

Butler Elementary School District No. 53
Oak Brook, Illinois

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2019

Butler Elementary School District No. 53

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Butler Elementary School District No. 53
Oak Brook, IL

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Butler Elementary School District No. 53, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Butler Elementary School District No. 53's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Butler Elementary School District No. 53's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Butler Elementary School District No. 53, as of June 30, 2019, and the respective changes in modified cash basis financial position for the year then ended, in accordance with the basis of accounting described in Note A.

Emphasis Of a Matter

As discussed in Note M to the financial statements, the District recorded a prior period adjustment to properly record the value of capital assets based on a revised record of historical cost prepared by management. The revisions resulted in an adjustment to reduce the value of capital assets and beginning net position, of the District, by \$1,126,475 on the government-wide financial statements. Our opinions are not modified with the respect to this matter.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Butler Elementary School District No. 53's basic financial statements. The other schedules listed in the table of contents as management's discussion and analysis, other supplementary information, supplementary financial information, and other statistical information, for the year ended June 30, 2019, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

(Continued)

Other Matters (Continued)

Other Information (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2019 is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note A, for the year ended June 30, 2019.

The District's basic financial statements, for the year ended June 30, 2018 (not presented herein), were audited by other auditors whose report thereon, dated September 24, 2018, expressed unmodified opinions on the respective modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The report of the other auditors, dated September 30, 2018, stated that the Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund, Debt Service Fund and the Fire Prevention and Life Safety Fund, with comparative actual totals, for the year ended June 30, 2018, were subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

The managements' discussion and analysis on pages 5 through 11, and the other supplementary information and other statistical information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019, on our consideration of Butler Elementary School District No. 53'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 Butler Elementary School District No. 53's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
October 31, 2019

BUTLER ELEMENTARY SCHOOL DISTRICT NO. 53
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

The Management's Discussion and Analysis ("MD&A") is an element of the financial reporting model adopted by the Governmental Accounting Standards Board (GASB). In this area, Butler Elementary School District No. 53 (the District) presents its discussion and analysis of the District's performance and provides an overall review of the District's financial activities for the year ended June 30, 2019. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements, including footnotes, to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$22,348,874 (net position).
- The total net position of the District increased by \$185,256 during fiscal year 2019.
- The fund balance of the District's governmental funds increased by \$584,140, resulting in an ending fund balance of \$12,821,425.
- The District's long-term liabilities decreased by \$173,794 to \$364,485, due to the retirement of existing debt.

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 the financial statements.

This report also contains other supplementary information, supplementary financial information and other statistical 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 financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

The statement of activities – modified cash basis presents information showing how the government's net position changed during the fiscal year being reported. All current year revenues and expenses are included when the cash is received or paid.

BUTLER ELEMENTARY SCHOOL DISTRICT NO. 53
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

Government-wide financial statements (Continued)

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

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.

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

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

The District maintains seven individual governmental funds. Information is presented separately in the governmental funds statement of assets and liabilities arising from cash transactions and in the governmental funds statement of revenues collected, expenditures paid, and changes in fund balances for the General Fund (which includes the Educational and Working Cash accounts), and the Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Debt Service, Capital Projects, and Fire Prevention and Safety funds, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison 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 statements 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 entity-wide fund financial statements, which are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**BUTLER ELEMENTARY SCHOOL DISTRICT NO. 53
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information, including fund budgetary data as well as pension data related to the Teachers' Retirement System of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF) and funding for the Teachers' Health Insurance Security Fund (THIS) other postemployment benefits.

Government-wide Financial Analysis

Net Position: The District's net position increased from \$22,163,618 at June 30, 2018 (as restated, see Note M) to \$22,348,874 at June 30, 2019.

Figure A-1

***Condensed Statement of Net Position – Modified Cash Basis
as of June 30,***

	Governmental Activities	
	<u>2019</u>	<u>2018*</u>
Assets :		
Current assets	\$ 12,987,507	\$ 12,418,124
Capital assets	<u>9,891,934</u>	<u>10,464,612</u>
Total assets	<u>22,879,441</u>	<u>22,882,736</u>
Liabilities:		
Payroll deductions payable	127,649	180,839
Other liabilities	38,433	-
Long-term liabilities	<u>364,485</u>	<u>538,279</u>
Total liabilities	<u>530,567</u>	<u>719,118</u>
Net position:		
Net investment in capital assets	9,536,934	4,877,733
Restricted	3,151,418	2,342,217
Unrestricted	<u>9,660,522</u>	<u>9,895,068</u>
Total net position	<u>\$ 22,348,874</u>	<u>\$ 22,163,618</u>

*as restated, see Note M

BUTLER ELEMENTARY SCHOOL DISTRICT NO. 53
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

Change in Net Position: The District's total revenues were \$13,245,702. (See Figure A-2). Real estate taxes and personal property replacement taxes accounted for 75% of the District's revenues. The remainder came from other state grants, federal grants, and other sources. Real estate taxes were reduced in 2019 due to the timing of early collections of the 2017 levy reflected in 2018.

The total cost of all programs and services was \$13,060,446. The District's expenses are predominantly related to instructing, caring for pupil services, and transporting students. Total revenues exceeded expenses by \$185,256.

The District's on-behalf payments decreased from \$3,706,132 in fiscal year 2018 to \$2,291,637 in fiscal year 2019 which are included in Figure A-2 in the Operating grants and contributions revenues and the Instruction expenses

Figure A-2

Change in Net Position – Modified Cash Basis
For the year ended June 30,

	Government Activities	
	<u>2019</u>	<u>2018</u> **
Revenues:		
Program revenues		
Charges for services	\$ 430,135	\$ 643,454
Operating grants and contributions	2,422,200	3,924,780
General revenues		
Real estate taxes	9,527,525	10,731,962
Personal property replacement taxes	340,823	314,519
State aid-formula grants	292,512	291,974
Investment earnings	22,544	26,554
Other	209,963	144,448
Total revenues	<u>13,245,702</u>	<u>16,077,691</u>
Expenses:		
Instruction	7,910,945	10,105,183
Pupil and instructional services	1,255,339	1,296,827
Administration and business	1,983,556	1,682,731
Operations and maintenance	1,320,121	1,070,818
Transportation	429,341	492,560
Other	161,074	15,786
Total expenses	<u>13,060,446</u>	<u>14,663,905</u>
Change in net position	185,256	1,413,786
Net position:		
Beginning of year	<u>22,163,618*</u>	<u>21,876,307</u>
End of year	<u>\$ 22,348,874</u>	<u>\$ 23,290,093</u>

*as restated, see Note M

**as originally reported

**BUTLER ELEMENTARY SCHOOL DISTRICT NO. 53
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Financial Analysis of the District's Funds

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

At June 30, 2019, the District's governmental funds reported a combined ending fund balance of \$12,821,425, which is an increase of \$584,140 in comparison with the prior year.

General Fund Budgetary Highlights

The District's budget for the General Fund anticipated revenues collected in excess of expenditures paid of \$245,687. Total budgeted expenditures were \$9,710,188 in 2019 compared to budgeted expenditures of \$9,622,708 in 2018. The actual results for the year show revenues collected in excess of expenditures paid of \$853,901, because expenditures were reduced compared to budgeted amounts, with the exclusion of the on-behalf payments to TRS and THIS.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2019 amounted to \$9,891,934 (net of accumulated depreciation). This investment in capital assets included land, buildings, site improvements, and equipment. (See Figure A-3).

Figure A-3

Capital Assets (net of accumulated depreciation)

	<u>2019</u>	<u>2018*</u>
Land	\$ 269,291	\$ 269,291
Land improvements	2,338,490	2,368,757
Building improvements	6,347,072	6,786,749
Equipment	<u>937,081</u>	<u>1,039,815</u>
Total capital assets	<u>\$ 9,891,934</u>	<u>\$ 10,464,612</u>

*The District recorded a prior period adjustment to properly record the value of capital assets based on a revised record of historical cost prepared by management. The revisions resulted in an adjustment to reduce the value of capital assets and beginning net position, of the District, by \$1,126,475.

Additional information on the District's capital assets can be found in the notes to the financial statements (Note E).

BUTLER ELEMENTARY SCHOOL DISTRICT NO. 53
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

Long-Term Liabilities

At June 30, 2019, the District had total bonded debt outstanding of \$364,485 (net of unamortized premium), backed by the full faith and credit of the District (See Figure A-4).

Principal payments on long-term debt totaled \$170,000 for general obligation bonds, for fiscal year 2019.

Figure A-4

	<i>Long-Term Liabilities</i>	
	<u>2019</u>	<u>2018</u>
Bonds payable, net	\$ <u>364,485</u>	\$ <u>538,279</u>
Total Long-Term Liabilities	<u>\$ 364,485</u>	<u>\$ 538,279</u>

Additional information on the District's long-term liabilities can be found in the notes to the financial statements (Note F).

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- ◆ The District has several remaining capital projects that need to be completed over the next three to five years totally approximately \$5.3M. Capital projects are part of the Master Facility Plan and Life Safety Plan for the school district developed in collaboration with the District's architects. Projects will be scheduled as funds are available so that fund balance conform to the Board of Education's Policy #3030.
- ◆ The State of Illinois legislature enacted PA 100-0465 that changes the general state aid system for Illinois public schools. At this time, District 53 projects that revenue from the State of Illinois will remain low and may decrease over time as limited State resources are allocated.
- ◆ Due to the increasing pension liabilities of the Teachers' Retirement System, and the uncertain status of the future ability of the State of Illinois to cover payments, related costs will continue to be shifted to local school districts putting further stress on the District's limited ability to raise property taxes in conjunction with those increased expenses.
- ◆ The District converted to a new general ledger system, Skyward, on January 1, 2019 and brought all its accounting operations in house. The District previously utilized the Proviso Township Treasurer and its software (DCR) through an intergovernmental agreement. The District expects no additional headcount because of this change due to the increased efficiency of the new software.

**BUTLER ELEMENTARY SCHOOL DISTRICT NO. 53
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Office, Butler Elementary School District No. 53, 2801 York Road, Oak Park, Illinois 60523.

BASIC FINANCIAL STATEMENTS

Butler Elementary School District No. 53
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2019

ASSETS

Cash and investments	\$ 12,987,507
Capital assets:	
Land	269,291
Depreciable buildings, property, and equipment, net	<u>9,622,643</u>
Total assets	<u>22,879,441</u>

LIABILITIES

Payroll deductions payable	127,649
Due to fiduciary funds	38,433
Long-term liabilities:	
Due within one year	175,000
Due after one year	<u>189,485</u>
Total liabilities	<u>530,567</u>

NET POSITION

Net investment in capital assets	9,536,934
Restricted for:	
Operations and maintenance	1,664,886
Debt service	134,449
Student transportation	265,291
Retirement benefits	128,870
Capital projects	957,922
Unrestricted	<u>9,660,522</u>
Total net position	<u>\$ 22,348,874</u>

The accompanying notes are an integral part of this statement.

Butler Elementary School District No. 53
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended June 30, 2019

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Position (Deficit)
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 4,117,098	\$ 353,032	\$ 38,179	\$ (3,725,887)
Special programs	1,273,294	-	10,925	(1,262,369)
Other instructional programs	228,916	4,900	-	(224,016)
State retirement contributions	2,291,637	-	2,291,637	-
Support services:				
Pupils	345,112	-	13,003	(332,109)
Instructional staff	910,287	-	6,549	(903,738)
General administration	762,914	-	-	(762,914)
School administration	540,893	-	-	(540,893)
Business	679,759	-	-	(679,759)
Transportation	429,341	66,193	61,907	(301,241)
Operations and maintenance	1,320,121	6,010	-	(1,314,111)
Central	7,529	-	-	(7,529)
Nonprogrammed charges - excluding special education	145,524	-	-	(145,524)
Interest and fees	8,021	-	-	(8,021)
Total governmental activities	<u>\$ 13,060,446</u>	<u>\$ 430,135</u>	<u>\$ 2,422,200</u>	<u>(10,208,111)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				7,954,136
Real estate taxes, levied for specific purposes				1,412,949
Real estate taxes, levied for debt service				160,440
Personal property replacement taxes				340,823
State aid-formula grants				292,512
Investment earnings				209,963
Miscellaneous				22,544
Total general revenues				<u>10,393,367</u>
Change in net position				185,256
Net position, beginning of year, as restated (see Note M)				<u>22,163,618</u>
Net position, end of year				\$ 22,348,874

The accompanying notes are an integral part of this statement.

Butler Elementary School District No. 53
GOVERNMENTAL FUNDS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 9,823,098	\$ 1,664,886	\$ 265,291	\$ 141,861
Total assets	<u>\$ 9,823,098</u>	<u>\$ 1,664,886</u>	<u>\$ 265,291</u>	<u>\$ 141,861</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Payroll deductions payable	\$ 114,658	\$ -	\$ -	\$ 12,991
Due to fiduciary funds	<u>38,433</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>153,091</u>	<u>-</u>	<u>-</u>	<u>12,991</u>
FUND BALANCES				
Restricted	-	1,664,886	265,291	128,870
Assigned	-	-	-	-
Unassigned	<u>9,670,007</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>9,670,007</u>	<u>1,664,886</u>	<u>265,291</u>	<u>128,870</u>
Total liabilities and fund balance	<u>\$ 9,823,098</u>	<u>\$ 1,664,886</u>	<u>\$ 265,291</u>	<u>\$ 141,861</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
<u>\$ 134,449</u>	<u>\$ 952,888</u>	<u>\$ 5,034</u>	<u>\$ 12,987,507</u>
<u><u>\$ 134,449</u></u>	<u><u>\$ 952,888</u></u>	<u><u>\$ 5,034</u></u>	<u><u>\$ 12,987,507</u></u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,649</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>38,433</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>166,082</u>
134,449	-	5,034	2,198,530
-	952,888	-	952,888
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,670,007</u>
<u>134,449</u>	<u>952,888</u>	<u>5,034</u>	<u>12,821,425</u>
<u><u>\$ 134,449</u></u>	<u><u>\$ 952,888</u></u>	<u><u>\$ 5,034</u></u>	<u><u>\$ 12,987,507</u></u>

Butler Elementary School District No. 53
RECONCILIATION OF THE STATEMENT OF ASSETS AND LIABILITIES ARISING
FROM CASH TRANSACTIONS OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2019

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

Total fund balance - governmental funds	\$ 12,821,425
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Net capital assets used in governmental activities and included in the statement of net position - modified cash basis do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds Statement of Assets and Liabilities Arising from Cash Transactions.	9,891,934
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Long-term liabilities included in the statement of net position - modified cash basis are not due and payable in the current period and, accordingly, are not included in the governmental funds Statement of Assets and Liabilities Arising from Cash Transactions.	<u>(364,485)</u>
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Net position - governmental activities	<u><u>\$ 22,348,874</u></u>
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The accompanying notes are an integral part of this statement.

Butler Elementary School District No. 53
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2019

	General	Operations and Maintenance	Transportation
Revenues collected:			
Property taxes	\$ 7,954,136	\$ 1,001,481	\$ 345,828
Replacement taxes	334,950	-	-
State aid	2,594,986	-	61,907
Federal aid	57,819	-	-
Interest	156,643	28,741	4,093
Other	380,446	6,010	66,223
	<u>11,478,980</u>	<u>1,036,232</u>	<u>478,051</u>
Total revenues collected			
Expenditures paid			
Current:			
Instruction:			
Regular programs	4,025,793	-	-
Special programs	966,253	-	-
Other instructional programs	223,321	-	-
State retirement contributions	2,291,637	-	-
Support services:			
Pupils	331,648	-	-
Instructional staff	700,366	-	-
General administration	741,537	-	-
School administration	516,326	-	-
Business	325,978	-	-
Transportation	-	-	494,872
Operations and maintenance	-	875,875	-
Central	6,729	-	-
Nonprogrammed charges	411,705	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	83,786	121,210	-
	<u>10,625,079</u>	<u>997,085</u>	<u>494,872</u>
Total expenditures paid			
Excess (deficiency) of revenues collected over expenditures paid	853,901	39,147	(16,821)
Other financing sources (uses)			
Transfers in	-	1,000,000	-
Transfers (out)	(1,000,000)	(1,000,000)	-
	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	(146,099)	39,147	(16,821)
Fund balance, beginning of year	9,816,106	1,625,739	282,112
	<u>9,816,106</u>	<u>1,625,739</u>	<u>282,112</u>
Fund balance, end of year	\$ 9,670,007	\$ 1,664,886	\$ 265,291
	<u>\$ 9,670,007</u>	<u>\$ 1,664,886</u>	<u>\$ 265,291</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 65,640	\$ 160,440	\$ -	\$ -	\$ 9,527,525
5,873	-	-	-	340,823
-	-	-	-	2,656,893
-	-	-	-	57,819
1,615	2,086	16,728	57	209,963
-	-	-	-	452,679
<u>73,128</u>	<u>162,526</u>	<u>16,728</u>	<u>57</u>	<u>13,245,702</u>
46,646	-	-	-	4,072,439
40,860	-	-	-	1,007,113
5,595	-	-	-	228,916
-	-	-	-	2,291,637
8,987	-	-	-	340,635
23,934	-	-	-	724,300
14,267	-	-	-	755,804
24,567	-	-	-	540,893
17,041	-	-	-	343,019
-	-	-	-	494,872
37,212	-	-	-	913,087
800	-	-	-	7,529
-	-	-	-	411,705
-	170,000	-	-	170,000
-	11,815	-	-	11,815
-	-	142,802	-	347,798
<u>219,909</u>	<u>181,815</u>	<u>142,802</u>	<u>-</u>	<u>12,661,562</u>
(146,781)	(19,289)	(126,074)	57	584,140
-	-	1,000,000	-	2,000,000
-	-	-	-	(2,000,000)
-	-	1,000,000	-	-
(146,781)	(19,289)	873,926	57	584,140
<u>275,651</u>	<u>153,738</u>	<u>78,962</u>	<u>4,977</u>	<u>12,237,285</u>
<u>\$ 128,870</u>	<u>\$ 134,449</u>	<u>\$ 952,888</u>	<u>\$ 5,034</u>	<u>\$ 12,821,425</u>

Butler Elementary School District No. 53
RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds	\$ 584,140
--	------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities - modified cash basis, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.	(572,678)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	170,000
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Governmental funds report the effect of premiums, discounts, losses on refunding and similar items when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences.	<u>3,794</u>
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Change in net position - governmental activities	<u><u>\$ 185,256</u></u>
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The accompanying notes are an integral part of this statement.

Butler Elementary School District No. 53
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ <u>108,143</u>
LIABILITIES	
Due to student groups	\$ <u>108,143</u>

The accompanying notes are an integral part of this statement.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Butler Elementary School District No. 53 (the District) have been prepared in conformity with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

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

1. Reporting Entity

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

The District includes all funds of its operations that are controlled by or dependent upon the District, as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

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

2. Fund Accounting

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

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

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

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

3. Government-Wide and Fund Financial Statements

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

The statement of activities - modified cash basis 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 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. Taxes and other items not properly included among program revenues are reported as general revenues.

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

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds

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

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

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

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

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

c. Debt Service Fund

The *Debt Service Fund* - is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service.

d. Capital Projects Fund

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

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

e. Fiduciary Funds

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the modified-cash basis of accounting.

The governmental funds financial statements are prepared using the modified-cash basis of accounting. The modified-cash basis of accounting omits recognition of certain revenues and the related assets, such as taxes receivable, until received rather than earned. Also, certain expenditures and the related liabilities, such as accounts payable, accrued items, pension liabilities, and other postemployment benefits are recognized when paid rather than when the obligation is incurred. The financial statements reflect assets and liabilities arising from cash transactions, revenues collected, and expenditures paid. The modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America.

5. Budgetary Data

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Deposits and Investments

Investments are stated at cost. Gains and losses on the sale of investments are recorded as interest income at the date of sale or maturity.

7. Personal Property Replacement Taxes

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

8. Capital Assets

Capital assets, which include land, buildings, land improvements, and equipment, are reported in the government-wide modified cash basis financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Land improvements	20
Equipment	5 - 10

9. Long-Term Obligations

In the government-wide modified cash basis financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position - modified cash basis. Bond premiums and discounts are amortized over the life of the applicable bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are expensed as incurred.

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Use of Estimates

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

11. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service funds and capital projects funds, are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District does not have any committed fund balances at June 30, 2019.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. The Board of Education has declared that the Superintendent or her designee may assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. The District had \$952,888 of assigned funds at June 30, 2019.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Fund Balance (Continued)

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

Restricted fund balances are for the purpose of the restricted funds described in Note A-3.

12. Restricted Net Position

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

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

13. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. Investments are stated at fair value.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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

Explanation of Certain Differences Between the Governmental Funds Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances and the Government-wide Statement of Activities - Modified Cash Basis

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

Capital outlay	\$ 292,119
Depreciation expense	(820,138)
Loss on disposal	<u>(44,659)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ (572,678)</u>

NOTE C - DEPOSITS AND INVESTMENTS

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2019, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>12,987,507</u>	\$ <u>108,143</u>	\$ <u>13,095,650</u>

For disclosure purposes, this amount is segregated as follows:

	<u>Total</u>
Deposits with financial institutions *	\$ 7,066,947
Negotiable certificates of deposit	738,240
Illinois Funds	1,560,996
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	2,504,675
Illinois Metropolitan Investment Fund (IMET)	
- Convenience Series	3,792
Other investments	<u>1,221,000</u>
	<u>\$ 13,095,650</u>

*Includes accounts held in demand accounts and savings accounts, as well as non-negotiable certificates of deposit, and money market savings accounts, which are valued at cost.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The District's investments detailed in the interest rate risk table below are measured at cost.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. Maturity information on other investments is shown in the table below.

Investment Type	Fair Value	Investment Maturity in Years			
		Less than 1	1-5	6-10	More than 10
Negotiable certificates of deposit	\$ 738,240	\$ -	\$ 738,240	\$ -	\$ -
Freddie MAC	721,000	-	500,000	221,000	-
Federal Farm Credit Bank (FFCB)	500,000	-	-	500,000	-
	<u>\$ 1,959,240</u>	<u>\$ -</u>	<u>\$ 1,238,240</u>	<u>\$ 721,000</u>	<u>\$ -</u>

The following investments are measured at net asset value (NAV):

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$ 2,504,675	N/A	Daily	1 day
Illinois Funds	\$ 1,560,996	N/A	Daily	1 day

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investments in negotiable certificates of deposits are unrated.

At June 30, 2019, the District's investments subject to credit risk were rated as follows:

Investment	Moody's Investor	Standard & Poor's
Freddie MAC	Aaa	AA+
Federal Farm Credit Bank	Aaa	AA+

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Credit Risk (Continued)

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price the investment can be sold.

IMET is a governmental investment fund created under the Illinois Municipal Code. IMET actively manages two investment funds for municipal treasurers, official custodians of municipal funds, and other public agencies in the State of Illinois. The investment fund used by the Pool is the IMET Convenience Fund (CVF), which is a short-term money market instrument supported by FDIC Insurance, collateralized by eligible collateral at least 110%, and U. S. Government Securities. The Convenience Fund rate is primarily pegged to the Federal Funds Rate. Investments in IMET are valued at amortized cost. There were no unfunded commitments and no redemption limitations or notice periods.

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is 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 providing that all deposits in excess of FDIC insurable limits may be secured by collateral to protect against an event of default or failure of the financial institution holding the funds. At June 30, 2019, the bank balances of the District's deposits with financial institutions totaling \$7,641,217 were fully insured or collateralized.

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE D - PROPERTY TAXES

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2018 tax levy resolution was approved by the Board on December 10, 2018. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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

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

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019**NOTE E - CAPITAL ASSETS**

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

	Beginning Balance as Restated*	Additions	Disposals	Ending Balance
Capital assets, not being depreciated				
Land	\$ 269,291	\$ -	\$ -	\$ 269,291
Total capital assets, not being depreciated	269,291	-	-	269,291
Capital assets, being depreciated				
Land improvements	3,242,422	115,077	-	3,357,499
Building improvements	13,675,350	97,028	44,659	13,727,719
Equipment	2,115,538	80,014	-	2,195,552
Total capital assets, being depreciated	19,033,310	292,119	44,659	19,280,770
Less accumulated depreciation for:				
Land improvements	873,665	145,344	-	1,019,009
Building improvements	6,888,601	492,046	-	7,380,647
Equipment	1,075,723	182,748	-	1,258,471
Total accumulated depreciation	8,837,989	820,138	-	9,658,127
Total capital assets, being depreciated, net	10,195,321	(528,019)	44,659	9,622,643
Governmental activities capital assets, net	\$ 10,464,612	\$ (528,019)	\$ 44,659	\$ 9,891,934

* See Note M for information regarding the prior period adjustment to capital assets.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - CAPITAL ASSETS (Continued)

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

Health services	\$	4,477
Educational media		185,987
Executive administrative services		7,110
Facilities acquisition and construction services		336,740
Operations and maintenance		285,824
Total depreciation expense - governmental activities	\$	<u>820,138</u>

NOTE F - LONG-TERM LIABILITIES

During the year ended June 30, 2019, changes in long-term liabilities were as follows:

	Balance at July 1, 2018	Debt Issued	Debt Retired	Balance at June 30, 2019
General obligation bonds	\$ 525,000	\$ -	\$ 170,000	\$ 355,000
Unamortized premiums	<u>13,279</u>	<u>-</u>	<u>3,794</u>	<u>9,485</u>
Total long-term liabilities	<u>\$ 538,279</u>	<u>\$ -</u>	<u>\$ 173,794</u>	<u>\$ 364,485</u>
Due within one year - general obligation bonds				<u>\$ 175,000</u>

Bonds Payable

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

	Bonds Payable July 1, 2018	Debt Issued	Debt Retired	Bonds Payable June 30, 2019
\$990,000 General Obligation School Bonds, Series 2014; due December 1, 2021; interest at 2.25%.	<u>\$ 525,000</u>	<u>\$ -</u>	<u>\$ 170,000</u>	<u>\$ 355,000</u>

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - LONG-TERM LIABILITIES (Continued)

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

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 175,000	\$ 7,988	\$ 182,988
2021	<u>180,000</u>	<u>4,051</u>	<u>184,051</u>
Total	<u>\$ 355,000</u>	<u>\$ 12,039</u>	<u>\$ 367,039</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$134,449 in the Debt Service Fund at June 30, 2019 to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$63,628,553, of which \$63,273,553 is fully available.

NOTE G - INTERFUND TRANSFERS

During the year, the Board transferred \$1,000,000 from the General (Educational Account) Fund to the Operations and Maintenance Fund and then transferred the same amount from the Operations and Maintenance Fund to the Capital Projects Fund. These transfers were made for the purpose of enabling payment of anticipated expenditures associated with capital projects.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES

The following information related to total pension liability, deferred outflows of resources, and deferred inflows of resources is included for disclosure purposes only. The District's financial statements, which are reported on a modified cash basis, do not include these items.

1. Teachers' Retirement System of the State of Illinois

General Information About the Pension Plan

Plan Description

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

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

Benefits Provided

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

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

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.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Contributions (Continued)

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

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, state of Illinois contributions reported 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 \$2,227,520 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 \$29,990, and are deferred because they were paid after the June 30, 2018 measurement date.

Federal and Special Trust Fund Contributions

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

Butler Elementary School District No. 53
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Contributions (Continued)

Federal and Special Trust Fund Contributions (Continued)

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, there were no salaries paid from federal and special trust funds, and thus there were no required employer contribution.

Early Retirement Cost Contributions

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the District made no employer contributions to TRS due on salary increases in excess of 6 percent, no contributions for salary increases in excess of 3 percent, and no contributions for sick leave days granted in excess of the normal annual allotment.

Butler Elementary School District No. 53
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

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

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

District's proportionate share of the net pension liability	\$ 570,408
State's proportionate share of the net pension liability associated with the District	<u>39,075,325</u>
Total	<u>\$ 39,645,733</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. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0007318096 percent, which was an increase of 0.0000277499 percent from its proportion measured as of June 30, 2017.

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

State on-behalf contributions - revenue	\$ 2,227,520
and expense/expenditure	
District TRS pension expense	<u>22,990</u>
Total TRS expense/expenditure	<u>\$ 2,250,510</u>

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,464	\$ 124
Change of assumptions	25,018	16,167
Net difference between projected and actual earnings on pension plan investments	-	1,747
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>22,624</u>	<u>36,063</u>
Total deferred amounts to be reported in pension expense in the future periods	<u>59,106</u>	<u>54,101</u>
District contributions subsequent to the measurement date	<u>29,990</u>	<u>-</u>
	<u>\$ 89,096</u>	<u>\$ 54,101</u>

The District reported \$29,990 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 7,550
2021	(944)
2022	(6,211)
2023	2,587
2024	<u>2,023</u>
	<u>\$ 5,005</u>

Butler Elementary School District No. 53
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions

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

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0 %	6.7 %
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real return	4.0	1.8
Absolute return	14.0	3.9
Private equity	15.0	10.2
Total	100 %	

Discount Rate

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

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

Butler Elementary School District No. 53
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

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

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

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

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ <u>699,551</u>	\$ <u>570,408</u>	\$ <u>466,408</u>

TRS Fiduciary Net Position

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

2. Illinois Municipal Retirement Fund

Plan Description

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Benefits Provided

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	49
Inactive plan members entitled to but not yet receiving benefits	90
Active plan members	24
	<hr/>
Total	163
	<hr/>

Butler Elementary School District No. 53
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2018 was 10.55%. For the fiscal year ended June 30, 2019 the District contributed \$77,361 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

Long-term Expected Rate of Return

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

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate

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

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

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 3,965,512	\$ 3,869,831	\$ 95,681
Changes for the year:			
Service cost	85,814	-	85,814
Interest on the total pension liability	291,396	-	291,396
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	2,310	-	2,310
Changes of assumptions	99,798	-	99,798
Contributions - employer	-	88,265	(88,265)
Contributions - employees	-	39,038	(39,038)
Net investment income	-	(210,222)	210,222
Benefit payments, including refunds of employee contributions	(246,271)	(246,271)	-
Other (net transfer)	-	67,773	(67,773)
Net changes	233,047	(261,417)	494,464
Balances at December 31, 2018	\$ 4,198,559	\$ 3,608,414	\$ 590,145

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability	\$ 1,034,791	\$ 590,145	\$ 214,875

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2019 the District reported pension expense of \$104,734. At June 30, 2019, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 768	\$ -
Change of assumptions	33,186	-
Net difference between projected and actual earnings on pension plan investments	<u>453,360</u>	<u>219,389</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>487,314</u>	<u>219,389</u>
Pension contributions made subsequent to the measurement date	<u>35,584</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 522,898</u>	<u>\$ 219,389</u>

The District reported \$35,584 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date which will be reported as a reduction of the net pension liability in the reporting year ended June 30, 2020.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

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

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$ 110,858
2021	30,782
2022	26,577
2023	99,708
2024	-
Thereafter	<u>-</u>
Total	<u>\$ 267,925</u>

3. Summary of Pension Items

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 29,990	\$ 35,584	\$ 65,574
Experience	11,464	768	12,232
Assumptions	25,018	33,186	58,204
Proportionate share	22,624	-	22,624
Investments	<u>-</u>	<u>453,360</u>	<u>453,360</u>
	<u>\$ 89,096</u>	<u>\$ 522,898</u>	<u>\$ 611,994</u>
Net pension liability	<u>\$ 570,408</u>	<u>\$ 590,145</u>	<u>\$ 1,160,553</u>
Pension expense	<u>\$ 2,250,510</u>	<u>\$ 104,734</u>	<u>\$ 2,355,244</u>

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

Below is a summary of the various pension items: (Continued)

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred inflows of resources:			
Investments	\$ 1,747	\$ 219,389	\$ 221,136
Experience	124	-	124
Assumptions	16,167	-	16,167
Proportionate share	<u>36,063</u>	<u>-</u>	<u>36,063</u>
	<u>\$ 54,101</u>	<u>\$ 219,389</u>	<u>\$ 273,490</u>

4. Social Security/Medicare

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS

The following information related to total OPEB liability, deferred outflows of resources, and deferred inflows of resources is included for disclosure purposes only. The District's financial statements, which are reported on a modified cash basis, do not include these items.

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

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

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

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

Benefits Provided

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

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of covered payroll. For the year ended June 30, 2019, State of Illinois contributions on behalf of the District's employees were \$64,117 and the District recognized revenue and expenditures for this on-behalf contribution amount during the year.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Contributions (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$47,570 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 measurement date.

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

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

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 5,826,543
State's estimated proportionate share of the net OPEB liability associated with the District *	7,823,791
Total	<u>\$ 13,650,334</u>

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

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.022116 percent, which was an increase of 0.000374 percent from its proportion measured as of June 30, 2017.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

State on-behalf contributions - OPEB revenue	\$	64,117
and expense/expenditure		
District OPEB pension expense		<u>47,570</u>
Total OPEB expense/expenditure	\$	<u><u>111,687</u></u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 20,906
Change of assumptions	-	848,443
Net difference between projected and actual earnings on OPEB plan investments	-	179
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>253,649</u>	<u>2,748</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>253,649</u>	<u>872,276</u>
District contributions subsequent to the measurement date	<u>47,570</u>	<u>-</u>
Total deferred amounts related to OPEB	<u><u>\$ 301,219</u></u>	<u><u>\$ 872,276</u></u>

The District reported \$47,570 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2020	\$ 107,108
2021	107,108
2022	107,108
2023	107,093
2024	107,060
Thereafter	<u>83,150</u>
Total	<u>\$ 618,627</u>

Actuarial Assumptions

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

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Actuarial Assumptions (Continued)

Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Trend Rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Discount Rate

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

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Investment Return

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

Money-Weighted Rate of Return

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

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

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

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
District's proportionate share of the net OPEB liability \$	<u>7,005,752</u>	<u>\$ 5,826,543</u>	<u>\$ 4,895,658</u>

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

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

	1% Decrease*	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability \$	<u>4,724,383</u>	<u>\$ 5,826,543</u>	<u>\$ 7,311,417</u>

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

* One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.86% in 2026, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

2. Retiree Health Plan (RHP)

The District allows eligible employees the ability to elect post-retirement benefits under two options. Option A allows eligible employees to choose to receive a maximum of five (5) years of single health insurance if enrolled in the TRS health insurance plan up to a maximum Board contribution of \$5,000 annually. This post-retirement health insurance contribution will be immediately discontinued if the retiree elects an alternative health plan other than TRS, reaches age 65, or is otherwise eligible for Medicare, whichever occurs first.

Option B allows eligible employees to choose to take a one-time post-retirement payment of \$18,500 towards a 403b payable within 60 days after July 1st of the last year of the teacher's employment provided such employer contribution does not exceed the annual IRS limit.

The District currently has minimal retirees and a small population of employees in total. The District reports on the modified cash basis and therefore the liability would not be reported and has not been calculated.

NOTE J - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases coverage against such risks. To protect the District from such risks, the District participates in the following public entity risk pools: School Employee Loss Fund (SELF) for worker's compensation claims and the Suburban School Cooperative Insurance Pool (SSCIP) for property, general liability, automobile, employee dishonesty and excess liability claims.. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE J - RISK MANAGEMENT (Continued)

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

There have been no significant reductions in insurance coverage in any of the past three years. Settlements have not exceeded coverage for each of the past three fiscal years, and the pooled coverage has not been exceeded.

NOTE K - CONTINGENCIES

1. Litigation

The District is a defendant in various lawsuits and other pending matters. Although the eventual outcome and related liability, if any, is not determinable at this time, in the opinion of the District's management, the resolution of these matters will not have a material adverse effect on the financial condition of the District. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

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

NOTE L - JOINT AGREEMENTS

The District is a member of the LaGrange Area Department of Special Education (LADSE), and holds a joint agreement that provides certain special education services to residents of many school districts. The District also participates in SELF (see Note L). The District believes that, because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

NOTE M - PRIOR PERIOD ADJUSTMENT

The District recorded a prior period adjustment to properly record the value of capital assets based on a revised record of historical cost prepared by management. The revisions resulted in an adjustment to reduce the value of capital assets and beginning net position of the government-wide financial statements of the District, by \$1,126,475.

Butler Elementary School District No. 53

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 31, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions that have occurred subsequent to the statement of position date that require disclosure in the financial statements.

OTHER SUPPLEMENTARY INFORMATION
(Unaudited)

Butler Elementary School District No. 53

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Illinois Municipal Retirement Fund

Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 85,814	\$ 85,749	\$ 83,564
Interest on the total pension liability	291,396	287,568	276,496
Benefit changes	-	-	-
Difference between expected and actual experience			
of the total pension liability	2,310	48,340	12,423
Assumption changes	99,798	(132,458)	(3,992)
Benefit payments and refunds	(246,271)	(230,112)	(223,640)
Net change in total pension liability	233,047	59,087	144,851
Total pension liability, beginning	3,965,512	3,906,425	3,761,574
Total pension liability, ending	<u>\$ 4,198,559</u>	<u>\$ 3,965,512</u>	<u>\$ 3,906,425</u>
Plan fiduciary net position			
Contributions, employer	\$ 88,265	\$ 88,183	\$ 89,387
Contributions, employee	39,038	41,233	42,349
Net investment income	(210,222)	616,081	222,471
Benefit payments, including refunds of employee			(223,640)
contributions	(246,271)	(230,112)	
Other (net transfer)	67,773	(70,048)	2,990
Net change in plan fiduciary net position	(261,417)	445,337	133,557
Plan fiduciary net position, beginning	3,869,831	3,424,494	3,290,937
Plan fiduciary net position, ending	<u>\$ 3,608,414</u>	<u>\$ 3,869,831</u>	<u>\$ 3,424,494</u>
Net pension liability	<u>\$ 590,145</u>	<u>\$ 95,681</u>	<u>\$ 481,931</u>
Plan fiduciary net position as a percentage of the total pension liability	85.94 %	97.59 %	87.66 %
Covered valuation payroll	\$ 836,632	\$ 844,653	\$ 785,479
Net pension liability (asset) as a percentage of covered valuation payroll	70.54 %	11.33 %	61.36 %

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

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

	<u>2016</u>	<u>2015</u>
\$	81,201	\$ 84,002
	269,129	245,934
	-	-
	(32,876)	30,288
	-	160,156
	(216,904)	(192,939)
	<u>100,550</u>	<u>327,441</u>
	3,661,024	3,333,583
\$	<u><u>3,761,574</u></u>	<u><u>3,661,024</u></u>
\$	85,838	\$ 87,817
	38,506	36,596
	16,321	191,602
	(216,904)	(192,939)
	<u>56,761</u>	<u>12,052</u>
	(19,478)	135,128
	3,310,415	3,175,287
\$	<u><u>3,290,937</u></u>	<u><u>3,310,415</u></u>
\$	<u><u>470,637</u></u>	<u><u>350,609</u></u>
	87.49 %	90.42 %
\$	745,767	\$ 711,648
	63.11 %	49.27 %

Butler Elementary School District No. 53
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Five Most Recent Fiscal Years

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2019	\$ 88,265 *	\$ 88,265	\$ -	\$ 836,632	10.55 %
2018	88,182	88,183	(1)	844,653	10.44
2017	89,388	89,387	1	785,479	11.38
2016	85,838	85,838	-	745,767	11.51
2015	87,818	87,817	1	711,348	12.34

* Estimated based on contribution rate of 10.55% and covered valuation payroll of \$836,632.

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

Butler Elementary School District No. 53
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Five Most Recent Fiscal Years

	<u>2019</u>		<u>2018</u>	
District's proportion of the net pension liability	0.0007318096	%	0.0007040600	%
District's proportionate share of the net pension liability	\$ 570,408		\$ 537,889	
State's proportionate share of the net pension liability associated with the District	<u>39,075,325</u>		<u>37,029,354</u>	
Total	<u>\$ 39,645,733</u>		<u>\$ 37,567,243</u>	
District's covered-employee payroll	\$ 5,244,079		\$ 5,001,209	
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.88	%	10.76	%
Plan fiduciary net position as a percentage of the total pension liability	40.00	%	39.30	%

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

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0007262900 %	0.0008166100 %	0.0007655300 %
\$ 573,301	\$ 534,964	\$ 465,887
<u>38,492,475</u>	<u>31,944,361</u>	<u>29,053,181</u>
\$ <u><u>39,065,776</u></u>	\$ <u><u>32,479,325</u></u>	\$ <u><u>29,519,068</u></u>
\$ 4,878,843	\$ 4,904,088	\$ 4,709,249
11.75 %	10.91 %	9.89 %
36.40 %	41.50 %	43.00 %

Butler Elementary School District No. 53
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 29,990	\$ 30,416	\$ 29,007
Contributions in relation to the contractually required contribution	<u>30,406</u>	<u>27,265</u>	<u>25,312</u>
Contribution deficiency (excess)	\$ <u>(416)</u>	\$ <u>3,151</u>	\$ <u>3,695</u>
District's covered-employee payroll	\$ 5,170,702	\$ 5,244,079	\$ 5,001,209
Contributions as a percentage of covered-employee payroll	0.59 %	0.52 %	0.51 %

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

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

<u>2016</u>	<u>2015</u>
\$ 28,297	\$ 28,444
<u>24,945</u>	<u>28,614</u>
\$ <u><u>3,352</u></u>	\$ <u><u>(170)</u></u>
\$ 4,878,843	\$ 4,904,088
0.51 %	0.58 %

Butler Elementary School District No. 53
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.000221 %	0.047608 %
District's proportionate share of the net OPEB liability	\$ 5,826,543	\$ 12,353,974
State's proportionate share of the net OPEB liability associated with the District	<u>7,823,791</u>	<u>13,453,237</u>
Total	<u>\$ 13,650,334</u>	<u>\$ 25,807,211</u>
District's covered-employee payroll	\$ 5,244,079	\$ 5,001,209
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	111.11%	247.02%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%

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

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

Butler Elementary School District No. 53
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 47,570	\$ 46,168
Contributions in relation to the contractually required contribution	<u>(46,136)</u>	<u>(42,013)</u>
Contribution excess	<u>\$ 1,434</u>	<u>\$ 4,155</u>
District's covered-employee payroll	\$ 5,170,702	\$ 5,244,079
Contributions as a percentage of covered-employee payroll	0.89%	0.80%

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

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

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Revenues collected				
Local sources				
General levy	\$ 8,104,169	\$ 7,954,136	\$ (150,033)	\$ 9,753,146
Corporate personal property replacement taxes	310,000	334,950	24,950	308,861
Regular tuition from pupils or parents	-	-	-	55,501
Regular tuition from other sources	-	-	-	9,000
Summer school tuition from pupils or parents	3,500	4,900	1,400	-
Interest on investments	95,300	156,643	61,343	97,106
Gain or loss on sale of investments	-	-	-	23,837
Fees	302,500	353,032	50,532	321,631
Contributions and donations from private sources	7,200	9,000	1,800	7,200
Refund of prior years' expenditures	-	5,808	5,808	1,954
Other	<u>5,000</u>	<u>7,706</u>	<u>2,706</u>	<u>5,561</u>
Total local sources	<u>8,827,669</u>	<u>8,826,175</u>	<u>(1,494)</u>	<u>10,583,797</u>
State sources				
Evidenced Based Funding	292,000	292,512	512	291,974
Other Unrestricted Grants-In-Aid from State Sources	3,750	-	(3,750)	-
Special Education - Private Facility Tuition	-	10,087	10,087	31,663
Special Education - Funding for Children Requiring Sp Ed Services	31,000	-	(31,000)	-
Special Education - Personnel	-	-	-	54,223
Special Education - Summer School	-	-	-	38
Other state sources	-	750	750	-
On Behalf Payments to TRS and THIS from the State	<u>750,000</u>	<u>2,291,637</u>	<u>1,541,637</u>	<u>3,706,132</u>
Total state sources	<u>1,076,750</u>	<u>2,594,986</u>	<u>1,518,236</u>	<u>4,084,030</u>

(Continued)

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019				2018
	Original and Final Budget	Actual	Variance From Final Budget		Actual
Federal sources					
Title I - Low Income	\$ 23,186	\$ 35,196	\$ 12,010	\$	21,781
Title IV - Student Support and Academic Enrichment	10,000	13,003	3,003		2,077
Federal - Special Education - Pre-School Flow Through	2,325	-	(2,325)		-
Federal - Special Education					
- I.D.E.A. - Flow Through	5,000	-	(5,000)		-
Federal - Special Education					
- I.D.E.A. - Room and Board	-	580	580		62,015
Title II - Teacher Quality	6,645	5,799	(846)		11,997
Medicaid Matching Funds -					
Fee-For-Service-Program	4,300	258	(4,042)		4,317
Other federal sources	-	2,983	2,983		750
Total federal sources	51,456	57,819	6,363		102,937
Total revenues collected	9,955,875	11,478,980	1,523,105		14,770,764
Expenditures paid					
Instruction					
Regular programs					
Salaries	3,496,875	3,445,902	50,973		3,447,959
Employee benefits	672,436	497,138	175,298		596,806
On-behalf payments to TRS from the state	750,000	2,291,637	(1,541,637)		3,706,132
Purchased services	21,600	11,699	9,901		14,735
Supplies and materials	83,980	64,956	19,024		52,836
Other objects	9,500	6,098	3,402		(8,376)
Total	5,034,391	6,317,430	(1,283,039)		7,810,092

(Continued)

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Instruction (continued)				
Pre-K programs				
Salaries	\$ -	\$ 13,644	\$ (13,644)	\$ -
Employee benefits	-	256	(256)	-
Total	-	13,900	(13,900)	-
Special education programs				
Salaries	812,674	779,305	33,369	793,452
Employee benefits	10,317	88,959	(78,642)	9,466
Supplies and materials	4,900	3,667	1,233	3,683
Other objects	65,000	-	65,000	-
Total	892,891	871,931	20,960	806,601
Special education programs pre-K				
Purchased services	30,500	40,915	(10,415)	26,470
Supplies and materials	1,000	667	333	2,410
Other objects	24,500	-	24,500	8,862
Total	56,000	41,582	14,418	37,742
Interscholastic programs				
Salaries	145,699	192,296	(46,597)	138,283
Employee benefits	-	2,458	(2,458)	-
Purchased services	1,800	(49)	1,849	880
Supplies and materials	600	-	600	-
Other objects	15,700	12,836	2,864	15,205
Total	163,799	207,541	(43,742)	154,368

(Continued)

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Summer school programs				
Salaries	\$ 31,000	\$ -	\$ 31,000	\$ -
Total	31,000	-	31,000	-
Gifted programs				
Supplies and materials	1,800	1,822	(22)	766
Total	1,800	1,822	(22)	766
Bilingual programs				
Supplies and materials	400	58	342	167
Total	400	58	342	167
Special education programs K-12 - private tuition	102,970	52,740	50,230	133,530
Total instruction	6,283,251	7,507,004	(1,223,753)	8,943,266
Support services				
Pupils				
Attendance and social work services				
Salaries	66,377	77,819	(11,442)	133,756
Employee benefits	-	7,076	(7,076)	9,116
Supplies and materials	800	299	501	47
Total	67,177	85,194	(18,017)	142,919
Guidance services				
Salaries	70,695	70,316	379	-
Employee benefits	-	7,816	(7,816)	-
Purchased services	2,300	2,300	-	-
Supplies and materials	4,600	2,535	2,065	-
Capital outlay	-	-	-	-
Total	77,595	82,967	(5,372)	-

(Continued)

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019				2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Health services					
Salaries	\$ 33,605	\$ 33,570	\$ 35	\$	32,058
Employee benefits	365	487	(122)		295
Purchased services	2,500	1,072	1,428		2,117
Supplies and materials	1,405	1,068	337		1,213
Capital outlay	<u>3,600</u>	<u>1,899</u>	<u>1,701</u>		<u>-</u>
Total	<u>41,475</u>	<u>38,096</u>	<u>3,379</u>		<u>35,683</u>
Psychological services					
Salaries	-	-	-		68,061
Purchased services	-	-	-		2,300
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>		<u>1,021</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>		<u>71,382</u>
Speech pathology and audiology services					
Salaries	63,061	71,920	(8,859)		69,838
Employee benefits	-	5,116	(5,116)		-
Supplies and materials	<u>1,550</u>	<u>1,288</u>	<u>262</u>		<u>1,045</u>
Total	<u>64,611</u>	<u>78,324</u>	<u>(13,713)</u>		<u>70,883</u>
Other support services - pupils					
Salaries	43,597	44,433	(836)		-
Employee benefits	9,610	4,533	5,077		-
Supplies and materials	<u>10,000</u>	<u>-</u>	<u>10,000</u>		<u>-</u>
Total	<u>63,207</u>	<u>48,966</u>	<u>14,241</u>		<u>-</u>
Total pupils	<u>314,065</u>	<u>333,547</u>	<u>(19,482)</u>		<u>320,867</u>

(Continued)

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Instructional staff				
Improvement of instruction services				
Salaries	\$ 180,833	\$ 117,122	\$ 63,711	\$ 139,580
Employee benefits	12,493	16,404	(3,911)	11,212
Purchased services	46,667	55,919	(9,252)	76,183
Supplies and materials	22,001	21,148	853	10,353
Other objects	40,700	29,816	10,884	7,289
Total	302,694	240,409	62,285	244,617
Educational media services				
Salaries	296,182	250,466	45,716	285,763
Employee benefits	55,550	44,949	10,601	44,181
Purchased services	56,000	43,131	12,869	73,825
Supplies and materials	149,950	110,437	39,513	113,773
Capital outlay	113,000	78,872	34,128	121,003
Non-capitalized equipment	-	1,865	(1,865)	-
Total	670,682	529,720	140,962	638,545
Assessment and testing				
Purchased services	13,000	-	13,000	7,636
Supplies and materials	1,450	9,109	(7,659)	1,254
Total	14,450	9,109	5,341	8,890
Total instructional staff	987,826	779,238	208,588	892,052

(Continued)

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
General administration				
Board of education services				
Purchased services	\$ 367,495	\$ 347,213	\$ 20,282	\$ 302,282
Other objects	<u>28,500</u>	<u>20,420</u>	<u>8,080</u>	<u>21,701</u>
Total	<u>395,995</u>	<u>367,633</u>	<u>28,362</u>	<u>323,983</u>
Executive administration services				
Salaries	241,580	290,073	(48,493)	224,679
Employee benefits	29,369	38,330	(8,961)	26,279
Purchased services	11,000	8,732	2,268	9,744
Supplies and materials	12,500	16,967	(4,467)	11,802
Capital outlay	3,500	3,015	485	-
Other objects	<u>4,200</u>	<u>3,091</u>	<u>1,109</u>	<u>3,563</u>
Total	<u>302,149</u>	<u>360,208</u>	<u>(58,059)</u>	<u>276,067</u>
Tort immunity services				
Purchased services	<u>-</u>	<u>16,711</u>	<u>(16,711)</u>	<u>-</u>
Total	<u>-</u>	<u>16,711</u>	<u>(16,711)</u>	<u>-</u>
Total general administration	<u>698,144</u>	<u>744,552</u>	<u>(46,408)</u>	<u>600,050</u>

(Continued)

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
School administration				
Office of the principal services				
Salaries	\$ 429,442	\$ 426,870	\$ 2,572	\$ 409,972
Employee benefits	78,182	84,052	(5,870)	67,549
Purchased services	3,500	1,021	2,479	2,870
Supplies and materials	2,150	2,389	(239)	2,242
Other objects	<u>2,250</u>	<u>1,994</u>	<u>256</u>	<u>1,477</u>
Total	<u>515,524</u>	<u>516,326</u>	<u>(802)</u>	<u>484,110</u>
Total school administration	<u>515,524</u>	<u>516,326</u>	<u>(802)</u>	<u>484,110</u>
Business				
Direction of business support services				
Salaries	163,839	166,472	(2,633)	145,410
Employee benefits	29,080	26,693	2,387	26,776
Purchased services	11,100	4,564	6,536	42,208
Supplies and materials	900	582	318	807
Capital outlay	500	-	500	-
Other objects	<u>900</u>	<u>340</u>	<u>560</u>	<u>392</u>
Total	<u>206,319</u>	<u>198,651</u>	<u>7,668</u>	<u>215,593</u>
Fiscal services				
Salaries	-	500	(500)	-
Purchased services	<u>101,000</u>	<u>113,005</u>	<u>(12,005)</u>	<u>17,961</u>
Total	101,000	113,505	(12,505)	17,961

(Continued)

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Food services				
Salaries	\$ 37,092	\$ -	\$ 37,092	\$ 37,114
Purchased services	5,000	5,052	(52)	5,235
Supplies and materials	<u>800</u>	<u>46</u>	<u>754</u>	<u>-</u>
Total	<u>42,892</u>	<u>5,098</u>	<u>37,794</u>	<u>42,349</u>
Internal services				
Salaries	-	-	-	43,691
Employee benefits	-	-	-	9,299
Supplies and materials	<u>-</u>	<u>8,724</u>	<u>(8,724)</u>	<u>6,530</u>
Total	<u>-</u>	<u>8,724</u>	<u>(8,724)</u>	<u>59,520</u>
Total business	<u>350,211</u>	<u>325,978</u>	<u>24,233</u>	<u>335,423</u>
Central				
Staff services				
Salaries	4,167	6,000	(1,833)	4,167
Employee benefits	<u>-</u>	<u>729</u>	<u>(729)</u>	<u>-</u>
Total central	<u>4,167</u>	<u>6,729</u>	<u>(2,562)</u>	<u>4,167</u>
Total support services	<u>2,869,937</u>	<u>2,706,370</u>	<u>163,567</u>	<u>2,636,669</u>
Payments to other districts and government units				
Payments for special education programs				
Purchased services	254,000	255,460	(1,460)	217,941
Other objects	<u>11,000</u>	<u>10,721</u>	<u>279</u>	<u>27,971</u>
Total	<u>265,000</u>	<u>266,181</u>	<u>(1,181)</u>	<u>245,912</u>

(Continued)

Butler Elementary School District No. 53

General Fund

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

For the Year Ended June 30, 2019

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

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Payments for special education programs - tuition				
Other objects	\$ 192,000	\$ 145,524	\$ 46,476	\$ 97,326
Total payments to other districts and other government units	457,000	411,705	45,295	343,238
Provision for contingencies	100,000	-	100,000	-
Total expenditures paid	9,710,188	10,625,079	(914,891)	11,923,173
Excess of revenues collected over expenditures paid	245,687	853,901	608,214	2,847,591
Other financing uses				
Permanent transfer	(1,000,000)	(1,000,000)	-	(1,000,000)
Transfer to Debt Service Fund for principal on capital leases	(15,584)	-	15,584	-
Total other financing uses	(1,015,584)	(1,000,000)	15,584	(1,000,000)
Net change to fund balance	\$ (769,897)	(146,099)	\$ 623,798	1,847,591
Fund balance, beginning of year		9,816,106		7,968,515
Fund balance, end of year		\$ 9,670,007		\$ 9,816,106

(Concluded)

Butler Elementary School District No. 53

Operations and Maintenance Fund

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

For the Year Ended June 30, 2019

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

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues collected				
Local sources				
General levy	\$ 966,490	\$ 1,001,481	\$ 34,991	\$ 583,402
Interest on investments	14,000	28,741	14,741	14,759
Rentals	2,000	6,010	4,010	2,965
Contributions and donations from private sources	-	-	-	6,500
Proceeds from vendors' contracts	7,282	-	(7,282)	10,900
Other	-	-	-	196,924
Total revenues collected	<u>989,772</u>	<u>1,036,232</u>	<u>46,460</u>	<u>815,450</u>
Expenditures paid				
Support services				
Business				
Operation and maintenance of plant services				
Salaries	230,520	218,722	11,798	212,372
Employee benefits	96,555	61,757	34,798	75,942
Purchased services	484,000	357,672	126,328	510,550
Supplies and materials	260,200	237,384	22,816	234,444
Capital outlay	95,000	121,210	(26,210)	260,782
Other objects	<u>300</u>	<u>340</u>	<u>(40)</u>	<u>-</u>
Total business	<u>1,166,575</u>	<u>997,085</u>	<u>169,490</u>	<u>1,294,090</u>
Total support services	<u>1,166,575</u>	<u>997,085</u>	<u>169,490</u>	<u>1,294,090</u>

(Continued)

Butler Elementary School District No. 53

Operations and Maintenance Fund

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

For the Year Ended June 30, 2019

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

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Provision for contingencies	\$ 200,000	\$ -	\$ 200,000	\$ -
Total expenditures paid	<u>1,366,575</u>	<u>997,085</u>	<u>369,490</u>	<u>1,294,090</u>
Excess (deficiency) of revenues collected over expenditures paid	<u>(376,803)</u>	<u>39,147</u>	<u>415,950</u>	<u>(478,640)</u>
Other financing sources (uses)				
Permanent transfer	1,000,000	1,000,000	-	1,000,000
Transfer to Capital Projects Fund	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (376,803)</u>	<u>39,147</u>	<u>\$ 415,950</u>	<u>(478,640)</u>
Fund balance, beginning of year		<u>1,625,739</u>		<u>2,104,379</u>
Fund balance, end of year		<u>\$ 1,664,886</u>		<u>\$ 1,625,739</u>

(Concluded)

Butler Elementary School District No. 53

Transportation Fund

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

For the Year Ended June 30, 2019

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

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues collected				
Local sources				
General levy	\$ 302,388	\$ 345,828	\$ 43,440	\$ 144,351
Regular transportation fees from pupils or parents	59,000	60,000	1,000	48,200
Regular transportation fees curricular activities	3,600	6,193	2,593	3,672
Interest on investments	4,000	4,093	93	4,294
Other	-	30	30	-
Total local sources	<u>368,988</u>	<u>416,144</u>	<u>47,156</u>	<u>200,517</u>
State sources				
Transportation - Regular/Vocational	4,300	3,568	(732)	4,322
Transportation - Special Education	<u>25,000</u>	<u>58,339</u>	<u>33,339</u>	<u>25,465</u>
Total state sources	<u>29,300</u>	<u>61,907</u>	<u>32,607</u>	<u>29,787</u>
Total revenues collected	<u>398,288</u>	<u>478,051</u>	<u>79,763</u>	<u>230,304</u>
Expenditures paid				
Support services				
Business				
Pupil transportation services				
Purchased services	<u>484,500</u>	<u>494,872</u>	<u>(10,372)</u>	<u>492,560</u>
Total	<u>484,500</u>	<u>494,872</u>	<u>(10,372)</u>	<u>492,560</u>
Total support services	<u>484,500</u>	<u>494,872</u>	<u>(10,372)</u>	<u>492,560</u>

(Continued)

Butler Elementary School District No. 53

Transportation Fund

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

For the Year Ended June 30, 2019

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

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Provision for contingencies	\$ 40,000	\$ -	\$ 40,000	\$ -
Total expenditures paid	524,500	494,872	29,628	492,560
Deficiency of revenues collected over expenditures paid	\$ (126,212)	(16,821)	\$ 109,391	(262,256)
Fund balance, beginning of year		282,112		544,368
Fund balance, end of year		\$ 265,291		\$ 282,112

(Concluded)

Butler Elementary School District No. 53

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2019

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

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues collected				
Local sources				
General levy	\$ 56,172	\$ 22,307	\$ (33,865)	\$ 28,358
Social security/Medicare only levy	-	43,333	43,333	34,323
Corporate personal property replacement taxes	5,000	5,873	873	5,658
Interest on investments	<u>2,500</u>	<u>1,615</u>	<u>(885)</u>	<u>3,236</u>
Total local sources	<u>63,672</u>	<u>73,128</u>	<u>9,456</u>	<u>71,575</u>
Total revenues collected	<u>63,672</u>	<u>73,128</u>	<u>9,456</u>	<u>71,575</u>
Expenditures paid				
Instruction				
Regular programs	50,705	46,646	4,059	48,158
Pre-K programs	-	182	(182)	-
Special education programs	57,784	40,860	16,924	47,858
Interscholastic programs	2,113	5,413	(3,300)	3,078
Summer school programs	<u>450</u>	<u>-</u>	<u>450</u>	<u>-</u>
Total instruction	<u>111,052</u>	<u>93,101</u>	<u>17,951</u>	<u>99,094</u>

(Continued)

Butler Elementary School District No. 53

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2019

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

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services	\$ 962	\$ 994	\$ (32)	\$ 1,839
Guidance services	-	470	(470)	-
Health services	487	445	42	462
Psychological services	1,025	452	573	973
Speech pathology and audiology services	914	950	(36)	999
Other support services -pupils	<u>7,911</u>	<u>5,676</u>	<u>2,235</u>	<u>-</u>
Total pupils	<u>11,299</u>	<u>8,987</u>	<u>2,312</u>	<u>4,273</u>
Instructional staff				
Improvement of instruction services	2,407	3,208	(801)	118
Educational media services	<u>26,220</u>	<u>20,726</u>	<u>5,494</u>	<u>24,946</u>
Total instructional staff	<u>28,627</u>	<u>23,934</u>	<u>4,693</u>	<u>25,064</u>
General administration				
Board of education services	-	1,450	(1,450)	-
Executive administration services	14,650	12,817	1,833	11,148
Special area administrative services	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,910</u>
Total general administration	<u>14,650</u>	<u>14,267</u>	<u>383</u>	<u>16,058</u>
School administration				
Office of the principal services	<u>26,295</u>	<u>24,567</u>	<u>1,728</u>	<u>22,719</u>
Total school administration	<u>26,295</u>	<u>24,567</u>	<u>1,728</u>	<u>22,719</u>

(Continued)

Butler Elementary School District No. 53

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2019

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

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Direction of business support services	\$ 15,102	\$ 15,071	\$ 31	\$ 14,365
Operation and maintenance of plant services	39,711	37,212	2,499	37,510
Food services	538	197	341	538
Internal services	<u>-</u>	<u>1,773</u>	<u>(1,773)</u>	<u>7,821</u>
Total business	<u>55,351</u>	<u>54,253</u>	<u>1,098</u>	<u>60,234</u>
Central				
Staff services	<u>-</u>	<u>800</u>	<u>(800)</u>	<u>-</u>
Total central	<u>-</u>	<u>800</u>	<u>(800)</u>	<u>-</u>
Total support services	<u>136,222</u>	<u>126,808</u>	<u>9,414</u>	<u>128,348</u>
Provision for contingencies	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total expenditures paid	<u>252,274</u>	<u>219,909</u>	<u>32,365</u>	<u>227,442</u>
Deficiency of revenues collected over expenditures paid	<u>\$ (188,602)</u>	<u>(146,781)</u>	<u>\$ 41,821</u>	<u>(155,867)</u>
Fund balance, beginning of year		<u>275,651</u>		<u>431,518</u>
Fund balance, end of year		<u>\$ 128,870</u>		<u>\$ 275,651</u>

(Concluded)

Butler Elementary School District No. 53
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION
June 30, 2019

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December of each year, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 17, 2018.
- g) All budget appropriations lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGET

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

<u>Fund</u>	<u>Amount</u>
General	\$ 914,891

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

For the 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

Butler Elementary School District No. 53
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION
June 30, 2019

3. CHANGES OF ASSUMPTIONS - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
(Continued)

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

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

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

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
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Methods and Assumptions Used to Determine the 2018 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 29 years)
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.

Butler Elementary School District No. 53
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION
June 30, 2019

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

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

Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
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Other Information:

Notes	There were no benefit changes during the year.
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* Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

Change in Assumptions:

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

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

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

Valuation Date:

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

Butler Elementary School District No. 53
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION
June 30, 2019

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

Methods and Assumptions Used to Determine the 2018 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.62%
Price Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Diasabled Annutant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additonal trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

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

SUPPLEMENTARY FINANCIAL INFORMATION

Butler Elementary School District No. 53
General Fund
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
June 30, 2019

	Educational Account	Working Cash Account	Total
<hr/>			
ASSETS			
Cash and investments	\$ 9,440,685	\$ 382,413	\$ 9,823,098
Total assets	<u>\$ 9,440,685</u>	<u>\$ 382,413</u>	<u>\$ 9,823,098</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Payroll deductions payable	\$ 114,658	\$ -	\$ 114,658
Due to fiduciary funds	<u>38,433</u>	<u>-</u>	<u>38,433</u>
Total liabilities	<u>153,091</u>	<u>-</u>	<u>153,091</u>
FUND BALANCES			
Unassigned	<u>9,287,594</u>	<u>382,413</u>	<u>9,670,007</u>
Total fund balance	<u>9,287,594</u>	<u>382,413</u>	<u>9,670,007</u>
Total liabilities and fund balance	<u>\$ 9,440,685</u>	<u>\$ 382,413</u>	<u>\$ 9,823,098</u>

Butler Elementary School District No. 53

General Fund

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	Educational Account	Working Cash Account	Total
Revenues			
Property taxes	\$ 7,954,136	\$ -	\$ 7,954,136
Replacement taxes	334,950	-	334,950
State aid	2,594,986	-	2,594,986
Federal aid	57,819	-	57,819
Interest	150,725	5,918	156,643
Other	380,446	-	380,446
Total revenues	<u>11,473,062</u>	<u>5,918</u>	<u>11,478,980</u>
Expenditures			
Current:			
Instruction:			
Regular programs	4,025,793	-	4,025,793
Special programs	966,253	-	966,253
Other instructional programs	223,321	-	223,321
State retirement contributions	2,291,637	-	2,291,637
Support services:			
Pupils	331,648	-	331,648
Instructional staff	700,366	-	700,366
General administration	741,537	-	741,537
School administration	516,326	-	516,326
Business	325,978	-	325,978
Central	6,729	-	6,729
Nonprogrammed charges	411,705	-	411,705
Capital outlay	83,786	-	83,786
Total expenditures	<u>10,625,079</u>	<u>-</u>	<u>10,625,079</u>

(Continued)

Butler Elementary School District No. 53

General Fund

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	Educational Account	Working Cash Account	Total
Excess of revenues collected over expenditures paid	<u>\$ 847,983</u>	<u>\$ 5,918</u>	<u>\$ 853,901</u>
Other financing uses			
Transfers out	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Total other financing uses	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Net change in fund balance	(152,017)	5,918	(146,099)
Fund balance, beginning of year	<u>9,439,611</u>	<u>376,495</u>	<u>9,816,106</u>
Fund balance, end of year	<u><u>\$ 9,287,594</u></u>	<u><u>\$ 382,413</u></u>	<u><u>\$ 9,670,007</u></u>

(Concluded)

Butler Elementary School District No. 53

Debt Service Fund

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

For the Year Ended June 30, 2019

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

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues collected				
Local sources				
General levy	\$ 161,782	\$ 160,440	\$ (1,342)	\$ 188,382
Interest on investments	<u>800</u>	<u>2,086</u>	<u>1,286</u>	<u>850</u>
Total local sources	<u>162,582</u>	<u>162,526</u>	<u>(56)</u>	<u>189,232</u>
Total revenues collected	<u>162,582</u>	<u>162,526</u>	<u>(56)</u>	<u>189,232</u>
Expenditures paid				
Bonds - interest	<u>11,813</u>	<u>11,815</u>	<u>(2)</u>	<u>15,413</u>
Total debt service - interest	<u>11,813</u>	<u>11,815</u>	<u>(2)</u>	<u>15,413</u>
Principal payments on long-term debt	<u>185,585</u>	<u>170,000</u>	<u>15,585</u>	<u>160,000</u>
Other debt service				
Other objects	<u>1,020</u>	<u>-</u>	<u>1,020</u>	<u>-</u>
Total	<u>1,020</u>	<u>-</u>	<u>1,020</u>	<u>-</u>
Total debt service	<u>198,418</u>	<u>181,815</u>	<u>16,603</u>	<u>175,413</u>
Total expenditures paid	<u>198,418</u>	<u>181,815</u>	<u>16,603</u>	<u>175,413</u>
Excess (deficiency) of revenues collected over expenditures paid	<u>(35,836)</u>	<u>(19,289)</u>	<u>16,547</u>	<u>13,819</u>

(Continued)

Butler Elementary School District No. 53

Debt Service Fund

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

For the Year Ended June 30, 2019

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

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Other financing sources				
Transfer to pay for principal on capital leases	\$ 15,584	\$ -	\$ (15,584)	\$ -
Total other financing sources	15,584	-	(15,584)	-
Net change in fund balance	<u>\$ (20,252)</u>	(19,289)	<u>\$ 963</u>	13,819
Fund balance, beginning of year		<u>153,738</u>		<u>139,919</u>
Fund balance, end of year		<u>\$ 134,449</u>		<u>\$ 153,738</u>

(Concluded)

Butler Elementary School District No. 53

Capital Projects Fund

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

For the Year Ended June 30, 2019

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

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues collected				
Local sources				
Interest on investments	\$ 5,000	\$ 16,728	\$ 11,728	\$ 361
Contributions and donations from private sources	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
Total revenues collected	<u>30,000</u>	<u>16,728</u>	<u>(13,272)</u>	<u>361</u>
Expenditures paid				
Support services				
Facilities acquisition and construction services				
Capital outlay	<u>173,000</u>	<u>142,802</u>	<u>30,198</u>	<u>1,307,269</u>
Total support services	<u>173,000</u>	<u>142,802</u>	<u>30,198</u>	<u>1,307,269</u>
Total expenditures paid	<u>173,000</u>	<u>142,802</u>	<u>30,198</u>	<u>1,307,269</u>
Deficiency of revenues collected over expenditures paid	<u>(143,000)</u>	<u>(126,074)</u>	<u>16,926</u>	<u>(1,306,908)</u>

(Continued)

Butler Elementary School District No. 53

Capital Projects Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018
	Original and Final Budget	Actual		Actual
Other financing sources				
Transfer from Operations and Maintenance Fund	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>
Total other financing sources	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balance	<u>\$ 857,000</u>	873,926	<u>\$ 16,926</u>	(306,908)
Fund balance, beginning of year		<u>78,962</u>		<u>385,870</u>
Fund balance, end of year		<u>\$ 952,888</u>		<u>\$ 78,962</u>

(Concluded)

Butler Elementary School District No. 53

Fire Prevention and Safety Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Revenues collected				
Local sources				
Interest on investments	\$ 10	\$ 57	\$ 47	\$ 5
Total local sources	10	57	47	5
Total revenues collected	10	57	47	5
Excess of revenues collected over expenditures paid	10	57	47	5
Fund balance, beginning of year		4,977		4,972
Fund balance, end of year		\$ 5,034		\$ 4,977

Butler Elementary School District No. 53
 AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 STUDENT ACTIVITY FUNDS
Year Ended June 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>
Assets				
Cash and investments	\$ <u>79,787</u>	\$ <u>124,501</u>	\$ <u>96,145</u>	\$ <u>108,143</u>
Liabilities				
Due to student groups	\$ <u>79,787</u>	\$ <u>124,501</u>	\$ <u>96,145</u>	\$ <u>108,143</u>

OTHER STATISTICAL INFORMATION
(Unaudited)

Butler Elementary School District No. 53**OPERATING COSTS AND TUITION CHARGE**June 30, 2019

	2019	2018
Operating costs per pupil		
Average Daily Attendance (ADA):	501.00	513.50
Operating costs:		
Educational	\$ 8,333,442	\$ 8,217,041
Operations and Maintenance	997,085	1,294,090
Debt Service	181,815	175,413
Transportation	494,872	492,560
Municipal Retirement/Social Security	219,909	227,442
Subtotal	10,227,123	10,406,546
Less Revenues/Expenditures of Nonregular Programs:		
Early childhood	14,082	37,742
Special education	94,322	133,530
Capital outlay	204,996	381,785
Nonprogrammed and non-capitalized equipment	413,570	
Payments to other districts & governmental units	-	343,238
Principal retired	170,000	160,000
Subtotal	896,970	1,056,295
Operating costs	\$ 9,330,153	\$ 9,350,251
Operating costs per pupil - based on ADA	\$ 18,623	\$ 18,209
Tuition charge		
Operating costs	\$ 9,330,153	\$ 9,350,251
Less - revenues from specific programs, such as special education or lunch programs	727,715	766,985
Net operating costs	8,602,438	8,583,266
Depreciation allowance	820,325	821,709
Allowance tuition costs	\$ 9,422,763	\$ 9,404,975
Tuition charge per pupil - based on ADA	\$ 18,808	\$ 18,315