testing of p-cards, we noted that the District lacks proper controls in this area, which is can be an area that is inherently susceptible to misappropriation of assets. The Accounts Payable Clerk has custody of all p-cards and is also authorized to review p-card transactions and pay the p-card vendor. There is no additional layer of review over these transactions, which leaves the opportunity for the Accounts Payable Clerk to make unauthorized purchases that could go undetected. We recommend implementing proper segregation of duties so that custody of the p-cards and authorization to pay vendors are segregated. Without additional review, there is potential for internal as well as external fraudulent use of the cards that could go undetected.

There is not currently a formal tracking system of p-card transactions in place that is adhered to by all employees. While the District does utilize logs for signing the cards in and out, we recommend that each card have its own transaction log which identifies the nature of the transaction, the associated expenditure account number, and supervisor approval. In addition, all receipts should be attached to the transaction log. We noted during our procedures that oftentimes receipts are not turned in, and as the District follows a policy of not paying the p-card bill until all receipts are submitted, bills often go unpaid, or not fully paid, which causes the District to incur significant amounts of interest. We recommend tightening the controls over the p-card process which would include removing p-card privileges from employees who do not adhere to the rules to ensure that bills are paid timely.

Lastly, during our testing of specific p-card transactions, we noted that supporting documentation (i.e. receipt/invoice) could not be located for one of our selections in our p-card testing. As noted above, we recommend stronger controls over these purchases to ensure all support is provided to the Business Office for determination of proper purchases.

Following is a description of other identified control deficiencies that we determined did not constitute a significant deficiency or a material weakness:

Untimely Submission of Quarterly Title I Reports to ISBE

Quarterly expenditure reports are required to be filed with ISBE on the 20th day after a quarter end. The second and third quarter reports for Title I - Low Income for fiscal year 2019 were not filed timely. Although the final expenditure report was filed timely and there was no loss of Title I funds, we recommend the District review procedures related to the submission of grant expenditure reports and modify policies and procedures to ensure that reports are submitted timely.

Student Activities – Lack of Approval Over Disbursements and Lack of Controls Over Collections

During our testing of student activity disbursements, we noted several instances where there was no approval from the Director of Accounting on the check requisition per the District's policy. We recommend that the Director of Accounting review and approve all student activity disbursements to ensure that only allowable purchases are being made and paid for with student activity funds. Additionally, through inquiries with Business Office personnel, we noted that there is not a formal process in place over cash collections at concessions or admissions at athletic events. It was noted that there is often significant amounts of cash collected at these events with no mitigating controls in place to prevent the cash from being misappropriated. We recommend that the District create a formal policy for collection of cash at athletic events to ensure that all cash that is collected is properly tracked, recorded and provided to the Business Office for deposit to prevent misappropriation from occurring.

This letter also includes comments and suggestions with respect to matters that came to our attention in connection with our audit of the financial statements. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the District's practices and procedures.

Authorized Signers on the PMA Accounts

We noted that the authorized signers listing on the PMA accounts at June 30, 2019 included an employee who no longer works at the District. We recommend updating the authorized signers on the PMA accounts to ensure that any authorized signers who are no longer employed by the District are removed.

Continual Monitoring of Spending and Budgeted Amounts

The District plans in place to discontinue the services of the Financial Oversight Panel (FOP), which the District requested the formation of the FOP several years ago. We recommend District management continue to monitor spending and proactively budget for upcoming District needs accordingly in order to prevent a regression back into needing an additional layer of review from the FOP.

Technology and Data Security Risk Assessment and Management

Technology continues to transform business. But technology is not only changing business, it is changing who and what has access, custody and control over information. Therefore, companies need to evolve in the ways that they manage technology and data security. While there is no way to prevent all data breaches, phishing scams or other risks, the District can mitigate its risks with a thorough understanding of data security, privacy, and protection of its information technology. We recommend management consider developing or enhancing its data security risk management plan. In developing or enhancing the plan, management may want to consider the following (which is not an exhaustive list):

- Risk assessment
- A written policy
- Effective screenings of employees, vendors and business partners
- Insurance
- Red flags
- Training of employees
- Plan for responding to a breach notification
- Carefully integrating new technologies
- New legislation and regulation which may impact your industry

* * * * *

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

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
January 31, 2020

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Board of Education
Proviso Township High School District 209
Forest Park, Illinois

Report on Compliance for Each Major Federal Program

We have audited Proviso Township High School District 209's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of Proviso Township High School District 209's major federal programs for the year ended June 30, 2019. Proviso Township High School District 209's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Proviso Township High School District 209's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Proviso Township High School District 209's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

(Continued)

Auditors' Responsibility (Continued)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Proviso Township High School District 209's compliance.

Opinion on Each Major Federal Program

In our opinion, Proviso Township High School District 209 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Proviso Township High School District 209 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Proviso Township High School District 209's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Proviso Township High School District 209's internal control over compliance.

(Continued)

Report on Internal Control over Compliance (Continued)

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

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

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

(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Proviso Township High School District 209 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Proviso Township High School District 209's basic financial statements. We have issued our report thereon dated January 31, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
January 31, 2020

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

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

To the Members of the Board of Education
Proviso Township High School District 209
Forest Park, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Proviso Township High School District 209, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Proviso Township High School District 209's basic financial statements, and have issued our report thereon dated January 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Proviso Township High School District 209's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Proviso Township High School District 209's internal control. Accordingly, we do not express an opinion on the effectiveness of Proviso Township High School District 209's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

(Continued)

Internal Control Over Financial Reporting (Continued)

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses (2019-001 and 2019-002).

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency (2019-003).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Proviso Township High School District 209's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Proviso Township High School District 209's Response to Findings

Proviso Township High School District 209's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Proviso Township High School District 209's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on these responses.

(Continued)

Purpose of this Report

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

MILLER, COOPER & CO., LTD.

A handwritten signature in cursive script that reads "Miller, Cooper & Co., Ltd." is positioned above a horizontal line.

Certified Public Accountants

Deerfield, Illinois
January 31, 2020

PROVISO TOWNSHIP HIGH SCHOOLS
District 209 – Cook County



**8601 West Roosevelt Road
Forest Park, IL 60130**

January 31, 2020

Miller, Cooper & Co., Ltd.
1751 Lake Cook Road, Suite 400
Deerfield, Illinois 60015

This representation letter is provided in connection with your audit of the basic financial statements of Proviso Township High School District 209 (the District) which comprise the statement of financial position as of June 30, 2019, changes in financial position and the related notes to the basic financial statements for the year then ended, for the purpose of expressing an opinion on whether those financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves that, as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter, dated June 6, 2019, for the preparation and fair presentation of the financial statements, referred to above, in accordance with accounting principles generally accepted in the United States of America and the regulatory basis as prescribed by the Illinois State Board of Education.
2. In regards to the nonattest services performed by you, we have:
 - a. Made all management decisions and performed all management functions.
 - b. Designated Paul Starck-King, Assistant Superintendent of Finance and Operations/CSBO, who has suitable skills, knowledge, and experience, to oversee the services.
 - c. Evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed.
 - d. Accepted responsibility for the results of the services.
 - e. Accepted responsibility for all significant judgments and decisions that were made.
3. There are no organizations that are a part of this reporting entity or with which we have a relationship, other than disclosed in the audited financial statements.
4. We have identified for you all of our funds and governmental functions.
5. We have properly classified all funds and activities.
6. We have chosen to report all funds as major funds for presentation purposes.
7. We are responsible for compliance with laws and regulations applicable to the District including adopting, approving, and amending budgets.
8. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

"ONE TEAM, ONE GOAL, ONE PROVISO"

9. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
10. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
11. Significant assumptions used by us in making accounting estimates, including actuarial methods and assumptions regarding the Illinois Municipal Retirement Fund (IMRF), Teacher's Retirement System of the State of Illinois (TRS), other postemployment benefits (OPEB) obligations, on-behalf payment calculations for TRS and Teachers' Health Insurance Security Fund (THIS), and risk management (self-insurance), are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
12. The following have been properly recorded and/or disclosed in the financial statements:
 - a. The value of investments.
 - b. Debt issue provisions.
 - c. All leases and material amounts of rental obligations under long-term leases.
 - d. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the Governmental Accounting Standards Board's, *Codification of Governmental Reporting Standards*. Significant estimates are estimates at the statement of financial position date that could change materially within the next year.
 - e. Risk financing activities.
 - f. Deposits and investment securities categories of risk.
 - g. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, and guarantees, all of which have been recorded in accordance with the economic substance of the transaction and appropriately classified and reported.

Information Provided

13. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, including all financial records and related data of all funds and activities, including those of all special funds, programs, departments, projects, activities, etc., in existence during the period covered by your audit;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
 - d. All minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared;
14. There are no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
15. All transactions have been recorded in the accounting records and are reflected in the financial statements.
16. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated, as a result of fraud.
17. We have no knowledge of allegations of fraud or suspected fraud, affecting the entity's financial statements involving:
 - a. Management or employees who have significant roles in the internal control.
 - b. Others where the fraud could have a material effect on the financial statements.
18. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements received in communications from employees, former employees, analysts, regulators, or others.

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19. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
20. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, including disclosures in accordance with Section 1500 of the Governmental Accounting Standards Board's, *Codification of Governmental Reporting Standards*. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with the regulatory basis as prescribed by the Illinois State Board of Education.
21. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private that is not disclosed in the financial statements.
22. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the District's ability to record, process, summarize, and report financial data, except for the items identified by you during your audit and communicated to us in writing.
23. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
24. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectable amount.
 - b. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2019, and/or for expected retroactive insurance premium adjustments applicable to periods through June 30, 2019.
 - c. For pension obligations, postretirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through June 30, 2019.
 - d. To record a liability for health claims incurred but not yet reported as of June 30, 2019.
25. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination or other environmental clean-up obligations.
 - b. Material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Section 1500 of the Governmental Accounting Standards Board's, *Codification of Governmental Accounting and Financial Reporting Standards*.
 - c. Guarantees, whether written or oral, under which the District is contingently liable.
 - d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - e. Lines of credit or similar arrangements.
 - f. Agreements to repurchase assets previously sold.
 - g. Security agreements in effect under the Uniform Commercial Code.
 - h. Liens or encumbrances on assets or revenues or any assets or revenues which were pledged, as collateral, for any liability or which were subordinated in any way.
 - i. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
 - j. Authorized but unissued bonds and/or notes.
 - k. Derivative financial instruments.
 - l. Special and extraordinary items.

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- m. Arbitrage rebate liabilities.
 - n. Investments, capital assets, intangibles, or other assets which have permanently declined in value.
 - o. Related party transaction, except those already disclosed in the financial statements.
 - p. Contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
26. We have satisfactory title to all owned assets.
27. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
28. Net positions and fund balances are properly classified and, when applicable, approved.
29. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
30. Revenues are appropriately classified in the statements of activities within program revenues and general revenues.
31. Capital assets are properly capitalized, reported, and depreciated.
32. We agree with the findings of specialists in evaluating the actuarial valuation of the District's postemployment benefits, other than pensions ("OPEB"), and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
33. We are responsible for and have reviewed and approved the proposed adjustments to the trial balances identified during the audit, which will be provided to the District and the District will post all adjustments accordingly. We have reviewed, approved, and are responsible for overseeing the preparation and completion of the basic financial statements and related notes.
34. Management has disclosed to you all information relevant to use the going concern assumption in the financial statements. In that regard, we perform the required assessment of the District's ability to continue as a going concern in accordance and have found no conditions or events that raise substantial doubt about the District's ability to continue as a going concern for a period of one year from the date of this letter.
35. The restatement of the financial statements, as of and for the year ended June 30, 2019, because of the correction of errors related to the capital asset, capital lease and retirement incentive liability balances at July 1, 2018, is appropriate. We agree with the restatement of the previously issued financial statements discussed in Note O. In that regard:
- a. The restatement corrects errors in those financial statements.
 - b. Those financial statements were issued by the predecessor auditor.
 - c. We are not aware of any other errors in those financial statements.
 - d. We do not believe it is necessary to recall those financial statements and all users of those financial statements will receive a copy of the current year's financial statements and independent auditor's report.
36. With respect to supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We are aware of no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.
 - e. There is no supplementary information that is not presented with the audited financial statements.

- f. We also acknowledge that the Other Supplemental Information (as listed in the Table of Contents) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and that you will not express an opinion or provide any assurance on them.
37. With respect to management's discussion and analysis and required supplementary information presented as required by accounting principles generally accepted in the United States of America to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We are aware of no underlying significant assumptions or interpretations regarding measurement or presentation of such information, other than in regards to the assumptions applied to the multiyear schedule of changes in net pension liability and related ratios and the multiyear schedule of contributions of the Illinois Municipal Retirement Fund, the multiyear schedule of District's proportionate share of the net pension liability and the multiyear schedule of District contribution of the Teachers' Retirement System, and the multiyear schedule of changes in total other postretirement benefits liability and related ratios for the Retiree Health Plan; and the multiyear schedule of the District's proportionate share of the net other postemployment benefit (OPEB) liability and the multiyear schedule of District contributions of the Teachers' Health Insurance Security Fund.
 - e. We also acknowledge that management's discussion and analysis, the multiyear schedule of changes in net pension liability and related ratios and the multiyear schedule of contributions of the Illinois Municipal Retirement Fund, the multiyear schedule of District's proportionate share of the net pension liability and the multiyear schedule of District contributions of the Teachers' Retirement System, and the multiyear schedule of changes in total other postretirement benefits liability and related ratios for the Retiree Health Plan; and the multiyear schedule of the District's proportionate share of the net other postemployment benefit (OPEB) liability and the multiyear schedule of District contributions of the Teachers' Health Insurance Security Fund; and the budgetary comparison schedules and notes to required supplementary information presented have been subjected to certain limited procedures, and that you will not express an opinion or provide any assurance on them.
38. With respect to supplementary information (related to the Annual Financial Report required by the Illinois State Board of Education) presented in relation to the financial statements as a whole, the Basic Financial Statements, Supplementary Schedules, and Notes to Annual Financial Report, as listed in the table of contents prepared in accordance with regulatory standards as prescribed by the Illinois State Board of Education, presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with regulatory standards as prescribed by the Illinois State Board of Education.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
 - e. We also acknowledge that the financial profile information, estimated financial profile summary, statistical section, report on shared services or outsourcing, administrative cost worksheet, itemization schedule, reference page, deficit reduction calculation, Audit Checklist/Balancing Schedule, Single Audit Information Checklist, and reconciliation of Federal Revenues have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and that you will not express an opinion or provide any assurance on them.
39. With respect to supplementary information (related to the Consolidated Year End Financial Report as required by the Grant Accountability and Transparency Act) presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.

- b. We believe such information, including its form and content, is fairly presented in accordance with regulatory standards as prescribed by the Grant Accountability and Transparency Act.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
40. We are responsible for determining that significant events or transactions that have occurred since the balance sheet date and through the date of this letter, have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the balance sheet date and through the date of this letter that would require recognition or disclosure in the financial statements. We further represent that as of the date of this letter, the financial statements were complete in a form and format that complied with accounting principles generally accepted in the United States of America, and all approvals necessary for issuance of the financial statements had been obtained.
41. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
42. We believe there are no material uncorrected misstatements that would require adjustment to the financial statements, including disclosures. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm:

1. We are responsible for:
 - a. Compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Proviso Township High School District 209.
 - b. The preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
2. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determinations of financial statement amounts or other financial data significant to audit objectives.
3. There have been no violations or fraud (and possible violations or fraud) of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for disclosure in the auditor's report on noncompliance and that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
4. There are no instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
5. We are responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
6. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
7. There has been no fraud, illegal act, violation of provisions of contracts or grant agreements, or abuse.
8. We have a process to track the status of audit findings and recommendations.
9. There have been no previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective action taken to address significant findings and recommendations.

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10. We have provided you with our views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions for the report.
11. We have reviewed, approved, and take full responsibility for all non-audit services and acknowledge the auditor's role in the preparation of the non-audit services as detailed in the engagement letter. Further we acknowledge our responsibilities as it relates to non-audit services performed by the auditor, including a statement that we assume all management responsibilities; that we oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that we accept responsibility for the results of the services.

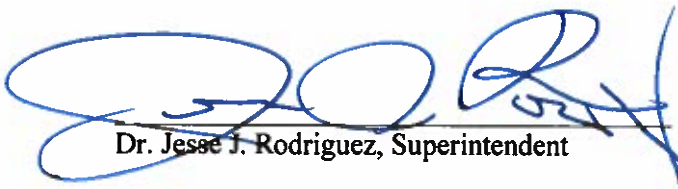
In connection with your audit of federal awards programs conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we confirm:

12. We are responsible for understanding and complying with, and have complied with, the requirement of Uniform Guidance, including requirements relating to preparation of the scheduled of expenditures of Federal Awards.
13. We have prepared the Schedule of Expenditures of Federal Awards (SEFA) in accordance with the Uniform Guidance, and have included expenditures made during the period being audited for all awards provided by federal agencies in the forms of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property) cooperative agreement, interest subsidies, insurance, food commodities, direct appropriations and other assistance.
14. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditors' report thereon.
15. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriates, and other direct assistance.
16. We are responsible for understanding and complying, and have complied, with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
17. We are responsible for establishing and maintaining, and we have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe our internal control system is adequate and is functioning as intended.
18. We have made available all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
19. We have received no requests from a federal agency to audit one or more specific programs as a major program.
20. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
21. There have been no communications from federal awarding agencies, grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of your report.
22. There are no findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of your report.
23. We have disclosed to you our interpretations of any compliance requirements that may have varying interpretations.
24. We have made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.


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25. There has been no known noncompliance occurring subsequent to the period for which compliance is audited.
26. We have disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditors' report.
27. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
28. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
29. We have charged costs to federal awards in accordance with applicable cost principles.
30. We are responsible for, and have accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions
31. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
32. We are responsible for and will accurately prepare the auditee section of the Data Collection Form as required by the Uniform Guidance. We further acknowledge our responsibility for the complete, accurate, and timely filing of the Data Collection Form with the Federal Audit Clearinghouse.
33. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Proviso Township High School District 209 ✓



Dr. Jesse J. Rodriguez, Superintendent



Paul C. Starck-King, Assistant Superintendent of Finance and Operations/CSBO