

**PROVISO AREA FOR
EXCEPTIONAL CHILDREN -
DISTRICT SEJA 803**

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2019**

**AND
INDEPENDENT AUDITORS' REPORT**

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019
TABLE OF CONTENTS**

	<u>PAGE(S)</u>
Independent Auditors' Report	1 - 3
Required Supplementary Information:	
Management's Discussion and Analysis (MD&A) - Unaudited.....	4 - 11
Basic Financial Statements:	
<u>Government-Wide Financial Statements:</u>	
Statement of Net Position	12
Statement of Activities	13
<u>Fund Financial Statements:</u>	
Balance Sheet – Governmental Funds.....	14 - 15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	17 - 18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	19
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	20
Notes to Basic Financial Statements	21 - 43
Required Supplementary Information:	
Illinois Municipal Retirement Fund – Schedule of Changes in the District's Net Pension Liability And Related Ratios	44
Illinois Municipal Retirement Fund – Schedule of District Contributions	45
Teachers' Retirement System - Schedule of the District's Proportionate Share of the Collective Net Pension Liability and Schedule of District Contributions.....	46
Retirees' Health Plan – Schedule of Changes in the District's Net OPEB Liability and Related Ratios	47
Retirees' Health Plan – Schedule of District Contributions.....	48
Teachers' Health Insurance Security Fund - Schedule of the District's Proportionate Share of the Collective Net OPEB Liability and Schedule of District Contributions.....	49

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2019
TABLE OF CONTENTS

PAGE(S)

Required Supplementary Information (Concluded):

General and Major Special Revenue Funds – Schedule of Revenues, Expenditures and Changes in Fund Balance. - Budget and Actual:

General Fund – Non GAAP Budgetary Basis.....	50 - 56
Operations and Maintenance Fund – Non GAAP Budgetary Basis	57
Transportation Fund – Non GAAP Budgetary Basis	58
Notes to Required Supplementary Information	59

Other Information:

Agency Fund – Student Activity Fund – Schedule of Changes in Assets and Liabilities	60
Summary of Reserved Fund Balances (Deficits)	61 - 62
Advances from Member Districts and Allocation of Net Expenditures to Member Districts – Non GAAP Cash Basis	63 - 64
Allocation of Net Expenditures to Member Districts – Educational Fund – Non GAAP Cash Basis	65 - 66
Allocation of Net Adjusted Instructional Expenditures – Educational Fund – Non GAAP Cash Basis.....	67 - 69
Net Adjusted Instructional Expenditures for Allocation to Member Districts – Educational Fund – Non GAAP Cash Basis.....	70 - 71
Allocation of Net Adjusted Related Services Expenditures – Educational Fund – Non GAAP Cash Basis	72 - 73
Net Adjusted Related Services Expenditures for Allocation to Member Districts – Educational Fund – Non GAAP Cash Basis.....	74 - 76
Allocation of Net Administrative Expenditures – Educational Fund – Non GAAP Cash Basis	77 - 78
Net Administrative Expenditures for Allocation to Member Districts – Educational Fund – Non GAAP Cash Basis.....	79
Allocation of Net Expenditures to Member Districts – Operations and Maintenance Fund – Non GAAP Cash Basis	80 - 81
Net Expenditures for Allocation to Member Districts – Operations and Maintenance Fund – Non GAAP Cash Basis	82 - 83
Net Expenditures for Allocation to Member Districts – Transportation Fund – Non GAAP Cash Basis	84

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2019
TABLE OF CONTENTS

	<u>PAGE(S)</u>
Other Information (Concluded):	
Summary of Net Contractual Transportation Costs Incurred by Districts – Transportation Fund – Non GAAP Cash Basis	85
Nonmember Districts – Statement of Receipts, Expenditures and Changes in Fund Balance – Non GAAP Cash Basis	86 - 87
Summary of Cost Distribution Factors	88 - 89

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Proviso Area for Exceptional Children - District SEJA 803
Maywood, 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 Area for Exceptional Children - District SEJA 803, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Proviso Area for Exceptional Children - District SEJA 803's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 auditors' 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 over financial reporting relevant to Proviso Area for Exceptional Children - District SEJA 803'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 Proviso Area for Exceptional Children - District SEJA 803'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.

To the Board of Education
Proviso Area for Exceptional Children - District SEJA 803

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 Proviso Area for Exceptional Children - District SEJA 803 as of June 30, 2019 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Proviso Area for Exceptional Children - District SEJA 803's basic financial statements. The other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

Prior-Year Comparative Information

We have previously audited Proviso Area for Exceptional Children - District SEJA 803's 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 10, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Board of Education
Proviso Area for Exceptional Children - District SEJA 803

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2019 on our consideration of Proviso Area for Exceptional Children - District SEJA 803'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 Proviso Area for Exceptional Children - District SEJA 803's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 25, 2019

Proviso Area for Exceptional Children - District SEJA 803

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2019

The discussion and analysis of Proviso Area for Exceptional Children - District SEJA 803's (the "District") financial performance provides an overall review of the District's financial activities as of and 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. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > In total, net position increased by \$0.5. This represents a 4% increase from 2018.

Overview of the Financial Statements

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

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

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

Government-wide financial statements

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

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

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

The government-wide financial statements present the functions of the District that are principally supported by 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.

Proviso Area for Exceptional Children - District SEJA 803

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2019

Fund financial statements

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

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

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

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, and Transportation Fund, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison 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 School District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Notes to basic financial statements

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

Other information

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

Proviso Area for Exceptional Children - District SEJA 803
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2019, than it was the year before, increasing 4% to a deficit of \$12.2.

Table 1		
Condensed Statements of Net Position		
(in millions of dollars)		
	<u>2018</u>	<u>2019</u>
Assets:		
Current and other assets	\$ 3.5	\$ 2.0
Net pension asset	0.3	-
Capital Assets	<u>2.8</u>	<u>2.6</u>
Total assets	<u>6.6</u>	<u>4.6</u>
Total deferred outflows of resources	<u>1.8</u>	<u>2.3</u>
Liabilities:		
Current liabilities	2.6	1.3
Long-term liabilities	<u>12.6</u>	<u>10.9</u>
Total liabilities	<u>15.2</u>	<u>12.2</u>
Total deferred inflows of resources	<u>5.8</u>	<u>6.9</u>
Net position:		
Net investment in capital assets	2.8	2.7
Restricted	0.4	0.3
Unrestricted (deficit)	<u>(15.9)</u>	<u>(15.2)</u>
Total net position (deficit)	<u>\$ (12.7)</u>	<u>\$ (12.2)</u>

Revenues in the governmental activities of the District of \$27.4 exceeded expenses by \$0.5.

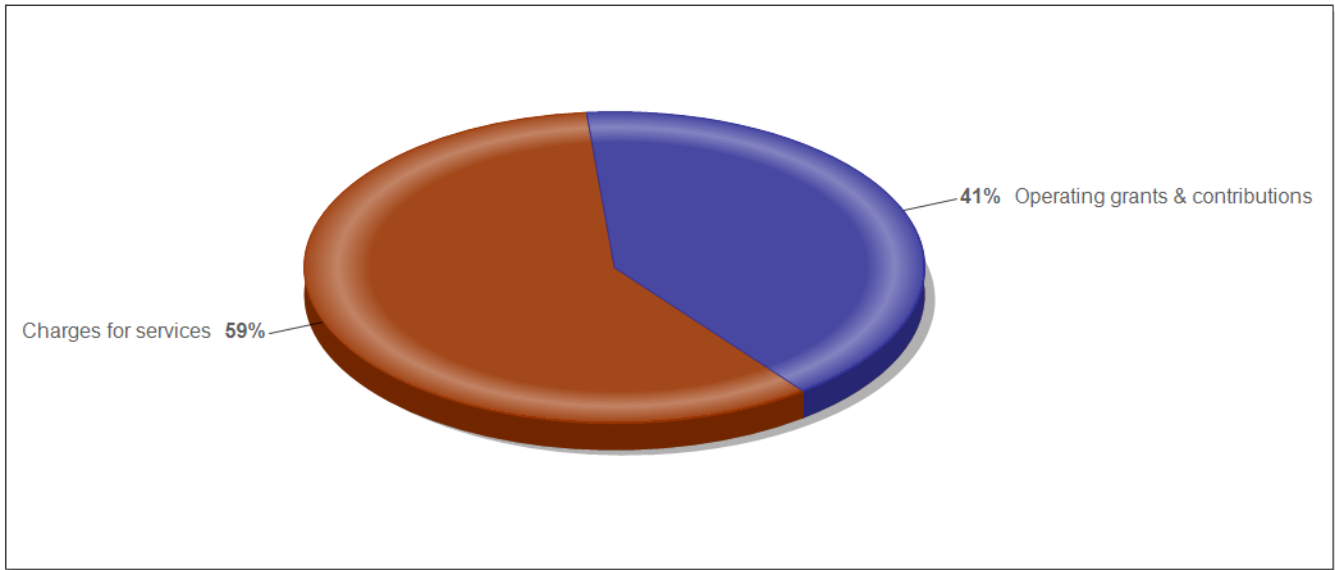
Proviso Area for Exceptional Children - District SEJA 803
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

Table 2		
Changes in Net Position		
(in millions of dollars)		
	<u>2018</u>	<u>2019</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 16.0	\$ 16.1
Operating grants & contributions	12.1	11.2
<i>General revenues:</i>		
Other	<u>0.2</u>	<u>0.1</u>
Total revenues	<u>28.3</u>	<u>27.4</u>
Expenses:		
Instruction	10.8	11.0
Related Services	6.7	6.3
Administrative	3.7	2.0
Operations and Maintenance	1.2	1.2
Transportation	2.2	0.8
Other	<u>5.9</u>	<u>5.6</u>
Total expenses	<u>30.5</u>	<u>26.9</u>
Increase (decrease) in net position	<u>\$ (2.2)</u>	<u>\$ 0.5</u>

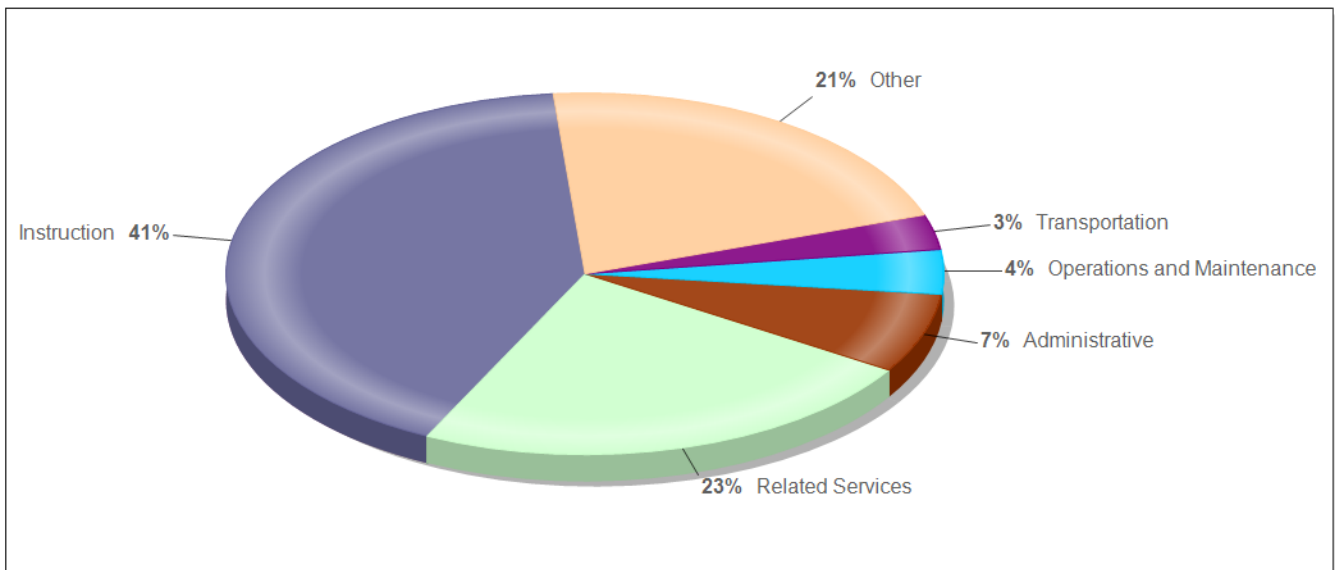
The District is funded by the following sources - payments from member and non-member school districts, state and federal funds. Five member districts comprise the cooperative. These districts are responsible for all costs that are not reimbursable through state, federal and other local funds. As such, revenues should approximate expenses each year. For the current year, there was not a significant difference in the percentage of funds by type as compared to last year.

**Proviso Area for Exceptional Children - District SEJA 803
 Management's Discussion and Analysis (Unaudited)
 As of and for the Year Ended June 30, 2019**

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance increased by \$.1.

General Fund Budgetary Highlights

The General Fund's overall revenues were under budget by \$.7. The General Fund's overall expenditures were under budget by \$1.0.

Proviso Area for Exceptional Children - District SEJA 803
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

Capital Assets and Debt Administration

Capital assets

By the end of 2019, the District had compiled a total investment of \$7.9 (\$2.6 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$0.2. More detailed information about capital assets can be found in Note 3 of the basic financial statements.

Table 3		
Capital Assets (net of depreciation)		
(in millions of dollars)		
	<u>2018</u>	<u>2019</u>
Land	\$ 0.3	\$ 0.2
Buildings and Land Improvements	<u>2.5</u>	<u>2.4</u>
Total	<u>\$ 2.8</u>	<u>\$ 2.6</u>

Long-term debt

The District's net pension liability, OPEB liability and other decreased by \$1.7 during the year. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

Table 4		
Outstanding Long-Term Debt		
(in millions of dollars)		
	<u>2018</u>	<u>2019</u>
Net pension liability, OPEB liability and other	<u>\$ 12.6</u>	<u>\$ 10.9</u>
Total	<u>\$ 12.6</u>	<u>\$ 10.9</u>

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited in fiscal year 2019, the District was aware of the following circumstances that will significantly affect financial operations in the future:

A PAEC Goal of Commitment to growth and expansion of Technology will continue into the 2019-2020 fiscal year. Computer equipment will continue to be upgraded as needed.

PAEC will continue to address the crisis planning and school safety by conducting school incident command training and developing staff roles and responsibilities for Crisis Management with Facility Engineering Associates (FEA) consultants. A Cooperative Safety Committee will continue to review potential safety concerns and enhance staff training to reduce and prevent injuries and control workers' compensation costs. Cameras have been installed at strategic locations both inside and outside of the building to facilitate safety and security for staff and students. An emergency telephone contact system was put in place in the 2011-2012 school year and continues to be updated. Two walk-through metal detectors were installed at the PAEC Therapeutic High School beginning 2016-2017. Emergency drills will continue to be conducted each year including lock-down, fire, tornado and bus evacuation drills. Active shooter drills are also being planned.

Proviso Area for Exceptional Children - District SEJA 803

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2019

PAEC will continue to offer wellness screenings to employees contingent on EBC Medical Cooperative funding. PAEC plans to increase the frequency of meetings with the established Wellness Committee to set goals and further wellness awareness with PAEC staff and provide employees with incentives to participate in the annual wellness screening.

PAEC Administration will continue to review all transportation bills and other special student transportation to ascertain safer and more efficient use of transportation funds. Monthly meetings are scheduled with the transportation company and PAEC staff. Member district officials are included as needed. Surveys to parents will be disseminated quarterly throughout the year to monitor quality of services and parent feedback. PAEC will be soliciting formal bids for transportation services for the fiscal year 2020-2021.

In order to save budgeted funds in PAEC's Educational Fund, some cash balances in student activity funds will be utilized for purchasing of supplies, materials and equipment for students throughout the school year.

PAEC has Vocational/Transition Programs and a Custodial Work Training Program for High School Students. Students receive training and job experience in various locations which can lead to community-based employment.

PAEC will continue to offer quality extra-curricular programs/activities to positively engage students outside the regular school session including Summer programs, Special Olympics, Special Recreation, Veterans' Park, CAAEL Athletic League.

Continue to alert staff about the Employee Assistance Program (EAP) sponsored by the Reliance Life Insurance Company and provide information about, and assistance with, the program to staff. The provider is ACI Specialty Benefits.

PAEC staff will continue to receive repeated training on CPI strategies and interventions in order to support effective behavior management, team approaches to behavior intervention, de-escalation techniques and safe physical management for students that exhibit challenging behavior.

The School Wellness Policy will continue to be on the PAEC website along with the updated related activities of our PAEC programs, as this information is required by our participation in the National School Lunch Program and must be available to the public. Our Lunch Program Coordinator will ensure that Civil Rights training, food handler training and other trainings for kitchen staff, business manager and herself will be done again to meet applicable federal requirements. PAEC has been approved for the CEP (Community Eligibility Program) and all PAEC students beginning with the 2019-2020 school year receive a free breakfast and lunch.

PAEC has implemented FastBridge, a new assessment management system, to better screen, assess and progress monitor students.

PAEC along with the other school districts within the Proviso Township Treasurers Office implemented the new financial software program Infinite Visions beginning with the 2019-2020 fiscal year. The business office staff will be fine tuning their knowledge and training of the software throughout the fiscal year.

PAEC will also be reviewing and implementing a long-range facility plan and also roof replacement of the PAEC Center building roof in fiscal year 2019-2020.

Proviso Area for Exceptional Children - District SEJA 803
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2019

Requests for Information

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

Proviso Area for Exceptional Children – District SEJA 803
1000 Van Buren Street
Maywood, IL 60153

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	GOVERNMENTAL ACTIVITIES
Assets	
Cash and investments	\$ 1,038,564
Receivables (net of allowance for uncollectibles)	
Due from member districts	178,395
Intergovernmental	528,126
Tuition	227,670
Capital Assets:	
Land	267,124
Depreciable buildings, property, and equipment, net	<u>2,410,741</u>
Total assets	<u>4,650,620</u>
Deferred outflows of resources	
Deferred outflows related to pensions	2,254,415
Deferred outflows related to OPEB	<u>61,172</u>
Total deferred outflows	<u>2,315,587</u>
Liabilities	
Accounts payable	144,990
Salaries and wages payable	203,582
Payroll deductions	(118)
Payable to member districts	921,137
Long-term liabilities - due within one year	15,019
Long-term liabilities - due after one year	<u>10,881,242</u>
Total liabilities	<u>12,165,852</u>
Deferred inflows of resources	
Deferred inflows related to pensions	3,900,290
Deferred inflows related to OPEB	<u>3,054,671</u>
Total deferred inflows	<u>6,954,961</u>
Net position	
Net investment in capital assets	2,677,865
Restricted for:	
Instruction and administration	351,213
Unrestricted (deficit)	<u>(15,265,572)</u>
Total net position (deficit)	<u>\$ (12,154,606)</u>

See Notes to Basic Financial Statements

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Instruction	\$ 10,321,140	\$ 10,143,034	\$ 3,342,839	\$ -	\$ 3,164,733
Related services	6,522,987	2,842,219	1,601,392	-	(2,079,376)
Administrative	2,506,856	1,939,110	303,029	-	(264,717)
Operations and maintenance	1,177,702	894,027	-	-	(283,675)
Transportation	794,677	268,842	408,772	-	(117,063)
State retirement contribution	5,581,013	-	5,581,013	-	-
	<u>\$ 26,904,375</u>	<u>\$ 16,087,232</u>	<u>\$ 11,237,045</u>	<u>\$ -</u>	<u>419,902</u>
General revenues:					
Investment income					71,810
Miscellaneous					37,273
Subtotal, general revenues					<u>109,083</u>
Change in net position					528,985
Net position					
Net position (deficit), beginning of year					<u>(12,683,591)</u>
Net position (deficit), end of year					<u>\$ (12,154,606)</u>

See Notes to Basic Financial Statements

PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR JUNE 30, 2018

	GENERAL (EDUCATIONAL)	OPERATIONS AND MAINTENANCE	TRANSPORTATION
Assets			
Cash and investments on deposit with the Township Treasurer	\$ 697,727	\$ 177,068	\$ 155,369
Imprest and petty cash	7,640	650	110
Receivables (net of allowance for uncollectibles):			
Due from district employees	-	-	-
Due from member districts	178,395	-	-
Intergovernmental	426,983	-	101,143
Tuition	227,670	-	-
	<u>1,538,415</u>	<u>177,718</u>	<u>256,622</u>
Total assets	<u>\$ 1,538,415</u>	<u>\$ 177,718</u>	<u>\$ 256,622</u>
Liabilities and fund balance			
Accounts payable	\$ 107,616	\$ 18,009	\$ 19,365
Salaries and wages payable	203,582	-	-
Payroll deductions payable	(118)	-	-
Payable to member districts	610,837	158,431	151,869
Unavailable grant revenue	-	-	-
	<u>921,917</u>	<u>176,440</u>	<u>171,234</u>
Total liabilities	<u>921,917</u>	<u>176,440</u>	<u>171,234</u>
Fund balance			
Restricted	351,213	-	81,888
Assigned	265,285	18,637	3,500
Unassigned (deficit)	-	(17,359)	-
	<u>616,498</u>	<u>1,278</u>	<u>85,388</u>
Total fund balance	<u>616,498</u>	<u>1,278</u>	<u>85,388</u>
Total liabilities and fund balance	<u>\$ 1,538,415</u>	<u>\$ 177,718</u>	<u>\$ 256,622</u>

TOTAL	
2019	2018
\$ 1,030,164	\$ 2,316,436
8,400	8,400
-	36,273
178,395	232,875
528,126	719,820
227,670	195,100
\$ 1,972,755	\$ 3,508,904
\$ 144,990	\$ 125,273
203,582	188,141
(118)	112
921,137	2,285,865
-	243,857
1,269,591	2,843,248
433,101	430,245
287,422	263,446
(17,359)	(28,035)
703,164	665,656
\$ 1,972,755	\$ 3,508,904

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

Total fund balances - governmental funds	\$	703,164
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.		
Cost of capital assets	\$ 7,861,708	
Depreciation expense to date	<u>(5,183,843)</u>	2,677,865
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		
		2,254,415
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		
		(3,900,290)
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		
		61,172
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		
		(3,054,671)
Certain liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities - both current and long-term are reported in the Statement of Net Position.		
Balances at June 30, 2019 are attributable to:		
Compensated absences	(15,019)	
Net pension liability	(2,650,369)	
Net OPEB liability	<u>(8,230,873)</u>	<u>(10,896,261)</u>
Net position of governmental activities	\$	<u>(12,154,606)</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	GENERAL (EDUCATIONAL)	OPERATIONS AND MAINTENANCE	TRANSPORTATION
Revenues			
Advances from member districts	\$ 14,809,969	\$ 888,685	\$ 268,842
Intergovernmental:			
On-behalf payments	2,939,054	-	-
Other state funding sources	1,972,054	-	652,618
Federal funding sources	2,849,921	259,192	-
Advance from non-member districts	106,258	5,342	-
Interest on investments	58,080	2,929	10,801
Gain on sale of investments	-	-	-
Food service	174,240	-	-
Other	30,792	3,220	3,261.00
Total revenues	<u>22,940,368</u>	<u>1,159,368</u>	<u>935,522</u>
Expenditures			
Current:			
Instructional	9,702,739	-	-
On-behalf payments	2,939,054	-	-
Related services	7,219,830	-	-
Administrative	2,648,200	-	-
Operations and maintenance	-	962,729	-
Transportation	-	-	689,978
Refunds to member districts	432,442	158,431	151,872
Capital outlay	56,209	36,266	-
Total expenditures	<u>22,998,474</u>	<u>1,157,426</u>	<u>841,850</u>
Net change in fund balance	(58,106)	1,942	93,672
Fund balance (deficit), beginning of year	<u>674,604</u>	<u>(664)</u>	<u>(8,284)</u>
Fund balance, end of year	<u>\$ 616,498</u>	<u>\$ 1,278</u>	<u>\$ 85,388</u>

TOTAL	
2019	2018
\$ 15,967,496	\$ 15,955,919
2,939,054	5,873,428
2,624,672	4,147,019
3,109,113	3,143,070
111,600	86,185
71,810	46,099
-	3,069
174,240	164,361
37,273	130,525
<u>25,035,258</u>	<u>29,549,675</u>
9,702,739	9,548,374
2,939,054	5,873,428
7,219,830	7,265,426
2,648,200	2,798,928
962,729	906,222
689,978	601,879
742,745	3,005,688
92,475	77,464
<u>24,997,750</u>	<u>30,077,409</u>
37,508	(527,734)
<u>665,656</u>	<u>1,193,390</u>
\$ <u>703,164</u>	\$ <u>665,656</u>

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds \$ 37,508

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

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

Depreciation expense	\$	(122,810)	
Capitalizable expenditures included in capital outlay		18,966	
			(103,844)

Grant revenues that are deferred in the Governmental Funds because they are not available, are recognized as revenue in the Statement of Activities. (243,857)

In the Statement of Activities operating expenses are measured by the amounts incurred during the year. However, certain items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Net pension asset			(254,687)
Net pension liability - IMRF			(1,896,628)
Net pension liability - TRS			2,339,354
State on-behalf contribution revenue - TRS and THIS			2,641,959
State on-behalf contribution expense - TRS and THIS			(2,641,959)
Deferred outflows of resources due to pensions			552,352
Deferred inflows of resources due to pensions			341,753
Deferred outflows of resources due to OPEB			(57,327)
Deferred inflows of resources due to OPEB			(1,456,032)
Net OPEB liability			1,270,393

Change in net position of governmental activities \$ 528,985

PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
AS OF JUNE 30, 2019

	STUDENT ACTIVITY FUND
<hr/>	
Assets	
Cash and Investments	<u>\$ 49,782</u>
Liabilities	
Due to student groups	<u>\$ 49,782</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Proviso Area for Exceptional Children - District SEJA 803 District SEJA 803 (the "District") operates a special education joint agreement between School Districts 87, 88, 92, 93 and 209 (Member Districts) located in Proviso Township, Cook County, Illinois. It was organized in 1957 to provide special education for exceptional children residing in these districts.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

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

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by intergovernmental revenues. The District has no operating activities that would be considered "business activities".

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 the recipient 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. Other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of state government aid and member contributions.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of member contributions and federal funding.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from state reimbursement grants and member contributions.

Other Fund Types

Fiduciary Funds - account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Funds - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Advances from member districts, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Capital Assets

Capital assets, which include land, land improvements, building improvements, equipment and vehicles 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 \$1,000 and an estimated useful life of more than 1 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.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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

<i>Assets</i>	<i>Years</i>
Land improvements	20
Building improvements	20-50
Vehicles	8
Equipment	5-20

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

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. Administrators and other personnel must take all unused vacation time by September 1st after the end of the fiscal year or it is lost. As such, all accrued vacation time taken between June 30th and September 1st is recorded as a liability.

All certified employees receive a specified number of sick days per year depending on their years of service. Unused sick leave days are accumulated. Sick days are paid out upon retirement if the accrued total is beyond the days reported to TRS and IMRF (340 days and 291 days, respectively). The sick days accrued in excess of the days reported to TRS and IMRF are therefore recorded as a liability.

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Equity Classifications

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

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

Restricted net position - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The assigned fund balance of \$265,285 in the General (Educational) Fund consists of accumulated surcharges to non-member districts for special education services. The restricted fund balance of \$351,213 in the General (Educational) Funds consists of the residual fund balance, after considering all other fund balance amounts, as these funds are restricted for instructional and administrative purposes by the member districts.

The assigned fund balances of \$18,637, and \$3,500 in the Operations and Maintenance Fund, and Transportation Fund, respectively, consist of accumulated surcharges to non-member districts for special education services: of the type defined for each fund in the "major governmental funds" section above.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which such summarized information was derived.

Eliminations and Reclassifications

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash & Investments under the custody of the Township Treasurer

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

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

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

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS - (CONTINUED)

The Treasurer's Office operates as a non-rated, 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 marketable pooled investments held by the Treasurer was 0.79 years at June 30, 2019. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2019, the fair value of all investments held by the Treasurer's office was \$354,637,471 and the fair value of the District's proportionate share of the pool was \$1,030,164.

Because all cash and investments are pooled by a separate legal governmental agency (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.

Cash & Investments in the custody of the District

Deposits of the student activity and imprest funds, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits with financial institutions	\$ 56,522	\$ 58,793
Total	<u>\$ 56,522</u>	<u>\$ 58,793</u>

The District maintains \$900 in petty cash.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District'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. As of June 30, 2019, the bank balance of the District's deposit with financial institutions totaled \$58,793; the entire amount was collateralized or insured.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3 - CAPITAL ASSETS

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

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Adjustments</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated:</u>					
Land	\$ 267,124	\$ -	\$ -	\$ -	\$ 267,124
Total capital assets not being depreciated	<u>267,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,124</u>
<u>Capital assets being depreciated:</u>					
Land improvements	143,927	-	-	-	143,927
Building improvements	6,303,917	-	-	-	6,303,917
Equipment	1,041,535	18,966	-	-	1,060,501
Vehicles	<u>86,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,239</u>
Total capital assets being depreciated	<u>7,575,618</u>	<u>18,966</u>	<u>-</u>	<u>-</u>	<u>7,594,584</u>
<u>Less Accumulated Depreciation for:</u>					
Land improvements	160,847	-	-	(16,920)	143,927
Building improvements	3,726,140	167,036	-	-	3,893,176
Equipment	1,087,807	-	-	(27,306)	1,060,501
Vehicles	<u>86,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,239</u>
Total accumulated depreciation	<u>5,061,033</u>	<u>167,036</u>	<u>-</u>	<u>(44,226)</u>	<u>5,183,843</u>
Net capital assets being depreciated	<u>2,514,585</u>	<u>(148,070)</u>	<u>-</u>	<u>44,226</u>	<u>2,410,741</u>
Net governmental activities capital assets	<u>\$ 2,781,709</u>	<u>\$ (148,070)</u>	<u>\$ -</u>	<u>\$ 44,226</u>	<u>\$ 2,677,865</u>

Depreciation expense was recognized in the operating activities of the District as follows:

<i>Governmental Activities</i>	<i>Depreciation</i>
Instruction	\$ 134,082
Related Services	5,166
Administrative	25,573
Food Services	<u>2,215</u>
Total depreciation expense - governmental activities	<u>\$ 167,036</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 4 - OPERATING LEASES

The District leases building and other equipment under noncancelable operating leases. Total costs for such leases were \$24,557 for the year ended June 30, 2019. At June 30, 2019, future minimum lease payments for these leases are as follows:

	Year Ending June 30,	Amount
2020		\$ <u>26,315</u>
Total		\$ <u><u>26,315</u></u>

NOTE 5 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2019:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Net pension liability	\$ 3,093,095	\$ 2,366,657	\$ 2,809,383	\$ 2,650,369	\$ -
Net OPEB liability	9,501,266	20,356	1,290,749	8,230,873	-
Compensated absences	<u>15,019</u>	<u>86,098</u>	<u>86,098</u>	<u>15,019</u>	<u>15,019</u>
Total long-term liabilities - governmental activities	<u>\$ 12,609,380</u>	<u>\$ 2,473,111</u>	<u>\$ 4,186,230</u>	<u>\$ 10,896,261</u>	<u>\$ 15,019</u>

The liability for compensated absences, the net OPEB liability, and net pension liability will be paid from the General (Educational) Fund or Operations and Maintenance Fund, as applicable.

NOTE 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect itself from such risks, the District participates in the following public entity risk pools: Educational Benefit Cooperative (EBC) for employee health and life risks, Suburban School Cooperative Insurance Pool (SSCIP) for auto and property liability, and School Employees' Loss Fund (SELF) for workmen's compensation, occupational diseases and employer liability. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage in any of the past three fiscal years.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

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

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2019. State of Illinois contributions of \$82,433, were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$731,690 in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

Contributions. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.92% during the year ended June 30, 2019. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2019, the District paid \$61,160 to the THIS Fund, which was 100 percent of the required contribution for the year.

THIS Fiduciary Net Position. Detailed information about the THIS Fund's fiduciary net position as of June 30, 2018 is available in the separately issued THIS Annual Financial Report.

Net OPEB Liability. 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 the state's retiree insurance 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 collection net OPEB liability	\$ 7,711,929
State's proportionate share of the collective net OPEB liability associated with the District	<u>10,355,458</u>
Total	<u>\$ 18,067,387</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2017 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 and 2017, the District's proportion was 0.029272% and 0.034693%, respectively.

Actuarial Assumptions. The net OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	3.25% to 9.25%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates - Initial	Non-Medicare - 8.00%; Post-Medicare - 9.00%
Healthcare Cost Trend Rates - Ultimate	4.50% with additional 0.36% added to non-Medicare costs
Fiscal Year the Ultimate Rate is Reached	2022

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Discount Rate. At June 30, 2018, the discount rate used to measure the total OPEB liability was a blended rate of 3.62%, which was a change from the June 30, 2017 rate of 3.56%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	<u>\$ 9,272,640</u>	<u>\$ 7,711,929</u>	<u>\$ 6,479,776</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 3.86%) for non-Medicare coverage and initial rate of 8.00% decreasing to an ultimate rate of 3.50% for Medicare coverage) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 5.86%) for non-Medicare coverage and initial rate of 10.00% decreasing to an ultimate rate of 5.50% for Medicare coverage) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$ <u>6,253,080</u>	\$ <u>7,711,929</u>	\$ <u>9,677,217</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the District recognized OPEB expense of \$123,524 and on-behalf revenue and expenditures of \$82,433 for support provided by the state. At June 30, 2019, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 27,671
Changes in Assumptions	-	1,122,986
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	237
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	12	1,806,051
District Contributions Subsequent to the Measurement Date	<u>61,160</u>	<u>-</u>
Total	\$ <u>61,172</u>	\$ <u>2,956,945</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$2,956,933) will be recognized in OPEB expense as follows in these reporting years:

	Year Ending June 30,	Amount
2020		\$ (457,751)
2021		(457,751)
2022		(457,751)
2023		(457,752)
2024		(457,692)
Thereafter		<u>(668,236)</u>
Total		\$ <u>(2,956,933)</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Post-Retirement Health Benefit Plan

Plan Description. The District's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contributions and Benefits Provided. Contribution requirements are established through collective bargaining agreements. PAEC provides an annual medical contribution of \$200 per month for four certain certified employees who retire after age 55 with 20 years of service. For these employees who retired in 2012 or gave notice to retire in 2012, the \$200 was paid to the TRIP fund for insurance. The Retirement Incentive is a lump sum benefit paid to the participant's 403(b) account for the purpose of post-retirement health insurance. The benefit covers the equivalent cost for up to five years, but not beyond age 65.

The prior Executive Director was granted one and a half years of paid PPO health insurance coverage for himself and his spouse through December 1, 2018.

The Board has restricted participation in the dental plan from retirees.

For the year ended 2019, the District contributed \$31,000 to the plan.

Employees Covered by Benefit Terms. At June 30, 2018, the actuarial valuation date, the following employees were covered by the benefit terms:

Retired Plan Members	5
Active Employees Not Yet Eligible	-
Active Employees Fully Eligible	<u>181</u>
Total	<u><u>186</u></u>

Total OPEB Liability. The District's total OPEB liability of \$518,944 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

Inflation	2.00%
Election at Retirement	10.00%
Discount Rate	3.49%
Healthcare Cost Trend Rate - Initial	7.50%
Healthcare Cost Trend Rate - Ultimate	3.50%
Fiscal Year the Ultimate Rate is Reached	2020

The discount rate was based on General Obligation Bond rate for 20-year bonds.

Mortality rates were based on PUB-2010 H mortality table published by the Society of Actuaries..

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the trends and current benefit practices.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Changes in Total OPEB Liability. The District's changes in total OPEB liability for the year ended June 30, 2019 was as follows:

	Total OPEB Liability
Balance at June 30, June 30, 2018	\$ 498,588
Service Cost	31,969
Interest	20,692
Differences Between Expected and Actual Experience	(1,305)
Benefit Payments	<u>(31,000)</u>
Net Changes	<u>20,356</u>
Balance at June 30, 2019	<u>\$ 518,944</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.49%) or 1-percentage-point higher (4.49%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 551,876</u>	<u>\$ 518,944</u>	<u>\$ 488,810</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 494,132</u>	<u>\$ 518,944</u>	<u>\$ 547,484</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the District recognized OPEB expense of \$37,282. The District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 97,726
	<u>\$ -</u>	<u>\$ 97,726</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the total OPEB liability for the year ending June 30, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$97,726) will be recognized in OPEB expense as follows:

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The amounts reported as deferred outflows and inflows of resources related to OPEB (\$(97,726)) will be recognized in OPEB expense as follows:

	<u>Year Ending June 30,</u>	<u>Amount</u>
2020		\$ 15,379
2021		15,379
2022		15,379
2023		15,379
2024		15,379
Thereafter		<u>20,831</u>
Total		<u>\$ 97,726</u>

NOTE 8 - RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

Teachers' Retirement System

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/financial-reports>; 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 1* members have TRS or reciprocal system service prior to January 1, 2011. *Tier 1* members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

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

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 - RETIREMENT SYSTEMS - (CONTINUED)

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

Public Act 100-0023, enacted in 2017, creates an optional *Tier 3* hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

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, 2019 was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$4,849,323 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$2,856,621 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 \$37,897, and are deferred because they were paid after the June 30, 2018 measurement date.

Federal and Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2019, the District pension contribution was 9.85 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2019, were \$13,045, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

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 AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 - RETIREMENT SYSTEMS - (CONTINUED)

Net Pension Liability. 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 collective net pension liability	\$ 753,741
State's proportionate share of the collective net pension liability associated with the District	<u>51,634,423</u>
Total	<u>\$ 52,388,164</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018 and 2017, the District's proportion was 0.00096702 percent and 0.00404865 percent, respectively.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2018 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.50%.

Mortality. Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017. The assumptions were based on the results of an experience study dated September 18, 2018.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 - RETIREMENT SYSTEMS - (CONTINUED)

Long-Term Expected Real 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 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:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
U.S. equities large cap	15.00 %	6.70 %
U.S. equities small/mid cap	2.00 %	7.90 %
International equities developed	13.60 %	7.00 %
Emerging market equities	3.40 %	9.40 %
U.S. bonds core	8.00 %	2.20 %
International debt developed	2.20 %	1.30 %
Emerging international debt	2.60 %	4.50 %
Real estate	16.00 %	5.40 %
Commodities (real return)	4.00 %	1.80 %
Hedge funds (absolute return)	14.00 %	3.90 %
Private equity	15.00 %	10.20 %

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate Sensitivity. 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	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ <u>924,392</u>	\$ <u>753,741</u>	\$ <u>616,316</u>

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 \$(1,167,144) and on-behalf revenue of \$4,849,323 for support provided by the state. At June 30, 2019, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,149	\$ 164
Net difference between projected and actual earnings on pension plan investments	-	2,308
Assumption changes	33,059	21,363
Changes in proportion and differences between District contributions and proportionate share of contributions	-	3,090,362
District contributions subsequent to the measurement date	<u>50,942</u>	<u>-</u>
Total	<u>\$ 99,150</u>	<u>\$ 3,114,197</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$(3,065,989)) will be recognized in pension expense as follows:

	Year Ending June 30,	Amount
2020		\$ (1,014,740)
2021		(921,495)
2022		(529,959)
2023		(411,614)
2024		<u>(188,181)</u>
Total		<u>\$ (3,065,989)</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 - RETIREMENT SYSTEMS - (CONTINUED)

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension plan. 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 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 *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 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 *Regular 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership. At December 31, 2018, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	110
Inactive, non-retired members	122
Active members	<u>167</u>
Total	<u><u>399</u></u>

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2018 was 10.07 percent of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 - RETIREMENT SYSTEMS - (CONTINUED)

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2018 annual actuarial valuation included (a) 7.50% investment rate of return, (b) projected salary increases from 3.39% to 14.25%, including inflation, and (c) price inflation of 2.50%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

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

Long-Term Expected Real 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 arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00 %	8.50 %	7.15 %
International equities	18.00 %	9.20 %	7.25 %
Fixed income	28.00 %	3.75 %	3.75 %
Real estate	9.00 %	7.30 %	6.25 %
Alternatives	7.00 %		
Private equity		12.40 %	8.50 %
Hedge funds		5.75 %	5.50 %
Commodities		4.75 %	3.20 %
Cash equivalents	1.00 %	2.50 %	2.50 %

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2017 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 22,457,018	\$ 19,843,735	\$ 17,706,841
Plan fiduciary net position	<u>17,947,107</u>	<u>17,947,107</u>	<u>17,947,107</u>
Net pension liability/(asset)	<u>\$ 4,509,911</u>	<u>\$ 1,896,628</u>	<u>\$ (240,266)</u>

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2018 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at December 31, 2017	\$ 18,751,782	\$ 19,006,469	\$ (254,687)
Service cost	513,047	-	513,047
Interest on total pension liability	1,388,561	-	1,388,561
Differences between expected and actual experience of the total pension liability	(395,645)	-	(395,645)
Change of assumptions	574,315	-	574,315
Benefit payments, including refunds of employee contributions	(988,325)	(988,325)	-
Contributions - employer	-	526,648	(526,648)
Contributions - employee	-	247,790	(247,790)
Net investment income	-	(1,021,320)	1,021,320
Other (net transfer)	<u>-</u>	<u>175,845</u>	<u>(175,845)</u>
Balances at December 31, 2018	<u>\$ 19,843,735</u>	<u>\$ 17,947,107</u>	<u>\$ 1,896,628</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 - RETIREMENT SYSTEMS - (CONTINUED)

Changes in Assumptions.

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 \$613,242. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 218,763	\$ 403,419
Assumption changes	475,878	382,674
Net difference between projected and actual earnings on pension plan investments	1,202,420	-
Contributions subsequent to the measurement date	<u>258,204</u>	<u>-</u>
Total	<u>\$ 2,155,265</u>	<u>\$ 786,093</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,110,968) will be recognized in pension expense as follows:

	Year Ending June 30,	Amount
2020		\$ 478,045
2021		94,907
2022		60,757
2023		<u>477,259</u>
Total		<u>\$ 1,110,968</u>

NOTE 9 - STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowance, if any, would be immaterial.

NOTE 10 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 83, *Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 85, *Omnibus 2017*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, GASB Statement No. 87, *Leases*, GASB Statement No. 88, *Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements*, and GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. Application of these standards may restate portions of these financial statements.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY

AND RELATED RATIOS

Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 513,047	\$ 565,290	\$ 551,325	\$ 491,930	\$ 541,326
Interest	1,388,561	1,366,197	1,305,006	1,169,822	1,079,224
Differences between expected and actual experience	(395,645)	(43,247)	(125,473)	959,711	(340,537)
Changes of assumptions	574,315	(615,934)	-	-	612,986
Benefit payments, including refunds of member contributions	<u>(988,325)</u>	<u>(907,688)</u>	<u>(936,233)</u>	<u>(761,171)</u>	<u>(559,486)</u>
Net change in total pension liability	1,091,953	364,618	794,625	1,860,292	1,333,513
Total pension liability - beginning	<u>18,751,782</u>	<u>18,387,164</u>	<u>17,592,539</u>	<u>15,732,247</u>	<u>14,398,734</u>
Total pension liability - ending (a)	<u>\$ 19,843,735</u>	<u>\$ 18,751,782</u>	<u>\$ 18,387,164</u>	<u>\$ 17,592,539</u>	<u>\$ 15,732,247</u>
Plan fiduciary net position					
Employer contributions	\$ 526,648	\$ 566,658	\$ 496,307	\$ 518,035	\$ 547,953
Employee contributions	247,790	250,021	248,031	278,137	220,888
Net investment income	(1,021,320)	2,922,819	1,066,710	78,815	903,664
Benefit payments, including refunds of member contributions	(988,325)	(907,688)	(936,233)	(761,171)	(559,486)
Other (net transfer)	<u>175,845</u>	<u>(494,038)</u>	<u>69,518</u>	<u>(134,886)</u>	<u>(77,078)</u>
Net change in plan fiduciary net position	(1,059,362)	2,337,772	944,333	(21,070)	1,035,941
Plan fiduciary net position - beginning	<u>19,006,469</u>	<u>16,668,697</u>	<u>15,724,364</u>	<u>15,745,434</u>	<u>14,709,493</u>
Plan fiduciary net position - ending (b)	<u>\$ 17,947,107</u>	<u>\$ 19,006,469</u>	<u>\$ 16,668,697</u>	<u>\$ 15,724,364</u>	<u>\$ 15,745,434</u>
Employer's net pension liability - ending (a) - (b)	<u>\$ 1,896,628</u>	<u>\$ (254,687)</u>	<u>\$ 1,718,467</u>	<u>\$ 1,868,175</u>	<u>\$ (13,187)</u>
Plan fiduciary net position as a percentage of the total pension liability	90.44%	101.36%	90.65%	89.38%	100.08%
Covered payroll	\$ 5,229,872	\$ 5,290,926	\$ 5,196,931	\$ 5,001,007	\$ 4,502,917
Employer's net pension liability as a percentage of covered payroll	36.27%	-4.81%	33.07%	37.36%	-0.29%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Five Most Recent Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 526,648	\$ 566,658	\$ 496,307
Contributions in relation to the actuarially determined contribution	<u>(526,648)</u>	<u>(566,658)</u>	<u>(496,307)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,229,872	\$ 5,290,926	\$ 5,196,931
Contributions as a percentage of covered payroll	10.07%	10.71%	9.55%
	<u>2016</u>	<u>2015</u>	
Actuarially determined contribution	\$ 507,602	\$ 513,333	
Contributions in relation to the actuarially determined contribution	<u>(518,035)</u>	<u>(547,953)</u>	
Contribution deficiency (excess)	<u>\$ (10,433)</u>	<u>\$ (34,620)</u>	
Covered payroll	\$ 5,001,007	\$ 4,502,917	
Contributions as a percentage of covered payroll	10.36%	12.17%	

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	2.75% -- approximate
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.0009670186%	0.0040486510%	0.0040848330%	0.00820744%	0.00877906%
District's proportionate share of the net pension liability	\$ 753,741	\$ 3,093,095	\$ 3,224,406	\$ 5,376,697	\$ 5,342,783
State's proportionate share of the net pension liability	<u>51,634,423</u>	<u>58,849,398</u>	<u>68,858,399</u>	<u>52,709,901</u>	<u>50,087,852</u>
Total net pension liability	<u>\$ 52,388,164</u>	<u>\$ 61,942,493</u>	<u>\$ 72,082,805</u>	<u>\$ 58,086,598</u>	<u>\$ 55,430,635</u>
Covered payroll	\$ 6,647,851	\$ 6,928,173	\$ 7,981,474	\$ 8,543,781	\$ 8,242,985
District's proportionate share of the net pension liability as a percentage of covered payroll	11.34%	44.65%	40.40%	62.93%	64.82%
Plan fiduciary net position as a percentage of the total pension liability	40.00%	39.30%	36.40%	41.50%	43.00%
Contractually required contribution	\$ 45,808	\$ 52,310	\$ 168,323	\$ 157,445	\$ 286,844
Contributions in relation to the contractually required contribution	<u>(50,942)</u>	<u>(52,346)</u>	<u>(168,525)</u>	<u>(157,445)</u>	<u>(286,844)</u>
Contribution deficiency (excess)	<u>\$ (5,134)</u>	<u>\$ (36)</u>	<u>\$ (202)</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	0.7663%	0.7556%	2.1115%	1.8428%	3.4799%

Notes to Schedule:

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.00%	7.50%	7.50%
Municipal bond index	3.87%	3.58%	2.85%	3.73%	N/A
Single equivalent discount rate	7.00%	7.00%	6.83%	7.47%	7.50%
Inflation rate	2.50%	2.50%	2.50%	3.00%	3.00%
Projected salary increases	4.00% to 9.50%	3.25% to 9.25%	3.25% to 9.25%	3.75% to 9.75%	5.75%
	varying by service	varying by service	varying by service	varying by service	

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

RETIREE'S HEALTH PLAN

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY
AND RELATED RATIOS

Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 31,969	\$ 31,970
Interest	20,692	11,544
Differences between expected and actual experience	(1,305)	(111,629)
Benefit payments, including refunds of member contributions	<u>(31,000)</u>	<u>(30,984)</u>
Net change in total OPEB liability	20,356	(99,099)
Total OPEB liability - beginning	<u>498,588</u>	<u>597,687</u>
Total OPEB liability - ending (a)	<u>\$ 518,944</u>	<u>\$ 498,588</u>
Plan fiduciary net position		
Employer contributions	\$ 31,000	\$ 30,984
Employee contributions	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(31,000)	(30,984)
Administration	-	-
Other (net transfer)	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 518,944</u>	<u>\$ 498,588</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered payroll	\$ 11,089,212	\$ 10,151,476
District's net pension liability as a percentage of covered payroll	4.68%	4.91%

Notes to Schedule:

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

See Auditors' Report and Notes to Required Supplementary Information

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

**RETIREE'S HEALTH PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Two Most Recent Fiscal Years**

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	N/A	N/A
Contributions in relation to the actuarially determined contribution	<u>N/A</u>	<u>N/A</u>
Contribution deficiency (excess)	<u>N/A</u>	<u>N/A</u>
Covered payroll	\$ 11,089,212	\$ 10,151,476
Contributions as a percentage of covered payroll	0.00%	0.00%

Notes to Schedule:

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not

Valuation date:

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal with level percentage of salary.
Amortization method	Market Value
Remaining amortization period	7-9 years
Asset valuation method	Market value
Election at retirement	10.00%
Salary increases	2.00%
Investment rate of return	3.49%
Healthcare cost trend rate - initial	7.50%
Healthcare cost trend rate - ultimate	3.50%
Mortality	PUB-2010 CHBCA

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY AND DISTRICT CONTRIBUTIONS
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.029272%	0.034693%
District's proportionate share of the net OPEB liability	\$ 7,711,929	\$ 9,002,678
State's proportionate share of the net OPEB liability	<u>10,355,458</u>	<u>11,822,753</u>
Total net OPEB liability	<u>\$ 18,067,387</u>	<u>\$ 20,825,431</u>
Covered payroll	\$ 6,928,173	\$ 7,981,474
District's proportionate share of the net OPEB liability as a percentage of covered payroll	111.31%	112.79%
Plan fiduciary net position as a percentage of the total pension liability	-0.07%	-0.17%
Contractually required contribution	\$ 61,160	\$ 60,968
Contributions in relation to the contractually required contribution	<u>(61,160)</u>	<u>(60,968)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	0.8828%	0.7639%

Notes to Schedule:

The District implemented GASB 68 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Key Assumptions:

Long-term expected rate of return	0.00%	0.00%
Municipal bond index	3.62%	3.56%
Single equivalent discount rate	3.62%	3.56%
Inflation rate	2.75%	2.75%
Healthcare cost trend rates - initial	Medicare - 8.00%	Medicare - 8.00%
	Non-Medicare - 9.00%	Non-Medicare - 9.00%
Healthcare cost trend rates - ultimate	4.50%	4.50%
Mortality	RP-2014 Tables	RP-2014 Tables

See Auditors' Report and Notes to Required Supplementary Information

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Advances from Member Districts				
Instructional/related services	\$ 13,056,155	\$ 12,488,404	\$ (567,751)	\$ 11,896,501
Administrative and capital outlay	2,472,901	2,321,565	(151,336)	2,736,719
Total advances from member districts	<u>15,529,056</u>	<u>14,809,969</u>	<u>(719,087)</u>	<u>14,633,220</u>
Intergovernmental				
State funding sources				
Instructional	1,059,568	1,070,796	11,228	1,418,520
Related services	804,787	794,068	(10,719)	928,655
Administrative	107,190	107,190	-	117,762
Total state funding sources	<u>1,971,545</u>	<u>1,972,054</u>	<u>509</u>	<u>2,464,937</u>
Federal funding sources				
IDEA:				
Flow-through	2,572,118	2,572,991	873	2,572,527
Pre-school	75,763	81,062	5,299	74,797
Medicaid matching	190,000	195,868	5,868	194,837
Education Flow Through	-	-	-	44,361
Total federal funding sources	<u>2,837,881</u>	<u>2,849,921</u>	<u>12,040</u>	<u>2,886,522</u>
Total intergovernmental	<u>4,809,426</u>	<u>4,821,975</u>	<u>12,549</u>	<u>5,351,459</u>
Advances from non-member districts	<u>92,926</u>	<u>106,258</u>	<u>13,332</u>	<u>81,152</u>
Interest on investments	<u>19,000</u>	<u>58,080</u>	<u>39,080</u>	<u>38,394</u>
Gain on sale of investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,069</u>
Food service				
Sale of food	10,000	8,136	(1,864)	10,380
Intergovernmental reimbursements:				
Federal	130,000	147,522	17,522	136,473
Food commodities	-	16,069	16,069	15,454
State	1,000	2,513	1,513	2,054
Total food service	<u>141,000</u>	<u>174,240</u>	<u>33,240</u>	<u>164,361</u>
Other				
Proviso Township Mental Health Commission	55,000	-	(55,000)	55,000
Proviso Township Mental Health Commission				
- Student transition program	20,000	20,000	-	20,000
- Donnelly Foundation	-	-	-	10,000
- Member district reimbursement	5,746	-	(5,746)	9,118
Other	<u>8,004</u>	<u>10,792</u>	<u>2,788</u>	<u>36,407</u>
Total other	<u>88,750</u>	<u>30,792</u>	<u>(57,958)</u>	<u>130,525</u>
Total revenues	<u>20,680,158</u>	<u>20,001,314</u>	<u>(678,844)</u>	<u>20,402,180</u>

See Independent Auditors' Report and Notes to Required Supplementary Information

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Expenditures				
Mentally Impaired-Trainable:				
Salaries	\$ 1,623,820	\$ 1,711,087	\$ (87,267)	\$ 1,473,528
Employee benefits	605,612	567,532	38,080	538,982
Purchased services	37,345	24,602	12,743	27,419
Supplies and materials	9,325	8,332	993	11,966
Capital outlay	8,000	7,574	426	3,959
Dues and fees	425	(12)	437	100
Total trainable mentally handicapped	<u>2,284,527</u>	<u>2,319,115</u>	<u>(34,588)</u>	<u>2,055,954</u>
Autistic:				
Salaries	843,325	707,304	136,021	899,389
Employee benefits	267,657	246,226	21,431	314,533
Purchased services	14,655	8,262	6,393	11,915
Supplies and materials	5,100	4,225	875	4,647
Capital outlay	4,000	3,802	198	3,146
Dues and fees	150	(12)	162	25.00
Total autistic	<u>1,134,887</u>	<u>969,807</u>	<u>165,080</u>	<u>1,233,655</u>
Mentally Impaired-Severe:				
Salaries	786,891	690,784	96,107	701,291
Employee benefits	302,828	240,882	61,946	278,953
Purchased services	261,513	206,284	55,229	202,856
Supplies and materials	4,615	3,940	675	4,763
Capital outlay	6,400	3,877	2,523	2,172
Dues and fees	200	(12)	212	25
Total severe/profound	<u>1,362,447</u>	<u>1,145,755</u>	<u>216,692</u>	<u>1,190,060</u>
Mentally Impaired-Educable:				
Salaries	842,445	837,256	5,189	771,368
Employee benefits	285,329	252,067	33,262	271,763
Purchased services	15,531	12,679	2,852	15,058
Supplies and materials	9,060	7,911	1,149	13,777
Capital outlay	4,500	4,380	120	1,785
Dues and fees	200	300	(100)	-
Total severe educable mentally handicapped	<u>1,157,065</u>	<u>1,114,593</u>	<u>42,472</u>	<u>1,073,751</u>
Early Childhood:				
Salaries	425,223	399,621	25,602	417,258
Employee benefits	141,131	136,358	4,773	140,752
Purchased services	2,207	1,471	736	2,938
Supplies and materials	2,180	2,165	15	1,939
Capital outlay	3,700	2,516	1,184	2,856
Dues and fees	300	207	93	-
Total early childhood	<u>574,741</u>	<u>542,338</u>	<u>32,403</u>	<u>565,743</u>

See Independent Auditors' Report and Notes to Required Supplementary Information

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2018 ACTUAL
Alternative Behavior Disorder - Elementary School:				
Salaries	\$ 892,954	\$ 836,307	\$ 56,647	\$ 841,749
Employee benefits	351,846	357,212	(5,366)	363,864
Purchased services	8,778	5,317	3,461	5,870
Supplies and materials	7,270	6,694	576	9,568
Capital outlay	6,000	6,000	-	3,971
Dues and fees	450	-	450	20
Total P.R.O.V.E. - Behavior Disorder - Elementary School	<u>1,267,298</u>	<u>1,211,530</u>	<u>55,768</u>	<u>1,225,042</u>
Alternative Behavior Disorder - High School:				
Salaries	1,445,226	1,377,520	67,706	1,235,071
Employee benefits	499,349	481,823	17,526	451,438
Purchased services	23,512	24,647	(1,135)	20,204
Supplies and materials	9,100	6,701	2,399	7,430
Capital outlay	7,250	2,757	4,493	6,049
Dues and fees	600	-	600	75
Total P.R.O.V.E. - Behavior Disorder High School	<u>1,985,037</u>	<u>1,893,448</u>	<u>91,589</u>	<u>1,720,267</u>
Summer School:				
Salaries	211,000	196,066	14,934	187,703
Employee benefits	21,850	17,353	4,497	20,273
Purchased services	70,100	69,915	185	67,508
Supplies and materials	2,000	1,272	728	1,428
Total summer school	<u>304,950</u>	<u>284,606</u>	<u>20,344</u>	<u>276,912</u>
Improvement of Instruction:				
Salaries	125,138	127,386	(2,248)	120,065
Employee benefits	45,440	41,740	3,700	30,275
Purchased services	88,377	83,027	5,350	80,588
Supplies and materials	564	300	264	-
Total improvement of instruction	<u>259,519</u>	<u>252,453</u>	<u>7,066</u>	<u>230,928</u>
Total instructional	<u>10,330,471</u>	<u>9,733,645</u>	<u>596,826</u>	<u>9,572,312</u>
Related Services				
Nurse:				
Salaries	224,395	221,362	3,033	209,610
Employee benefits	60,457	59,415	1,042	56,521
Purchased services	13,452	2,479	10,973	8,139
Supplies and materials	23,000	21,167	1,833	22,733
Capital outlay	750	710	40	1,051
Dues and fees	450	327	123	436
Total nurse	<u>322,504</u>	<u>305,460</u>	<u>17,044</u>	<u>298,490</u>

See Independent Auditors' Report and Notes to Required Supplementary Information

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803
GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2018 ACTUAL
Occupational and Physical Therapy:				
Salaries	\$ 879,875	\$ 871,572	\$ 8,303	\$ 798,962
Employee benefits	267,236	255,078	12,158	225,357
Purchased services	608,290	488,833	119,457	545,162
Supplies and materials	12,250	11,169	1,081	10,454
Capital outlay	12,500	11,068	1,432	11,324
Dues and fees	1,200	150	1,050	75
	<u>1,781,351</u>	<u>1,637,870</u>	<u>143,481</u>	<u>1,591,334</u>
Adapted Physical Education:				
Salaries	47,600	47,561	39	44,834
Employee benefits	8,074	8,063	11	8,375
Purchased services	672	483	189	476
Supplies and materials	200	200	-	188
Capital outlay	200	222	(22)	-
Dues and fees	75	-	75	-
	<u>56,821</u>	<u>56,529</u>	<u>292</u>	<u>53,873</u>
Speech - Language:				
Salaries	207,760	130,398	77,362	200,012
Employee benefits	35,923	20,293	15,630	34,984
Purchased services	2,067,218	2,158,569	(91,351)	1,942,268
Supplies and materials	7,000	6,815	185	9,361
Capital outlay	5,270	4,682	588	4,960
Dues and fees	475	75	400	475
	<u>2,323,646</u>	<u>2,320,832</u>	<u>2,814</u>	<u>2,192,060</u>
Assistive Technology:				
Salaries	148,660	133,471	15,189	147,215
Employee benefits	58,560	58,070	490	63,867
Purchased services	10,295	8,964	1,331	11,370
Supplies and materials	1,000	996	4	1,164
Capital outlay	2,400	1,122	1,278	1,999
Other objects	150	-	150	-
	<u>221,065</u>	<u>202,623</u>	<u>18,442</u>	<u>225,615</u>
Social Workers:				
Salaries	760,250	747,712	12,538	943,530
Employee benefits	171,137	169,317	1,820	191,294
Purchased services	77,190	61,535	15,655	65,085
Supplies and materials	2,700	1,825	875	1,812
Capital outlay	2,290	1,569	721	1,431
Dues and fees	825	413	412	865
	<u>1,014,392</u>	<u>982,371</u>	<u>32,021</u>	<u>1,204,017</u>

See Independent Auditors' Report and Notes to Required Supplementary Information

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Lunch Program:				
Salaries	\$ 42,700	\$ 43,128	\$ (428)	\$ 39,975
Employee benefits	16,366	17,038	(672)	17,199
Purchased services	99,127	98,473	654	87,354
Supplies and materials	18,900	16,870	2,030	14,891
Capital outlay	1,750	-	1,750	-
Total lunch program	<u>178,843</u>	<u>175,509</u>	<u>3,334</u>	<u>159,419</u>
Psychological Services:				
Salaries	857,596	755,463	102,133	721,661
Employee benefits	161,389	136,887	24,502	143,547
Purchased services	23,259	14,793	8,466	16,446
Supplies and materials	9,200	9,321	(121)	5,008
Capital outlay	6,100	85	6,015	4,283
Dues and fees	1,000	300	700	600
Total psychological services	<u>1,058,544</u>	<u>916,849</u>	<u>141,695</u>	<u>891,545</u>
RLD/RBD:				
Salaries	-	-	-	47,397
Employee benefits	-	2,586	(2,586)	16,196
Purchased services	-	-	-	303
Supplies and materials	-	-	-	131
Capital outlay	-	-	-	186
Total RLD/RBD	<u>-</u>	<u>2,586</u>	<u>(2,586)</u>	<u>64,213</u>
87 Program:				
Salaries	225,500	241,068	(15,568)	291,508
Employee benefits	119,085	122,393	(3,308)	149,858
Purchased services	1,045	7,055	(6,010)	1,232
Total 87 program	<u>345,630</u>	<u>370,516</u>	<u>(24,886)</u>	<u>442,598</u>
88 Program:				
Salaries	-	94,028	(94,028)	5,817
Employee benefits	1,708	37,580	(35,872)	7,462
Total 88 program	<u>1,708</u>	<u>131,608</u>	<u>(129,900)</u>	<u>13,279</u>

See Independent Auditors' Report and Notes to Required Supplementary Information

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2018 ACTUAL
92 Program:				
Salaries	\$ 26,675	\$ 25,246	\$ 1,429	\$ 34,480
Employee benefits	14,084	14,092	(8)	22,027
Purchased services	85	74	11	131
Total 92 program	<u>40,844</u>	<u>39,412</u>	<u>1,432</u>	<u>56,638</u>
209 Program:				
Salaries	83,300	72,641	10,659	68,419
Employee benefits	33,830	24,274	9,556	29,020
Total 209 program	<u>117,370</u>	<u>97,123</u>	<u>20,247</u>	<u>97,579</u>
Total related services	<u>7,462,718</u>	<u>7,239,288</u>	<u>223,430</u>	<u>7,290,660</u>
Administrative:				
Governing Board:				
Purchased services	102,000	95,738	6,262	56,824
Supplies and materials	1,750	1,054	696	1,192
Total governing board	<u>103,750</u>	<u>96,792</u>	<u>6,958</u>	<u>58,016</u>
Proviso Township Mental				
Health Commission - Hot Stuff:				
Salaries	42,773	-	42,773	43,951
Employee benefits	5,765	-	5,765	6,048
Purchased services	6,017	-	6,017	4,075
Supplies and materials	445	-	445	926
Total proviso mental health commission - hot stuff	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>
Proviso Township Mental				
Health Commission - Student Transition Program				
Purchased services	20,000	20,000	-	20,000
Total proviso mental health commission - student transition	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Hot Stuff from Other				
Funding:				
Salaries	4,881	-	4,881	13,705
Employee benefits	865	-	865	1,726
Purchased services	-	-	-	2,093
Supplies and materials	-	-	-	923
Total other Hot Stuff	<u>5,746</u>	<u>-</u>	<u>5,746</u>	<u>18,447</u>

See Independent Auditors' Report and Notes to Required Supplementary Information

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2018 ACTUAL
Central Office:				
Salaries	\$ 632,639	\$ 612,097	\$ 20,542	\$ 594,276
Employee benefits	326,963	267,487	59,476	311,427
Purchased services	179,395	91,659	87,736	131,689
Supplies and materials	26,000	14,705	11,295	18,899
Capital outlay	4,250	2,491	1,759	417
Dues and fees	3,000	2,271	729	1,863
Total central office	<u>1,172,247</u>	<u>990,710</u>	<u>181,537</u>	<u>1,058,571</u>
Principals' and Supervisors' Offices:				
Salaries	726,490	724,351	2,139	776,894
Employee benefits	165,823	154,966	10,857	175,866
Purchased services	40,280	36,760	3,520	32,868
Supplies and materials	1,300	836	464	1,041
Capital outlay	1,740	-	1,740	1,291
Dues and fees	450	90	360	-
Total principals' offices	<u>936,083</u>	<u>917,003</u>	<u>19,080</u>	<u>987,960</u>
Data Processing Services:				
Supplies and materials	-	16,069	(16,069)	15,454
Total data processing services	<u>-</u>	<u>16,069</u>	<u>(16,069)</u>	<u>15,454</u>
Business Services:				
Salaries	\$ 360,127	\$ 376,117	\$ (15,990)	\$ 345,344
Employee benefits	94,635	78,033	16,602	102,586
Purchased services	132,881	153,598	(20,717)	136,535
Supplies and materials	1,000	589	411	844
Capital outlay	3,500	3,354	146	907
Dues and fees	2,000	1,780	220	1,879
Total business services	<u>594,143</u>	<u>613,471</u>	<u>(19,328)</u>	<u>588,095</u>
Total administrative	<u>2,886,969</u>	<u>2,654,045</u>	<u>232,924</u>	<u>2,801,543</u>
Total expenditures	<u>20,680,158</u>	<u>19,626,978</u>	<u>1,053,180</u>	<u>19,664,515</u>
Change in fund balance - budgetary basis	<u>\$ -</u>	374,336	<u>\$ 374,336</u>	737,665
Adjustments to GAAP basis:				
Net settlement of prior year's fund balance with Member Districts		<u>(432,442)</u>		<u>(1,267,246)</u>
Change in fund balance		(58,106)		(529,581)
Fund balance, beginning of year		<u>674,604</u>		<u>1,204,185</u>
Fund balance, end of year		<u>\$ 616,498</u>		<u>\$ 674,604</u>

See Independent Auditors' Report and Notes to Required Supplementary Information

**PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803**

OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Advances from Member Districts	\$ 852,370	\$ 888,685	\$ 36,315	\$ 821,921
Advances from non-member Districts	5,036	5,342	306	5,033
Intergovernmental:				
Federal funding sources	253,556	259,192	5,636	256,548
Interest on investments	750	2,929	2,179	1,573
Other	-	3,220	3,220	-
	<u>1,111,712</u>	<u>1,159,368</u>	<u>47,656</u>	<u>1,085,075</u>
Total revenues	<u>1,111,712</u>	<u>1,159,368</u>	<u>47,656</u>	<u>1,085,075</u>
Expenditures				
Operation and maintenance of plant services				
Salaries	383,760	356,989	26,771	354,248
Employee benefits	135,705	119,506	16,199	118,553
Purchased services	320,197	286,853	33,344	264,883
Supplies and materials	219,050	199,381	19,669	168,538
Capital outlay	53,000	36,266	16,734	25,677
	<u>1,111,712</u>	<u>998,995</u>	<u>112,717</u>	<u>931,899</u>
Change in fund balance - budgetary basis	<u>\$ -</u>	160,373	<u>\$ (65,061)</u>	153,176
Adjustments to GAAP basis:				
Net settlement of prior year's fund balance with Member Districts		<u>(158,431)</u>		<u>(155,101)</u>
Change in fund balance		1,942		(1,925)
Fund balance (deficit), beginning of year		<u>(664)</u>		<u>1,261</u>
Fund balance (deficit), end of year		<u>\$ 1,278</u>		<u>\$ (664)</u>

See Independent Auditors' Report and Notes to Required Supplementary Information

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

TRANSPORTATION FUND

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

NON GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Advances from Member Districts	\$ 208,348	\$ 268,842	\$ 60,494	\$ 500,778
State funding sources	500,000	652,618	152,618	1,682,082
Interest on investments	3,000	10,801	7,801	6,132
Other	-	3,261	3,261	-
Total revenues	<u>711,348</u>	<u>935,522</u>	<u>224,174</u>	<u>2,188,992</u>
Expenditures				
Transportation				
Vehicle Operation Services				
Salaries	19,390	9,988	9,402	16,747
Employee benefits	3,561	1,902	1,659	3,254
Purchased services	682,806	672,386	10,420	576,957
Supplies and materials	<u>6,750</u>	<u>4,591</u>	<u>2,159</u>	<u>4,643</u>
Total vehicle operations services	<u>712,507</u>	<u>688,867</u>	<u>23,640</u>	<u>601,601</u>
Servicing and Maintenance				
Supplies and materials	<u>-</u>	<u>1,111</u>	<u>(1,111)</u>	<u>278</u>
Total servicing and maintenance	<u>-</u>	<u>1,111</u>	<u>(1,111)</u>	<u>278</u>
Total expenditures	<u>712,507</u>	<u>689,978</u>	<u>22,529</u>	<u>601,879</u>
Change in fund balance - budgetary basis	<u>\$ (1,159)</u>	245,544	<u>\$ 246,703</u>	1,587,113
Adjustments to GAAP basis:				
Net settlement of prior year's fund balance with Member Districts		<u>(151,872)</u>		<u>(1,583,341)</u>
Change in fund balance		93,672		3,772
Fund balance (deficit), beginning of year		<u>(8,284)</u>		<u>(12,056)</u>
Fund balance (deficit), end of year		<u>\$ 85,388</u>		<u>\$ (8,284)</u>

See Independent Auditors' Report and Notes to Required Supplementary Information

PROVISO AREA FOR EXCEPTIONAL CHILDREN - DISTRICT SEJA 803

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments and net settlement of prior year's fund balance with Member Districts, as discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of an resolution.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 20,001,314	\$ 19,626,978
To adjust for on-behalf payments received	2,939,054	-
To adjust for on-behalf payments made	-	2,939,054
To adjust for net settlement of prior year's fund balance with Member Districts	-	432,442
General Fund GAAP Basis	<u>\$ 22,940,368</u>	<u>\$ 22,998,474</u>

See Auditors' Report

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

AGENCY (STUDENT ACTIVITY) FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2019

	BALANCE JUNE 30, 2018	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2019
Assets				
Cash and investments	\$ 43,551	\$ 58,418	\$ 52,187	\$ 49,782
Total assets	<u>\$ 43,551</u>	<u>\$ 58,418</u>	<u>\$ 52,187</u>	<u>\$ 49,782</u>
Liabilities				
Due to activity fund organizations:				
PAEC Center Programs	\$ 13,133	\$ 13,232	\$ 10,164	\$ 16,201
PAEC Special Olympics	4,829	8,081	3,483	9,427
PAEC Early Childhood	9,882	4,538	4,401	10,019
PAEC MIE	4,574	5,682	4,516	5,740
PAEC Elementary	2,995	7,322	8,234	2,083
PAEC High School	3,953	8,825	8,113	4,665
HOTSTUFF	3,374	10	2,420	964
Soda	728	2,553	2,624	657
Fundraising	83	-	57	26
Lunch Money	<u>-</u>	<u>8,175</u>	<u>8,175</u>	<u>-</u>
Total liabilities	<u>\$ 43,551</u>	<u>\$ 58,418</u>	<u>\$ 52,187</u>	<u>\$ 49,782</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

SUMMARY OF RESERVED FUND BALANCES (DEFICITS)

AS OF JUNE 30, 2019

	RESERVED FOR			
	BERKELEY	BELLWOOD	MAYWOOD	BROADVIEW
	DISTRICT 87	DISTRICT 88	DISTRICT 89	DISTRICT 92
Cash basis fund balance (deficits) at June 30, 2018	\$ 730,833	\$ (146,036)	\$ 147,824	\$ 38,189
Net settlement of prior year's fund balances	(730,833)	146,036	(147,824)	(38,189)
Excess (deficiency) of advances from Member Districts over (under) allocation of net expenditures to Member Districts	304,531	(117,082)	-	33,573
Excess of nonmember District's expenditures over receipts	-	-	-	-
Cash basis fund balances (deficits) at June 30, 2019	<u>\$ 304,531</u>	<u>\$ (117,082)</u>	<u>\$ -</u>	<u>\$ 33,573</u>

HILLSIDE DISTRICT 93	PROVISO TWSP. HIGH SCHOOL DISTRICT 209	NON- MEMBER DISTRICTS	IMPREST AND PETTY CASH	TOTAL
\$ 53,039	\$ 1,229,141	\$ 263,446	\$ 8,400	\$ 2,324,836
(53,039)	(1,229,141)	-	-	(2,052,990)
53,924	467,796	-	-	742,743
-	-	23,976	-	23,976
<u>\$ 53,924</u>	<u>\$ 467,796</u>	<u>\$ 287,422</u>	<u>\$ 8,400</u>	<u>\$ 1,038,565</u>

Effect of Conversion to Modified Accrual and Other Adjustments:

Increase (Decrease) in Assets

Receivable from Member Districts	178,395
Intergovernmental Receivable	528,126
Summer Tuition Receivable	227,670

(Increase) Decrease in Liabilities

Accounts Payable	(144,990)
Payable to Member Districts	(921,137)
Salaries and Wages Payable	<u>(203,465)</u>

Modified accrual basis fund
balances at June 30, 2019

Educational fund	\$ 616,498
Operations and maintenance fund	1,278
Transportation fund	<u>85,388</u>
Total	<u>\$ 703,164</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803
 ADVANCES FROM MEMBER DISTRICTS AND
 ALLOCATION OF NET EXPENDITURES TO MEMBER DISTRICTS - NON GAAP CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2019

	BERKELEY DISTRICT 87	BELLWOOD DISTRICT 88	BROADVIEW DISTRICT 92
Educational fund			
Advances from Member Districts:			
Instructional/related services	\$ 4,139,587	\$ 2,221,480	\$ 573,000
Administrative	806,021	363,231	77,781
Total Advances from Member Districts	<u>4,945,608</u>	<u>2,584,711</u>	<u>650,781</u>
Allocation of net expenditures to Member Districts ⁽¹⁾	<u>(4,756,109)</u>	<u>(2,763,106)</u>	<u>(628,968)</u>
Excess (deficiency) of advances over (under) allocation of net expenditures - Educational Fund	<u>189,499</u>	<u>(178,395)</u>	<u>21,813</u>
Operations and maintenance fund			
Advances from Member Districts	272,001	155,472	38,058
Allocation of net expenditures to Member Districts ⁽²⁾	<u>(202,082)</u>	<u>(129,655)</u>	<u>(27,553)</u>
Excess (deficiency) of advances over (under) allocation of net expenditures - Operations and Maintenance Fund	<u>69,919</u>	<u>25,817</u>	<u>10,505</u>
Transportation fund			
Advances from Member Districts	22,692	-	5,841
Allocation of net expenditures to Member Districts ⁽³⁾	81,160	35,554	9,729
Expenditures for noncontractual services to individual districts	<u>(58,739)</u>	<u>(58)</u>	<u>(14,315)</u>
Excess (deficiency) of advances and interest over (under) allocation of net expenditures - Transportation Fund	<u>45,113</u>	<u>35,496</u>	<u>1,255</u>
Excess (deficiency) of advances and interest from Member Districts over (under) allocation of net expenditures - Total	<u>\$ 304,531</u>	<u>\$ (117,082)</u>	<u>\$ 33,573</u>

(1) Allocation shown in the Educational Fund - Allocation of Net Expenditures to Member Districts schedule.

(2) Allocation shown in the Operations and Maintenance Fund - Allocation of Net Expenditures to Member Districts schedule.

(3) Allocation based upon percentage of actual costs applied to net expenditures (Transportation Fund - Summary of Net Contractual Transportation Costs Incurred by Districts).

HILLSIDE DISTRICT 93	PROVISO TWSP. HIGH SCHOOL DISTRICT 209	TOTAL
\$ 495,818	\$ 5,058,519	\$ 12,488,404
164,849	909,683	2,321,565
<u>660,667</u>	<u>5,968,202</u>	<u>14,809,969</u>
<u>(618,381)</u>	<u>(5,610,964)</u>	<u>(14,377,527)</u>
<u>42,286</u>	<u>357,239</u>	<u>432,442</u>
36,432	386,721	888,684
<u>(28,043)</u>	<u>(342,920)</u>	<u>(730,253)</u>
<u>8,389</u>	<u>43,801</u>	<u>158,431</u>
8,487	231,822	268,842
9,696	187,078	323,217
<u>(14,934)</u>	<u>(352,144)</u>	<u>(440,190)</u>
<u>3,249</u>	<u>66,756</u>	<u>151,869</u>
<u>\$ 53,924</u>	<u>\$ 467,796</u>	<u>\$ 742,742</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803
EDUCATIONAL FUND
ALLOCATION OF NET EXPENDITURES TO MEMBER DISTRICTS - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	BERKELEY DISTRICT 87	BELLWOOD DISTRICT 88	BROADVIEW DISTRICT 92
Adjusted instructional ⁽¹⁾	\$ 3,240,689	\$ 2,034,514	\$ 414,019
Adjusted related services ⁽²⁾	1,446,953	896,787	244,003
Administrative ⁽³⁾	<u>760,890</u>	<u>358,101</u>	<u>73,022</u>
 Total Expenditures	 <u>5,448,532</u>	 <u>3,289,402</u>	 <u>731,044</u>
Plus:			
Adjustment to ensure non-member district surplus retained by PAEC	<u>100</u>	<u>60</u>	<u>12</u>
Less:			
Offsetting revenues - Federal sources - fiscal year 2019 cash receipts ⁽⁴⁾	<u>692,523</u>	<u>526,356</u>	<u>102,088</u>
	<u>\$ 4,756,109</u>	<u>\$ 2,763,106</u>	<u>\$ 628,968</u>

(1) Allocation shown in the Allocation of Net Adjusted Functional Expenditures schedule.

(2) Allocation shown in the Allocation of Net Adjusted Related Services Expenditures schedule.

(3) Allocation shown in the Allocation of Net Administrative Expenditures schedule.

(4) Allocation based upon IDEA flow-through, and
IDEA preschool incentive grant student counts (unaudited).

HILLSIDE DISTRICT 93	PROVISO TWSP. HIGH SCHOOL DISTRICT 209	TOTAL
\$ 417,463	\$ 5,434,569	\$ 11,541,254
144,100	601,855	3,333,698
<u>157,814</u>	<u>861,227</u>	<u>2,211,053</u>
<u>719,377</u>	<u>6,897,651</u>	<u>17,086,005</u>
<u>12</u>	<u>120</u>	<u>304</u>
<u>101,008</u>	<u>1,286,807</u>	<u>2,708,782</u>
<u>\$ 618,381</u>	<u>\$ 5,610,964</u>	<u>\$ 14,377,527</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

**DISTRICT SEJA 803
EDUCATIONAL FUND**

ALLOCATION OF NET ADJUSTED INSTRUCTIONAL EXPENDITURES - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	FULL-TIME EQUIVALENT STUDENTS (UNAUDITED)	ALLOCATED COST
Berkeley School District 87		
P.A.E.C. Instructional:		
Mentally Impaired - Trainable	17.86	\$ 360,677
Mentally Impaired - Trainable - direct	-	30,116
Autistic	10.96	207,621
Autistic - direct	-	25,938
Mentally Impaired - Severe	15.08	370,062
Mentally Impaired - Severe - direct	-	118,329
Mentally Impaired - Educable	25.30	530,683
Mentally Impaired - Educable - direct		46,247
Early childhood	16.92	847,533
Early childhood - direct	-	214
BD / ED - Elementary School	23.13	562,463
BD / ED - Elementary School - direct	-	
Summer school	N/A	68,640
Improvement of instruction	N/A	72,166
Total Net Adjusted Instructional Expenditures Berkeley School District 87		<u>\$ 3,240,689</u>
Bellwood School District 88		
P.A.E.C. Instructional:		
Mentally Impaired - Trainable	8.74	\$ 176,521
Mentally Impaired - Trainable - direct	-	12,351
Autistic	15.05	285,100
Autistic - direct	-	27,473
Mentally Impaired - Severe	5.25	128,834
Mentally Impaired - Severe - direct	-	71,196
Mentally Impaired - Educable	27.36	573,892
Mentally Impaired - Educable - direct	-	106,429
BD / ED - Elementary School	19.08	463,977
BD / ED - Elementary School - Direct	-	90,645
Summer school	N/A	47,421
Improvement of instruction	N/A	50,675
Total Net Adjusted Instructional Expenditures Bellwood School District 88		<u>\$ 2,034,514</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

**DISTRICT SEJA 803
EDUCATIONAL FUND**

ALLOCATION OF NET ADJUSTED INSTRUCTIONAL EXPENDITURES - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	FULL-TIME EQUIVALENT STUDENTS (UNAUDITED)	ALLOCATED COST
Broadview School District 92		
P.A.E.C. Instructional:		
Mentally Impaired - Trainable	2.97	\$ 59,985
Mentally Impaired - Severe	0.11	2,674
Outside classrooms:		
Mentally Impaired - Educable	3.08	64,605
Early childhood	1.13	56,602
BD / ED - Elementary School	7.43	180,679
BD / ED - Elementary School - direct	-	30,439
Summer school	N/A	9,242
Improvement of instruction	N/A	<u>9,793</u>
Total Net Adjusted Instructional		
Expenditures Broadview School District 92		<u>\$ 414,019</u>
Hillside School District 93		
P.A.E.C. Instructional:		
Mentally Impaired - Trainable	2.00	\$ 40,394
Mentally Impaired - Severe	2.20	53,988
Mentally Impaired - Severe - direct	-	1,860
Autistic	3.90	73,880
Outside classrooms:		
Mentally Impaired - Educable	3.36	70,478
Early childhood	2.07	103,688
BD / ED - Elementary School	2.20	53,498
Summer school	N/A	9,884
Improvement of instruction	N/A	<u>9,793</u>
Total Net Adjusted Instructional		
Expenditures Hillside School District 93		<u>\$ 417,463</u>
Proviso Township High School District 209		
P.A.E.C. Instructional:		
Mentally Impaired - Trainable	98.00	\$ 1,979,260
Mentally Impaired - Trainable - direct	-	34,633
Autistic	14.80	280,364
Autistic - direct	-	203,034
Mentally Impaired - Severe	18.00	441,718
Mentally Impaired - Severe - direct	-	166,919
BD / ED - High School	70.27	2,074,472
BD / ED - Elementary School	0.71	17,363
Summer school	N/A	126,779
Improvement of instruction	N/A	<u>110,027</u>
Total Net Adjusted Instructional		
Expenditures Proviso Township High School District 209		<u>\$ 5,434,569</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

**DISTRICT SEJA 803
EDUCATIONAL FUND**

ALLOCATION OF NET ADJUSTED INSTRUCTIONAL EXPENDITURES - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	FULL-TIME EQUIVALENT STUDENTS (UNAUDITED)	ALLOCATED COST
Total Member Districts		
P.A.E.C. Instructional:		
Mentally Impaired - Trainable	129.57	\$ 2,616,837
Mentally Impaired - Trainable - direct	-	77,100
Autistic	44.71	846,965
Autistic - direct	-	256,445
Mentally Impaired - Severe	40.64	997,276
Mentally Impaired - Severe - direct	-	358,304
Mentally Impaired - Educable	59.10	1,239,658
Mentally Impaired - Educable - direct	-	152,676
Early childhood	20.12	1,007,823
Early childhood - direct	-	214
BD / ED - High School	70.27	2,074,472
BD / ED - Elementary School	52.55	1,277,980
BD / ED - Elementary School - direct	-	121,084
Summer school	N/A	261,966
Improvement of instruction	N/A	252,454
Total Net Adjusted Instructional Expenditures Member Districts		<u>\$ 11,541,254</u>
Nonmember Districts		
P.A.E.C. Instructional:		
Mentally Impaired - Severe	0.65	15,850
Mentally Impaired - Severe - direct	-	21,811
BD / ED - Elementary School	0.41	9,873
Summer school	N/A	661
Total Net Adjusted Instructional Expenditures Nonmember Districts		<u>\$ 48,195</u>
Total Adjusted Instructional		
P.A.E.C. Instructional:		
Mentally Impaired - Trainable	129.57	\$ 2,616,837
Mentally Impaired - Trainable - direct	-	77,100
Autistic	44.71	846,965
Autistic - direct	-	256,445
Mentally Impaired - Severe	41.29	1,013,126
Mentally Impaired - Severe - direct	-	380,115
Mentally Impaired - Educable	59.10	1,239,658
Mentally Impaired - Educable - direct	-	152,676
Early childhood	20.12	1,007,823
Early childhood - direct	-	214
BD / ED - High School	70.27	2,074,472
BD / ED - Elementary School	52.96	1,287,853
BD / ED - Elementary School - direct	-	121,084
Summer school	N/A	262,627
Improvement of instruction	N/A	252,454
Total Net Adjusted Instructional Expenditures Adjusted Instructional		<u>\$ 11,589,449</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

EDUCATIONAL FUND

NET ADJUSTED INSTRUCTIONAL EXPENDITURES FOR ALLOCATION TO MEMBER DISTRICTS-NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	MENTALLY IMPAIRED - TRAINABLE	AUTISTIC	MENTALLY IMPAIRED - SEVERE	MENTALLY IMPAIRED - EDUCABLE
Instructional expenditures	\$ 2,318,719	\$ 969,807	\$ 1,128,410	\$ 1,114,593
Plus allocation of related services expenditures:				
Nurse	85,435	29,479	27,227	38,968
Occupational and physical therapy	141,270	65,572	156,783	89,560
Psychological	73,017	34,713	34,713	46,683
Speech - language	172,105	96,620	81,523	96,620
Adaptive physical education	-	-	-	34,558
Social workers	111,097	36,200	42,442	42,442
Assistive Technology	29,189	19,508	21,458	41,977
Lunch program	5,704	1,968	1,818	2,602
	<u>617,817</u>	<u>284,060</u>	<u>365,964</u>	<u>393,410</u>
Total Adjusted Instructional Expenditures	2,936,536	1,253,867	1,494,374	1,508,003
Less offsetting revenues - state funding	<u>242,599</u>	<u>150,458</u>	<u>122,916</u>	<u>115,669</u>
Net Adjusted Instructional Expenditures	<u>\$ 2,693,937</u>	<u>\$ 1,103,409</u>	<u>\$ 1,371,458</u>	<u>\$ 1,392,334</u>

EARLY CHILDHOOD	BD / ED HIGH SCHOOL	BD / ED ELEMENTARY	SUMMER SCHOOL	IMPROVEMENT OF INSTRUCTION	TOTAL
<u>\$ 542,199</u>	<u>\$ 1,893,629</u>	<u>\$ 1,211,304</u>	<u>\$ 262,626</u>	<u>\$ 252,453</u>	<u>\$ 9,693,740</u>
13,260	46,331	34,916	-	-	275,616
223,647	4,956	57,815	-	-	739,603
46,683	46,683	34,713	-	-	317,205
141,911	33,213	48,310	-	-	670,302
-	-	-	-	-	34,558
86,131	179,752	129,821	-	-	627,885
9,754	39,015	19,508	-	-	180,409
<u>-</u>	<u>3,093</u>	<u>2,331</u>	<u>-</u>	<u>-</u>	<u>17,516</u>
<u>521,386</u>	<u>353,043</u>	<u>327,414</u>	<u>-</u>	<u>-</u>	<u>2,863,094</u>
1,063,585	2,246,672	1,538,718	262,626	252,453	12,556,834
<u>55,548</u>	<u>172,200</u>	<u>129,782</u>	<u>-</u>	<u>-</u>	<u>989,172</u>
<u>\$ 1,008,037</u>	<u>\$ 2,074,472</u>	<u>\$ 1,408,936</u>	<u>\$ 262,626</u>	<u>\$ 252,453</u>	<u>\$ 11,567,662</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

**DISTRICT SEJA 803
EDUCATIONAL FUND**

NET ADJUSTED RELATED SERVICES EXPENDITURES FOR ALLOCATION TO MEMBER DISTRICTS - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	NURSE	OCCUPATIONAL AND PHYSICAL THERAPY	ADAPTIVE PHYSICAL EDUCATION	SPEECH - LANGUAGE	SOCIAL WORKERS	LUNCH PROGRAM	PSYCHOLOGICAL SERVICES
Related services expenditures	\$ 298,132	\$ 1,636,076	\$ 56,529	\$ 2,317,849	\$ 1,002,129	\$ 175,509	\$ 906,411
Less offsetting revenues:							
State funding	22,516	196,157	10,719	279,765	167,002	-	110,406
Other local revenue	-	-	-	-	20,000	-	-
Lunch program revenue	-	-	-	-	-	157,991	-
Total	275,616	1,439,919	45,810	2,038,084	815,127	17,518	796,005
Less expenditures allocated to instructional programs	275,616	739,603	34,558	670,301	627,886	17,518	317,205
Net Adjusted Related Services Expenditures	\$ -	\$ 700,316	\$ 11,252	\$ 1,367,783	\$ 187,241	\$ -	\$ 478,800

NOTE: Related services expenditures above exclude OT/PT, Speech-Language, Social Worker, and Psychological Services expenditures that directly relate to a particular District. Those expenditures are shown in the Allocation of Net Adjusted Related Services Expenditures schedule.

RLD/ RBD	ASSISTIVE TECHNOLOGY	87 PROGRAM	88 PROGRAM	89 PROGRAM	92 PROGRAM	93 PROGRAM	209 PROGRAM	TOTAL
\$ 2,586	\$ 202,579	\$ 370,516	\$ 131,608	\$ -	\$ 39,411	\$ -	\$ 97,122	\$ 7,236,457
10,719	7,503	51,981	1,167	-	6,169	-	11,588	875,692
-	-	-	-	-	-	-	-	20,000
-	-	-	-	-	-	-	-	157,991
(8,133)	195,076	318,535	130,441	-	33,242	-	85,534	6,182,774
(8,133.00)	180,409	-	-	-	-	-	-	2,854,963
\$ -	\$ 14,667	\$ 318,535	\$ 130,441	\$ -	\$ 33,242	\$ -	\$ 85,534	\$ 3,327,811

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

EDUCATIONAL FUND

ALLOCATION OF NET ADJUSTED RELATED SERVICES EXPENDITURES - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	FULL-TIME EQUIVALENT PROFESSIONALS (UNAUDITED)	ALLOCATED COST
Berkeley School District 87		
Occupational and physical therapy	3.773	\$ 270,977
Occupational and physical therapy - Direct	-	2,204
Adaptive physical education	0.123	5,626
Speech - language	7.150	539,716
Speech - language - Direct	-	633
Psychological services	5.00	299,250
Psychological services - Direct	-	5,147
Assistive technology	0.07	4,865
87 Programs: One-on-One	9.84	<u>318,535</u>
Total Berkeley School District 87		<u>\$ 1,446,953</u>
Bellwood School District 88		
Occupational and physical therapy	3.330	\$ 239,160
Adaptive physical education	0.061	2,790
Speech - language	6.750	509,522
Psychological services	0.20	11,970
Assistive technology	0.04	2,904
88 Programs	3.81	<u>130,441</u>
Total Bellwood School District 88		<u>\$ 896,787</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

EDUCATIONAL FUND

ALLOCATION OF NET ADJUSTED RELATED SERVICES EXPENDITURES - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	FULL-TIME EQUIVALENT PROFESSIONALS (UNAUDITED)	ALLOCATED COST
Broadview School District 92		
Occupational and physical therapy	1.169	\$ 83,957
Speech - language	1.540	116,246
Speech - language - Direct	-	893
Psychological services	0.10	5,985
Psychological services - Direct	-	1,720
Assistive technology	0.03	1,960
92 Programs	1.00	<u>33,242</u>
Total Broadview School District 92		<u>\$ 244,003</u>
Hillside School District 93		
Occupational and physical therapy	0.628	\$ 45,103
Social workers	1.00	62,414
Psychological services	0.70	41,895
Psychological services - Direct	-	860
RLD/RBD	1.00	(8,132)
Assistive technology	0.03	<u>1,960</u>
Total Hillside School District 93		<u>\$ 144,100</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

EDUCATIONAL FUND

**ALLOCATION OF NET ADJUSTED RELATED SERVICES EXPENDITURES - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	FULL-TIME EQUIVALENT PROFESSIONALS (UNAUDITED)	ALLOCATED COST
Proviso Township High School District 209		
Occupational and physical therapy	0.851	\$ 61,119
Adaptive physical education	0.062	2,819
Speech - language	2.680	202,299
Social workers	2.00	124,827
Psychological services	2.00	119,700
Psychological services - Direct	-	2,580
Assistive Technology 209 Program	0.04 2.94	2,977 85,534
Total Proviso Township High School District 209		<u>\$ 601,855</u>
Total Adjusted Related Services		
Occupational and physical therapy	9.75	\$ 700,316
Occupational and physical therapy - Direct	-	2,204
Adaptive physical education	0.25	11,235
Speech - language	18.12	1,367,783
Speech - language - Direct	-	1,526
Social workers	3.00	187,241
Psychological services	8.00	478,800
Psychological services - Direct	-	10,307
RLD/RBD	1.00	(8,132)
Assistive Technology 87 Program	0.20 9.84	14,666 318,535
88 Program	3.81	130,441
92 Program	1.00	33,242
209 Program	2.94	85,534
Total Adjusted Related Services		<u>\$ 3,333,698</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

EDUCATIONAL FUND

**ALLOCATION OF NET ADMINISTRATIVE EXPENDITURES - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	BERKELEY DISTRICT 87	BELLWOOD DISTRICT 88
General administrative expenditures ⁽¹⁾	\$ 344,607	\$ 238,068
General administrative (support services admin.) ⁽³⁾	107,425	66,954
Principal's administrative expenditures ⁽¹⁾	124,909	86,292
Supervisor's administrative expenditures ⁽²⁾	<u>264,971</u>	<u>-</u>
Total Administrative Expenditures	<u>841,912</u>	<u>391,314</u>
Less: Medicaid Administrative Outreach Funds ⁽⁴⁾	<u>81,022</u>	<u>33,213</u>
Net Administrative Expenditures	<u>\$ 760,890</u>	<u>\$ 358,101</u>

(1) Allocated based upon student F.T.E.'s in District 803 programs as shown in the Summary of Cost Distribution Factors.

(2) Allocated based upon District 803 supervisory staff FTE shown in the Summary of Cost Distribution Factors.

(3) Allocated based upon relative amounts of support services purchased as shown in the Summary of Cost Distribution Factors.

(4) Allocated based upon relative amounts of Medicaid Administrative Outreach Funds per the Summary of Cost Distribution Factors.

BROADVIEW DISTRICT 92	HILLSIDE DISTRICT 93	PROVISO TWSP. HIGH SCHOOL DISTRICT 209	TOTAL
\$ 46,430	\$ 49,587	\$ 636,602	\$ 1,315,294
18,020	11,300	44,738	248,437
16,829	17,974	230,747	476,751
-	88,288	-	353,259
<u>81,279</u>	<u>167,149</u>	<u>912,087</u>	<u>2,393,741</u>
<u>8,257</u>	<u>9,335</u>	<u>50,860</u>	<u>182,688</u>
<u>\$ 73,022</u>	<u>\$ 157,814</u>	<u>\$ 861,227</u>	<u>\$ 2,211,053</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

**DISTRICT SEJA 803
EDUCATIONAL FUND**

NET ADMINISTRATIVE EXPENDITURES FOR ALLOCATION TO MEMBER DISTRICTS - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL	PRINCIPAL	SUPERVISORY	TOTAL
Administrative expenditures:				
Governing board	\$ 98,418	\$ -	\$ -	\$ 98,418
Central office	978,491	-	-	978,491
Principal's administrative expenditures	-	520,830	396,171	917,001
Business services	<u>597,747</u>	<u>-</u>	<u>-</u>	<u>597,747</u>
Total administrative expenditures	<u>1,674,656</u>	<u>520,830</u>	<u>396,171</u>	<u>2,591,657</u>
Less Support Services - Admin Cost	<u>248,438</u>	<u>-</u>	<u>-</u>	<u>248,438</u>
Less offsetting revenues:				
State funding	21,438	42,876	42,876	107,190
Other	<u>86,124</u>	<u>-</u>	<u>-</u>	<u>86,124</u>
Total offsetting revenues	<u>107,562</u>	<u>42,876</u>	<u>42,876</u>	<u>193,314</u>
Less allocation to nonmember districts	<u>3,363</u>	<u>1,203</u>	<u>-</u>	<u>4,566</u>
Net administrative expenditures	<u>\$ 1,315,293</u>	<u>\$ 476,751</u>	<u>\$ 353,295</u>	<u>\$ 2,145,339</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN
DISTRICT SEJA 803
OPERATIONS AND MAINTENANCE FUND
ALLOCATION OF NET EXPENDITURES TO MEMBER DISTRICTS - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	BERKELEY DISTRICT 87	BELLWOOD DISTRICT 88	BROADVIEW DISTRICT 92
P.A.E.C. Instructional ⁽¹⁾	\$ 80,913	\$ 53,526	\$ 5,677
P.A.E.C. Administrative ⁽¹⁾	26,318	18,182	3,546
P.A.E.C. Administrative (Supp. Svcs. Bldg. Admin.) ⁽²⁾	8,821	5,503	1,480
BD / ED programs ⁽¹⁾	48,909	40,345	15,711
Early Childhood ⁽¹⁾	43,923	-	2,935
MIE ⁽¹⁾	53,307	57,648	6,490
OT/PT ⁽³⁾	<u>4,042</u>	<u>3,568</u>	<u>1,252</u>
Total expenditures	<u>266,233</u>	<u>178,772</u>	<u>37,091</u>
Plus:			
Adjustment to ensure non-member district surplus retained by PAEC	<u>(1)</u>	<u>-</u>	<u>-</u>
Less:			
Offsetting Revenue - Federal sources - fiscal year 2019 cash receipts	<u>64,150</u>	<u>49,117</u>	<u>9,538</u>
Allocation of Net Expenditures to Member Districts	<u>\$ 202,082</u>	<u>\$ 129,655</u>	<u>\$ 27,553</u>

(1) Allocated based upon student F.T.E.'s in District 803 programs as shown in the Summary of Cost Distribution Factors.

(2) Allocated based on relative amounts of Support Services purchased shown in the Summary of Cost Distribution Factors.

(3) Allocated based on OT/PT FTE's in district programs.

HILLSIDE DISTRICT 93	PROVISO TWSP. HIGH SCHOOL DISTRICT 209	TOTAL MEMBER DISTRICTS	NONMEMBER DISTRICTS	TOTAL
\$ 14,930	\$ 241,086	\$ 396,132	\$ 1,163	\$ 397,295
3,787	48,620	100,453	277	100,730
929	3,685	20,418	-	20,418
4,652	175,622	285,239	852	286,091
5,375	-	52,233	-	52,233
7,080	-	124,525	-	124,525
<u>673</u>	<u>912</u>	<u>10,447</u>	<u>-</u>	<u>10,447</u>
<u>37,426</u>	<u>469,925</u>	<u>989,447</u>	<u>2,292</u>	<u>991,739</u>
<u>-</u>	<u>(1)</u>	<u>(2)</u>	<u>-</u>	<u>(2)</u>
<u>9,383</u>	<u>127,004</u>	<u>259,192</u>	<u>-</u>	<u>259,192</u>
<u>\$ 28,043</u>	<u>\$ 342,920</u>	<u>\$ 730,253</u>	<u>\$ 2,292</u>	<u>\$ 732,545</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

OPERATIONS AND MAINTENANCE FUND

NET EXPENDITURES FOR ALLOCATION TO MEMBER DISTRICTS - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	P.A.E.C.		P.A.E.C.	
	INSTRUCTIONAL	ADMINISTRATIVE	HIGH SCHOOL	ELEMENTARY
Expenditures				
Salaries	\$ 156,361	\$ 52,120	\$ 56,898	\$ 36,880
Employee benefits	62,239	20,746	15,449	9,969
Purchased services	95,496	26,698	41,487	26,552
Supplies and materials	69,041	23,014	52,131	33,364
Capital outlay	<u>14,158</u>	<u>4,719</u>	<u>8,147</u>	<u>5,214</u>
Total expenditures	<u>397,295</u>	<u>127,297</u>	<u>174,112</u>	<u>111,979</u>
Less non-member expenditures	1,163	277	-	852
Less support services - admin. cost	-	20,419	-	-
Interest & miscellaneous revenue	<u>-</u>	<u>6,149</u>	<u>-</u>	<u>-</u>
Net expenditures for allocation to member districts	<u>\$ 396,132</u>	<u>\$ 100,452</u>	<u>\$ 174,112</u>	<u>\$ 111,127</u>

EARLY CHILDHOOD	MENTALLY IMPAIRED - EDUCABLE	OT/PT	TOTAL
\$ 17,069	\$ 34,246	\$ 3,415	\$ 356,989
4,635	6,000	926	119,964
12,446	82,476	2,488	287,643
15,639	1,802	3,129	198,120
2,444	-	489	35,171
<u>52,233</u>	<u>124,524</u>	<u>10,447</u>	<u>997,887</u>
-	-	-	2,292
-	-	-	20,419
-	-	-	<u>6,149</u>
<u>\$ 52,233</u>	<u>\$ 124,524</u>	<u>\$ 10,447</u>	<u>\$ 969,027</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

TRANSPORTATION FUND

NET EXPENDITURES FOR ALLOCATION TO MEMBER DISTRICTS - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

Expenditures		\$	682,507
Less:			
Expenditures for noncontractual services to District's 87, 88, 92 and 209			<u>440,190</u>
Total expenditures			<u>242,317</u>
Plus:			
Adjustment to ensure non-member district surplus retained by PAEC			4
Less:			
Offsetting revenues			
State funding			654
Transportation reimbursement			550,821
Other			<u>14,062</u>
Net expenditures for allocation to member districts		\$	<u>(323,217)</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

TRANSPORTATION FUND

SUMMARY OF NET CONTRACTUAL TRANSPORTATION COSTS INCURRED BY DISTRICTS - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30 2019

	NET CONTRACTUAL COSTS INCURRED	PERCENT
Berkeley School District 87	\$ (81,160)	25.11%
Bellwood School District 88	(35,554)	11.00%
Broadview School District 92	(9,729)	3.01%
Hillside School District 93	(9,696)	3.00%
Proviso Township High School District 209	<u>(187,078)</u>	<u>57.88%</u>
Total	<u>\$ (323,217)</u>	<u>100.00%</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

NONMEMBER DISTRICTS

STATEMENT OF RECEIPTS, EXPENDITURES AND CHANGES IN FUND BALANCE - NON GAAP CASH BASIS FOR THE YEAR ENDED JUNE 30, 2019

Receipts

Instructional	\$	73,688
Operations and maintenance		5,342
Transportation Fund		<u>-</u>
Total receipts		<u>79,030</u>

Expenditures

Instructional:		
BD / ED Elementary School - District 91		9,874
Mentally Impaired - Severe - District 91		15,850
Mentally Impaired - Severe - District 91 Additional Billing		21,811
Related Services		
Improvement of instruction		
Administration:		
District 91		3,363
Summer school - out of district		661
Principal's services:		
District 91		<u>1,203</u>
Total instructional		<u>52,762</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

NONMEMBER DISTRICTS

**STATEMENT OF RECEIPTS, EXPENDITURES AND CHANGES IN FUND BALANCE - NON GAAP CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

Operations and maintenance:	
District 91	\$ <u>2,292</u>
Total operations and maintenance	<u>2,292</u>
Total expenditures	<u>55,054</u>
Excess of receipts over expenditures	23,976
Beginning fund balance	<u>263,446</u>
Ending fund balance	<u>\$ 287,422</u>

PROVISO AREA FOR EXCEPTIONAL CHILDREN

DISTRICT SEJA 803

SUMMARY OF COST DISTRIBUTION FACTORS

FOR THE YEAR ENDED JUNE 30, 2019

	BERKELEY DISTRICT 87	BELLWOOD DISTRICT 88	BROADVIEW DISTRICT 92
Full-Time Equivalent Supervisory Staff:			
Number	<u>3.00</u>	<u>0.00</u>	<u>0.00</u>
Percent	<u>75.00%</u>	<u>0.00%</u>	<u>0.00%</u>
FACTS Child Counts:			
94-142 - IDEA - Number	<u>397</u>	<u>304</u>	<u>59</u>
94-142 - IDEA - Percent	<u>24.75%</u>	<u>18.95%</u>	<u>3.68%</u>
Pre-School - Number	<u>86</u>	<u>58</u>	<u>11</u>
Pre-School - Percent	<u>51.49%</u>	<u>34.73%</u>	<u>6.59%</u>
PAEC District 803 Student F.T.E.:			
Number	<u>109.25</u>	<u>75.48</u>	<u>14.71</u>
Percent	<u>26.20%</u>	<u>18.10%</u>	<u>3.53%</u>
PAEC District 803 Early Childhood Student F.T.E.:			
Number	<u>16.92</u>	<u>0.00</u>	<u>1.13</u>
Percent	<u>84.09%</u>	<u>0.00%</u>	<u>5.62%</u>
Purchased Support Services:			
Amount	<u>\$ 1,438,954</u>	<u>\$ 896,850</u>	<u>\$ 241,382</u>
Percent	<u>43.20%</u>	<u>26.95%</u>	<u>7.25%</u>
Medicaid Administrative Outreach Funds:			
Percent	<u>44.35%</u>	<u>18.18%</u>	<u>4.52%</u>

HILLSIDE DISTRICT 93	PROVISO TWSP. HIGH SCHOOL DISTRICT 209	TOTAL
<u>1.00</u>	<u>0.00</u>	<u>4.00</u>
<u>24.99%</u>	<u>0.00%</u>	<u>99.99%</u>
<u>58</u>	<u>786</u>	<u>1,604</u>
<u>3.62%</u>	<u>49.00%</u>	<u>100.00%</u>
<u>12</u>	<u>N/A</u>	<u>167</u>
<u>7.19%</u>	<u>0.00%</u>	<u>100.00%</u>
<u>15.73</u>	<u>201.78</u>	<u>416.95</u>
<u>3.77%</u>	<u>48.40%</u>	<u>100.00%</u>
<u>2.07</u>	<u>0.00</u>	<u>20.12</u>
<u>10.29%</u>	<u>0.00%</u>	<u>100.00%</u>
<u>\$ 151,363</u>	<u>\$ 599,261</u>	<u>\$ 3,327,810</u>
<u>4.55%</u>	<u>18.05%</u>	<u>100.00%</u>
<u>5.11%</u>	<u>27.84%</u>	<u>100.00%</u>