

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Waukegan Community Unit School District 60  
For Fiscal Year Ended June 30, 2019



**Equity + Access = Excellence**



# **Comprehensive Annual Financial Report**

For the Fiscal Year Ended

June 30, 2019

**Waukegan Community Unit School District No. 60**

**Waukegan, Illinois**

## **Officials Issuing Report**

Ms. Theresa Plascencia, Superintendent of Schools

Mr. LeBaron Moten, Chief Operations Officer

Mrs. Gwendolyn K. Polk, Associate Superintendent of Business and  
Financial Services

Mr. Brian Luosa, Director of Business and Financial Services

Mr. Brandon Ewing, President  
Waukegan Public Schools School Board of Education

## **Department Issuing Report**

Business and Financial Services Department

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## **INTRODUCTORY SECTION**

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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# Waukegan Public Schools

Community Unit School District No. 60, Lake County, Illinois

**Ms. Theresa Plascencia**  
Superintendent

February 17, 2020

Citizens of Waukegan Community Unit School District No. 60 and  
Members of the Board of Education  
Waukegan Community Unit School District No. 60  
1201 North Sheridan Road  
Waukegan, Illinois 60085

The Comprehensive Annual Financial Report of Waukegan Community Unit School District No. 60 (the "District"), Waukegan, Illinois, for the fiscal year ended June 30, 2019, is submitted herewith. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District. We believe the information, as presented, is accurate in all material respects, is presented in a manner designed to set forth fairly the financial position and results of operations of the District as measured and reported by the financial activity of the various funds, and that all disclosures necessary to enable the reader to gain an understanding of the District's financial affairs have been included. The District's financial statements conform to Generally Accepted Accounting Principles (GAAP).

To facilitate the understanding of the District's financial affairs, the Comprehensive Annual Financial Report (CAFR) is divided into an Introductory Section, a Financial Section and a Statistical Section. The Introductory Section of the CAFR includes a table of contents, a Letter of Transmittal, an organizational chart, and a listing of District officers and officials. The Financial Section consists of the unmodified opinion on the financial statements from the independent auditors, Evans, Marshall, and Pease, P.C.; Management's Discussion and Analysis (MD&A) – a wide-ranging analysis with numerous graphs, schedules, etc. illustrating the financial results of the fiscal year just ended; the notes to the basic financial statements; any required supplementary information; and supplementary information. The statistical section, not a part of the District's basic financial statements, includes selected financial data and general information presented in tables on a multi-year basis. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## The District

The District is located approximately thirty-five miles north of Chicago on the shores of Lake Michigan. Waukegan was first visited by Pere Marquette in 1673 and is one of the oldest communities in the State of Illinois. Dubbed Little Fort by the Potawatomi Tribe, the city incorporated in 1849 and had become the county seat. By the year 2004, Waukegan's population had increased to almost 90,000 and the diversification in heritage, vocation and religious background provide a wide variety of cultural history and current social interaction.

Waukegan Community Unit School District No. 60 is a unit district providing an education for grades pre-kindergarten through high school. Its 24 sites house a student body of approximately 16,500 students and multiple cultural and ethnic backgrounds provide both an opportunity and a challenge to the District's educators.

The District provides a full range of programs and services for all its students. These programs include elementary and secondary course offerings, including general and vocational curriculum. An extensive array of co-curricular and athletic activities is also offered to enhance the student's educational experience.

For the 2018-19 school year, the District employed over 2,200 people, including teachers, administrators, clerical workers, custodial workers, drivers, classroom assistants, health related individuals, and substitutes. These employees served approximately 15,900 students, with budgeted expenditures totaling \$245.40 million; of which capital projects, fire prevention and safety, and bond and interest payments total approximately \$15.07 million.

### Reporting Entity

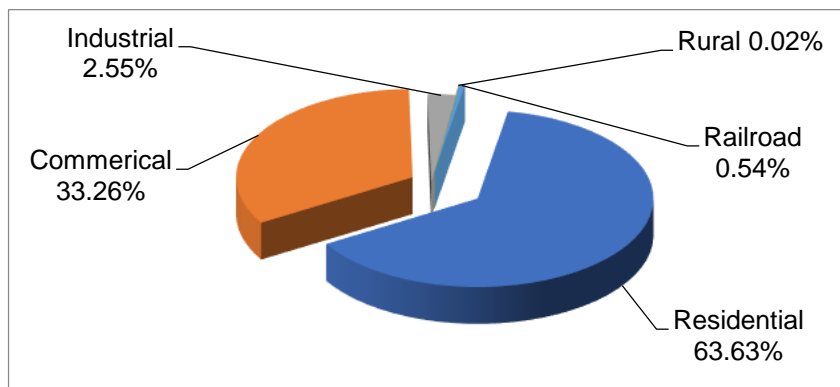
The District has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14. This states “The Financial Reporting Entity” under which these financial statements are prepared will include all organizations, activities, functions, funds and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and either (1) the District’s ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. The District does not have any component units that meet the above requirements.

The governing body consists of a seven-member Board of Education elected from within the District’s boundaries for four-year overlapping terms. The Superintendent and staff administer run the day-to-day operations of the District. Based on the legislative authority codified in the Illinois School Code, the Board of Education has the following powers:

- The power to levy and collect taxes and to issue bonds.
- The power to contract for appointed administrators, teachers, and other personnel as well as for goods and services.
- The corporate power to sue and be sued in all courts.

### Economic Condition and Outlook of Local Economy

The District has a mixed tax base including residential, commercial, industrial, rural and railroad properties within its boundaries. However, the majority of its tax base is residential (63.63%), which results in a large burden of tax revenues coming from homeowners instead of commercial and industrial property owners. The following table charts the percentage of taxable property by real property.



### Historical and Projected Enrollment

The overriding District initiative is to provide excellent academic programming for all students while keeping pace with enrollment trends and maintaining reasonable class sizes. The following table charts the District’s enrollment for the last ten fiscal years:

Fiscal Year End	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Enrollment	16,548	16,328	16,152	16,600	16,732	16,892	16,684	16,478	16,275	15,872

Waukegan Community Unit School District No. 60 will likely experience minimal growth in student enrollment in the next five years.

### Facilities

Waukegan Community Unit School District No. 60 has twenty-four school buildings that house the 15,872 students that attend its schools.

<u>Education Level</u>	<u>No. of Buildings</u>	<u>Enrollment</u>
Pre-K School	1	612
Elementary Schools	15	6,813
Middle Schools	5	3,743
High Schools	3	4,704
Totals	24	15,872

### *Age of School Buildings*

<u>Education Level and School</u>	<u>Age</u>
Pre-K School	
Robbie M. Lightfoot	2014
Elementary Schools	
Washington	1926
Lyon Magnet School	1957
Glen Flora	1920
Whittier	1935
Clearview	1955
Greenwood	1925
Little Fort	1957
John S. Clark	1963
Oakdale	1939
Carman-Buckner	1939
Andrew Cooke Magnet School	1916
Glenwood	1958
Hyde Park	1953
H.R. McCall	1962
Middle Schools	
Robert Abbott	1924
Jack Benny	1961
Thomas Jefferson	1957
Miguel Juarez	1924
Daniel Webster	1956
High Schools	
Brookside Campus	1920
Washington Campus	1920
Alternative Optional Education Center	1962

## District's Mission Statement

The Mission of Waukegan Community Unit School District No. 60 is primarily to educate students for the world of tomorrow. Through mobilization of the entire community, we will challenge, teach and inspire our students. We will provide the resources to serve each of our students, expecting excellence from all involved. We will deliver an exciting education in a safe learning environment that celebrates our diversity and similarities in a spirit of unity and respect.

## Goals

### *Superintendent – Academic/Performance*

- By March 2020, the Superintendent will establish a Relations/Retention Committee comprised of District employees representing Administrators, Principals, Teachers, and Support Staff in an effort to establish sustainable initiatives to improve staff relation/retention in all job classifications, with an intentional focus on certified staff positions.
- By March 2020, 75% of year one of the District's Capital Improvement Plan projects will be publicly bid, internally bid, and scheduled with contracts awarded for completion by October 2020.
- By March of 2020, 70% of the actions identified in year one of the District's Family and Community Engagement strategic plan will be implemented.
- By March of 2020, the Department of Academic Supports and Programs will implement a new promotion/retention policy; that includes school-based and district supports for students and families in benchmark grades (2nd, 5th, 8th, and High School). By March a status report will be given to the Board of Education.
- By March 2020, an interagency workgroup will discuss and review logistics and financing options for the student health clinic. A financing mechanism will be identified and reviewed by the Business Office and Legal Counsel by March 2020 and a status report will be given to the Board of Education.

### *Finances*

Remain as fiscally solvent as possible during the State budget crisis through careful spending and analysis of budget expenditures as well as aggressively pursue appropriate grant, foundation and partnership opportunities.

## Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the books of accounts, financial records and transactions of all funds of the District. The audit is performed by independent certified public accountants selected by the District's Board of Education. The independent auditor's report has been included in the financial section of this report.

## Internal Control Structure

In developing and evaluating the District's accounting system, consideration is given to the adequacy of the internal accounting controls. Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Such controls are designed to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe that our internal accounting controls adequately safeguard District assets and provide reasonable assurance of the proper recording of financial data.

## Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Education. The Board of Education is responsible for adopting the annual budget. The preparation, adoption and action on the District's budget is a year-round process involving multiple levels of input and decision-making from staff members, administrators, and the Board of Education. Input from the public on how school tax dollars are spent is welcomed at Board meetings, public hearings and the Board's budget workshop. Spending decisions are guided by the following criteria:

- Goals and priorities of the Board of Education
- Requirements imposed upon the District by federal and state governments
- Types of programs being taught
- Number of employees
- Requirements to maintain and operate the District's schools and facilities
- Bus transportation and food services programs
- Employee collective bargaining agreements

While budgetary control is exercised at the fund level, management control is exercised at the object, or line item, level. All expenditures are approved by the Board of Education. An encumbrance system is used to measure the uncommitted budget item amount that is available at any time during the budget year. An obligation is made in the form of a purchase order. When it occurs, the appropriate budgetary account is reserved. All encumbrances lapse at year-end. All governmental funds have annual appropriated budgets, and are approved in accordance with the provisions of the Illinois State Statutes.

## Long-Range Financial Planning

Waukegan Community Unit School District No. 60 annually develops a comprehensive, long-range financial projection that includes historical information and expected trends that will affect the District's finances. Variables included in the forecast include prior year actual financial data, current year budget information, tax levy extension projections including equalized assessed valuation predictions, student enrollment projections, student to teacher ratios, debt retirement schedules, consumer price index projections, and salary and benefit projections based on employee labor contracts.

Several key financial indicators reflect positive results in the District's operating funds including proportion of fund balance to revenue, proportion of expenditures to revenue, days of cash on hand, percent of short-term borrowing needed, and fund balance as a percentage of next year's expenditures. However, with minimal increases in state and federal funding projected, the dependence upon local property taxes will become a growing challenge for the District. Because property tax increases are limited by the Tax Cap law, it remains a priority to keep overall expenditures in line with revenue.

Over the past several years, the District has implemented a budget review process to identify areas of operations for improvements in efficiencies. This on-going review has resulted in significant cost reductions. District finances are monitored through monthly financial reports to the Board of Education, the annual budget process, and long-range financial projections. As a result, the District intends to maintain a balanced budget that aligns resources to support the instructional program.

## Relevant Financial Planning Factors

With the current housing and economic crisis that faces the nation, the District projects decreasing enrollment for the next few years. This trend will cause the District to carefully monitor and plan future operating and capital budgets. Potential EAV adjustments, coupled with low CPI increases, will have an impact on the District's budgets and tax rates for the next several years. The administration and Board

of Education are dedicated to approving balanced budgets and to managing the District's tax rate by abating principal and interest payments during the years in which the EAV decline causes the tax rate to increase substantially.

#### Certificate of Excellence

Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in financial reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twelfth year that the District had received this prestigious award. In order to be awarded a Certificate of Excellence, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

#### Management's Discussion and Analysis

Provided in the financial section of this report, immediately following the independent auditor's report, is supplementary information entitled Management's Discussion and Analysis (MD&A). This MD&A is intended to be an easily readable and objective analysis of the school district's financial activities. It also contains a description of currently known facts, decisions, or conditions expected to have a significant effect on the future financial position and results of operations of the school district.

#### Acknowledgments

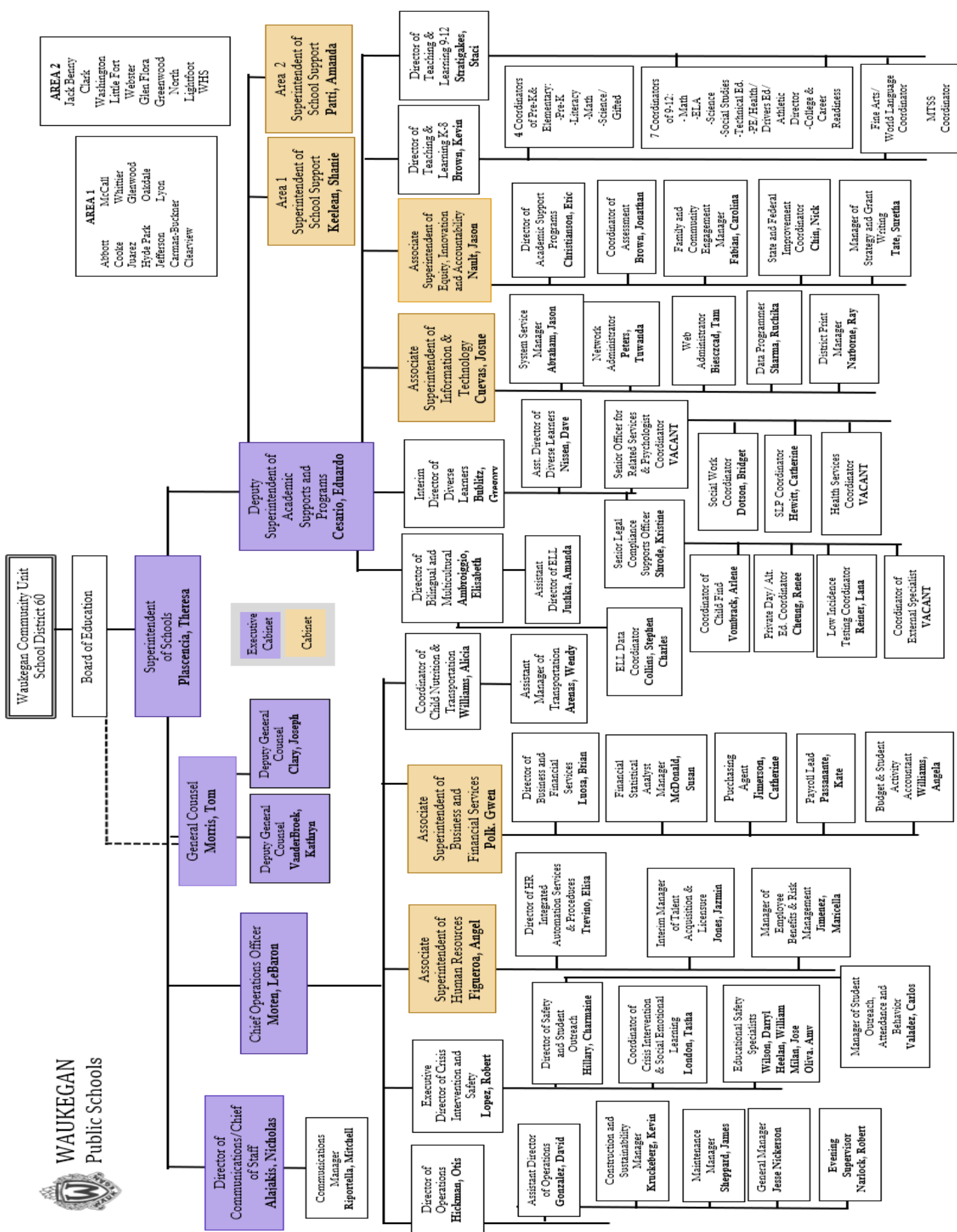
The timely preparation of this report could not have been accomplished without the efficient and dedicated services of the business services department. We would like to express appreciation to all the members of the business services department who assisted in the timely closing of the District's financial records and the preparation of this report. We would like to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

*Theresa Plascencia*

Theresa Plascencia  
Superintendent of Schools





**Waukegan Public Schools  
District 60  
Lincoln Center Administrative Building  
1201 N. Sheridan, Waukegan, Illinois 60085**

**Board of Education**

Mr. Brandon Ewing, President  
Mr. R. Michael Rodriguez, Vice President  
Mr. Rick Riddle  
Ms. Anita M. Hanna  
Ms. Lucy Leguizamo  
Ms. Charlotte Callahan Wozniak  
Mr. Jeffery McBride

**Superintendent's Cabinet**

Ms. Theresa Plascencia, Superintendent of Schools  
Eduardo Cesario, Ed.D, Deputy Superintendent of Academic Supports and Programs  
LeBaron Moten, Chief Operations Officer  
Nicholas Alajakis, Chief of Staff/Director of Communications  
Mr. Tom Morris, General Counsel, Esq.  
Ms. Kathryn VanderBroek, Deputy General Counsel, Esq.  
Shanie Keelean, Area Superintendent of School Support  
Amanda Patti, Area Superintendent of School Support  
Josue Cuevas, Ed.D, Executive Director of Information Technology  
Angel Figueroa, Associate Superintendent of Human Resources and Employee  
Relations  
Gwendolyn K. Polk, Associate Superintendent of Business and Financial Services  
Jason Nault, Ed. D., Associate Superintendent of Equity, Innovation and Accountability

**Officials Issuing Report**

Ms. Theresa Plascencia, Superintendent of Schools  
Mr. LeBaron Moten, Chief Operations Officer  
Mrs. Gwendolyn K. Polk, Associate Superintendent of Business and Financial Services  
Mr. Brian Luosa, Director of Business and Financial Services



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Waukegan Community Unit  
School District 60**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director

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## **FINANCIAL SECTION**

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## EVANS, MARSHALL & PEASE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

1875 Hicks Road  
Rolling Meadows, Illinois 60008

Telephone (847) 221-5700  
Facsimile (847) 221-5701

### INDEPENDENT AUDITOR'S REPORT

Board of Education  
Waukegan Community Unit  
School District No. 60  
Waukegan, Illinois

#### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waukegan Community Unit School District No. 60 (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinions***

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

### ***Change in Accounting Principle***

As discussed in Note 16 to the financial statements, in 2019 the District adopted new accounting guidance, *GASB Statement No. 72, Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### ***Prior-Year Comparative Information***

We have previously audited the District's 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated January 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

Our audit for the year ended June 30, 2019, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019, and certain additional procedures, including comparing and recording 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 information as listed in the table of contents are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2018, (not presented herein), and have issued our report dated January 15, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information, as listed in the table of contents for the year ended June 30, 2018, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The information has been subjected to the auditing procedures applied in the



audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Evans, Marshall & Pease, P.C.*

Evans, Marshall & Pease, P.C.  
Certified Public Accountants

February 17, 2020  
Rolling Meadows, IL  
(10)



**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**

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The discussion and analysis of Waukegan Community Unit School District No. 60's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The management of the District encourages readers to consider the information presented herein, in conjunction with the transmittal letter found in the introductory section and the basic financial statements, 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 Management's Discussion and Analysis ("MD&A").

### **Financial Highlights**

- The District adopted new accounting guidance *GASB Statement No. 72, Fair Value Measurement and Application*.
- Property tax revenues (including personal property taxes) accounted for \$68,900,322 or 23.46 percent of total revenues.
- State aid revenues accounted for \$130,924,421 or 44.59 percent of total revenues.
- Grants and contributions accounted for \$91,935,488, or 31.31 percent of total revenues.
- Instruction expenses accounted for \$177,883,462 or 62.99 percent of total expenses.
- Support services expenses accounted for \$95,559,154 or 33.84 percent of total expenses.
- The District did not issue any bonds in Fiscal Year 2019.
- The District did not issue any capital leases in Fiscal Year 2019.
- The District did not incur any short-term debt in Fiscal Year 2019.
- The District had \$282,419,301 in expenses related to governmental activities.

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

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

- Government-Wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements

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

**Figure A-1**  
**Organization of the District's Annual Financial Report**

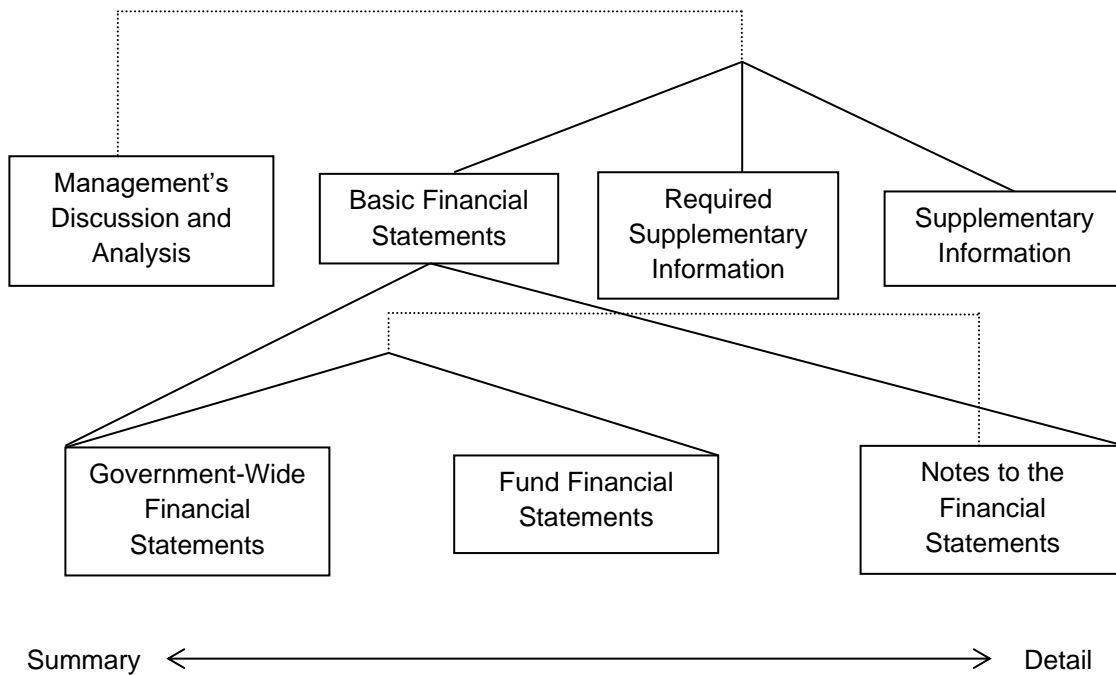


Figure A-2 summarizes the major features of the District's statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section highlights the structure and contents of each of the statements.

**Figure A-2**  
**Major Features of the Government-Wide and Fund Financial Statements**

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as general fund	Instances in which District administers resources on behalf of someone else, such as student activity monies
Required financial statements	Statement of net position	Balance sheet	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balance	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, but they can
Type of deferred inflows/outflows of resources information	All deferred inflows and outflows of resources, financial, short-term and long-term	Generally deferred outflows of resources to be used up and deferred inflows that come due during the year or soon thereafter; no capital or debt included	Not applicable
Type of inflow/outflow information	All revenues and expenses during the year, regardless of dates of actual cash transactions	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**Government-Wide Financial Statements**

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenditures are accounted for in the Statement of Activities regardless of when cash is received or disbursed. Both statements are prepared using the accrual basis of accounting.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating.

- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities need to be considered.

In the government-wide financial statements, the District's activities are all categorized as Governmental Activities. All of the District's basic services such as regular and special education, transportation and administration are included in the statements. The property tax extension and evidence-based funding are the two primary revenue sources financing these activities.

#### Fund Financial Statements

The District's fund financial statements provide more detailed information about the District's funds. Funds are independent fiscal entities used to account for specific sources of funding and spending on particular programs. Some funds are required by state law such as Educational and Transportation and others the District establishes to manage and control monies for particular purposes. Capital Projects is an example.

The District's categories of funds:

- Governmental funds – most of the District's basic services are included in the governmental funds, which generally focus on: 1) how cash and other financial assets that can be readily converted to cash flow in and out; and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship between them.
- Fiduciary funds – the District is the trustee, or fiduciary, for assets that belong to others, such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance operations.
- The District maintains no proprietary funds.

#### Notes to the Financial Statements

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

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the District's operations presented to supplement the basic financial statements and progress in funding related to the Teachers' Retirement System, Illinois Municipal Retirement Fund, and Other Post-Employment Benefits. The *Supplementary Information* provides additional analysis derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.



## Financial Analysis of the District as a Whole

Figures A-3 and A-4 contain pertinent data for Fiscal Years 2019 and 2018 from the government-wide financial statements.

**Statement of Net Position:** The following summary data is compared with data from the preceding year. The following provides a summary of the District's Statement of Net Position as of June 30, 2019, and 2018:

**Figure A-3**

	Governmental Activities		% Increase (Decrease)
	2019	2018	
<b>Assets</b>			
Current and other assets	\$ 110,170,599	\$ 103,995,345	5.94%
Capital assets	79,677,133	82,544,282	-3.47%
Total Assets	189,847,732	186,539,627	1.77%
<b>Deferred Outflows of Resources</b>			
Deferred charges on refunding	903,895	1,086,560	-16.81%
Pensions	22,313,239	9,247,203	141.30%
Other post-employment benefits	1,281,452	877,671	46.01%
Total Deferred Outflows of Resources	24,498,586	11,211,434	118.51%
<b>Liabilities</b>			
Other liabilities	4,692,839	5,609,729	-16.34%
Noncurrent liabilities	194,089,596	198,526,377	-2.23%
Total Liabilities	198,782,435	204,136,106	-2.62%
<b>Deferred Inflows of Resources</b>			
Pensions	23,061,318	18,651,528	23.64%
Other post-employment benefits	18,210,499	11,912,438	52.87%
Total Deferred Inflows of Resources	41,271,817	30,563,966	35.03%
<b>Net Position</b>			
Net investment in capital assets	48,246,512	41,958,834	14.99%
Restricted	27,642,266	28,533,317	-3.12%
Unrestricted	(101,596,712)	(107,441,162)	-5.44%
Total Net Position	\$ (25,707,934)	\$ (36,949,011)	-30.42%

**Total Net Position:** Please note that the amounts reported for governmental activities in the audit statement above are different from the governmental funds because (1) capital assets used in governmental activities are not financial resources, as they are in business, and are not reported as assets in governmental funds. (2) long-term liabilities, including bonds payable and capital leases are not due in the current period and therefore not reported as liabilities in the funds. The result is that the total net position for governmental activities is \$(25,707,934).

**Restricted Net Position:** A portion of the District's total net position is considered restricted. The District's restricted net position results from portions of governmental funds that are restricted, committed, or assigned, or in any other way limit the availability of fund resources for future use. The Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Tort, Debt Service, and Fire Prevention and Safety Funds are special revenue funds; by law, funds held in a special revenue fund are restricted to the purpose of the fund.

The funds have a restricted balance as follows: Operations and Maintenance Fund, \$6,657,694; Transportation Fund, \$6,823,001; Municipal Retirement/Social Security Fund, \$5,242,283; Tort Fund, \$1,558,203; Debt Service Fund, \$6,412,275; and Fire Prevention and Safety Fund, \$948,810. The District's total restricted net position at the end of the fiscal year totaled \$27,642,266. There were no significant changes affecting restrictions, or other limitations to the availability of fund resources for future use.

*Changes in Net Position from Operating Results:* The following is a summary of the District's changes in net position for the year ending June 30, 2019, and 2018:

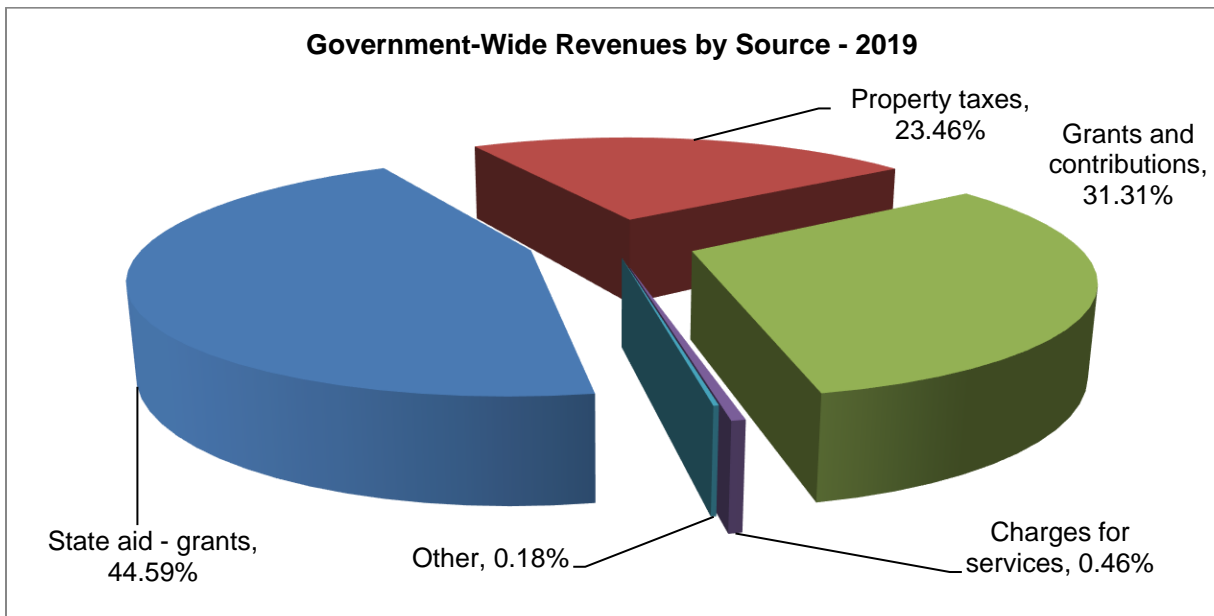
**Figure A-4**

	Governmental Activities		% Increase (Decrease)
	2019	2018	
Revenues			
Program revenues			
Charges for services	\$ 1,361,050	\$ 1,032,734	31.79%
Operating grants and contributions	91,935,488	101,511,715	-9.43%
Capital grants and contributions	-	42,014	-100.00%
General revenues			
Personal property replacement taxes	6,724,378	6,042,763	11.28%
Property taxes, levied for general purposes	52,279,340	51,130,440	2.25%
Property taxes, levied for debt service	9,896,604	9,842,506	0.55%
State aid - grants	130,924,421	120,045,256	9.06%
Unrestricted investment earnings	232,693	63,383	267.12%
Other	306,404	49,763	515.73%
Total Revenues	293,660,378	289,760,574	1.35%
Expenses			
Instruction	177,883,462	175,753,620	1.21%
Support services	95,559,154	86,442,835	10.55%
Community services	1,252,932	1,085,283	15.45%
Payments to other districts and gov't units	34,799	63,377	-45.09%
Interest and other on long-term debt	2,352,747	2,566,760	-8.34%
Depreciation - unallocated	5,336,207	5,088,311	4.87%
Total Expenses	282,419,301	271,000,186	4.21%
Increase in Net Position	11,241,077	18,760,388	-40.08%
Net Position - Beginning - as previously reported	(36,949,011)	48,984,228	
Prior Period Adjustments			
Other post-employment benefit expenses	-	(104,693,627)	
Net Position - Beginning - as restated	(36,949,011)	(55,709,399)	
Net Position - Ending	\$ (25,707,934)	\$ (36,949,011)	

*Changes in Net Position:* The District's net position increased by \$11,241,077 to \$(25,707,934) in fiscal year 2019. Net position in fiscal year 2018 totaled \$(36,949,011). Revenues increased by 1.35%, while expenses increased by 4.21% in comparison to the previous year. The increase of net position is 30.42% higher from the prior year.

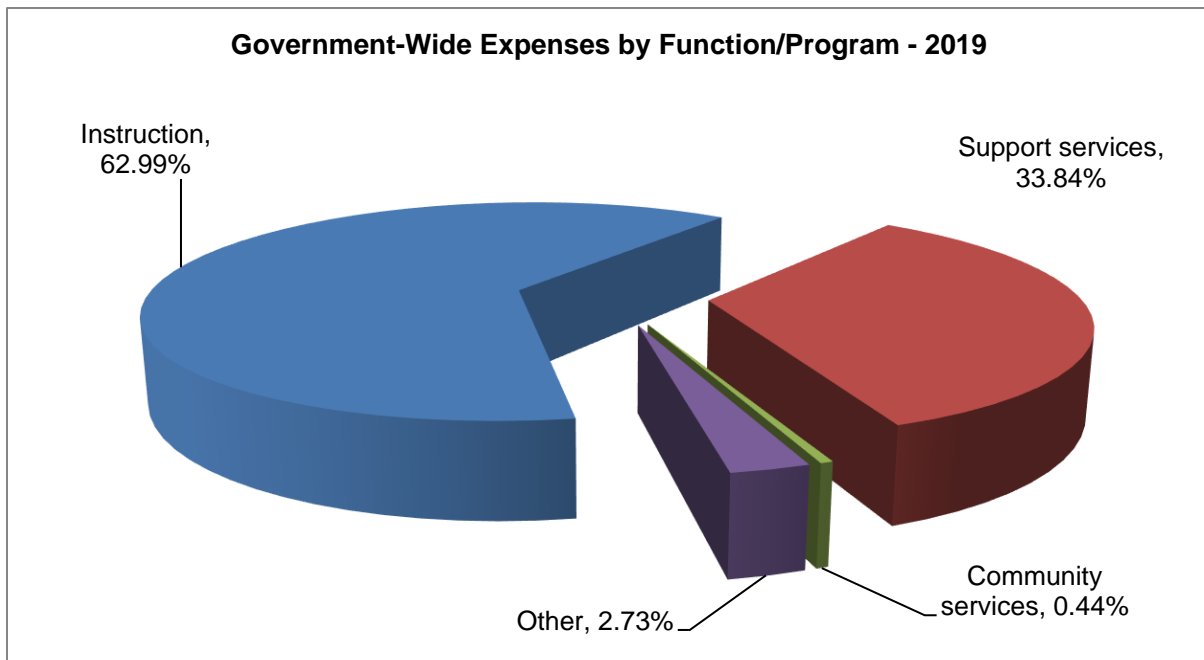
*Revenues by Source:* The District's total revenues were \$293,660,378, which is an increase of \$3,899,804 or 1.35% in comparison to the previous year. State aid – grants of \$130,924,421 constituted a majority of the District's revenues (44.59%) and are an increase of 9.06% over last year. See the following chart for additional information (Figure A-5).

**Figure A-5**



**Expenses by Function/Program:** Total expenses were \$282,419,301, which is an increase of \$11,419,115 or 4.21% in comparison to the previous year. Instruction expenses of \$177,883,462 constituted a majority of the District's expenses (62.99%) and are an increase of 1.21% over last year. See the following chart for additional information (Figure A-6).

**Figure A-6**



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

The financial performance of the District reflects the financial climate of the country as a whole and Illinois in particular. Expenditures and revenues are monitored carefully. Financial updates and projections are shared with the Board of Education regularly. Account balances for all funds are at a healthy level for the year ended June 30, 2019, except for the Capital Projects Fund which is a deficit of (\$2,867,720).

All District funds are considered major. As the District closed the year, its governmental funds reported a combined fund balance of \$101,492,703, which was an increase of \$2,991,437 compared to the previous year ending fund balance of \$98,501,266.

### General Fund (Educational and Working Cash Accounts)

- Fund balance increased by \$4,773,180, resulting in an ending fund balance of \$76,336,908.
- The District transferred out \$64,183 to the Debt Service Fund for capital lease payments.
- The District made Capital Outlay expenditures in the amount of \$399,552.
- The District continues to monitor expenses and streamline efficiency, which has resulted in multiple years of positive fund balance growth.

### Operations and Maintenance Fund

- Fund balance decreased by \$12,628, resulting in an ending fund balance of \$6,657,694.
- The District transferred out \$148,680 to the Debt Service Fund for bond payments.
- The District made Capital Outlay expenditures in the amount of \$4,173,551.

### Transportation Fund

- Fund balance decreased by \$2,265,519, resulting in an ending fund balance of \$6,823,001.
- Revenues decreased by \$2,778,413, because the District significantly reduced its 2018 tax levy.

### Municipal Retirement/Social Security Fund

- Fund balance increased by \$912,816, resulting in an ending fund balance of \$5,242,283.
- Revenues increased by \$662,188, and expenditures increased by \$199,219.

### Tort Fund

- Fund balance increased by \$1,022,941, resulting in an ending fund balance of \$1,834,577.
- Revenues increased by \$361,655, and expenditures decreased by \$112,385.

### Debt Service Fund

- Fund balance increased by \$114,478, resulting in an ending fund balance of \$6,517,150.
- The District transferred in \$212,863 for capital lease and bond payments.

#### Capital Projects Fund

- Fund balance decreased by \$893,061, resulting in an ending in a deficit fund balance of \$(2,867,720).
- The District made Capital Outlay expenditures in the amount of \$842,620.

#### Fire Prevention and Safety Fund

- Fund balance decreased by \$660,770 resulting in an ending fund balance of \$948,810.
- The District made Capital Outlay expenditures in the amount of \$1,143,267.

#### **General Fund Budgetary Highlights**

The General Fund includes the Educational and Working Cash Accounts. The District's budget anticipated that expenditures would exceed revenues by \$15,574,548. The District actually had revenues that exceeded expenditures by \$3,739,860, a positive variance of \$19,314,408.

Additional General Fund budgetary highlights:

#### Revenues

- The actual General Fund property tax revenues, including personal property replacement taxes, of \$37,373,424 were \$713,749 higher than the budget amount of \$36,659,675.
- The budget passed had state aid revenues budgeted at \$121,949,210 and actual revenues of \$186,554,499.
- The budget for special education state grants was \$1,528,647. Actual revenues during the fiscal year were \$2,073,980. The District collected \$5,361,895 in the previous year.
- The Food Services Program, a significant federal revenue item, was budgeted at \$8,099,682. Actual revenues during the fiscal year were \$8,867,810.
- Federal special education revenues were budgeted at \$2,949,501, with actual revenues of \$2,387,190.
- The budget for federal Title II – teacher quality was \$176,094. Actual revenues during the fiscal year were \$1,266,264. The District collected \$176,094 in the previous year.

#### Expenditures

- The actual General Fund instruction expenditures of \$241,860,600 were \$49,618,749 higher than the budget amount of \$192,241,851.
- Recorded in the instruction expenditures are state on-behalf retirement expenditures of \$62,347,903, which is \$3,107,330 lower than the prior year. The District does not budget for this amount, because there is offsetting revenue of the same amount.
- The budget passed had support services expenditures budgeted at \$68,816,931 and actual expenditures of \$64,146,041.

- The budget passed had community services expenditures budgeted at \$1,563,412 and actual expenditures of \$1,213,901.
- The payments to other districts and gov't units were budgeted at \$387,829. Actual expenditures during the fiscal year were \$26,944.
- Capital outlay expenditures were budgeted at \$2,546,306, with actual expenditures of \$419,814.

### Capital Asset and Debt Administration

**Capital Assets:** Figure A-7 illustrates capital assets, net of depreciation. By the end of 2019, the District had invested \$83,767,065 in a broad range of capital assets, including school buildings, building improvements, equipment and vehicles. This amount represents a net increase of \$1,222,783 from the prior year. (More detailed information about capital assets can be found in Note 4 to the financial statements.)

**Figure A-7**

Governmental Activities	2019	2018	% Increase (Decrease)
Land	\$ 1,518,042	\$ 1,518,042	0.00%
Construction in progress	2,571,890	3,022,524	-14.91%
Buildings	24,187,002	25,528,175	-5.25%
Improvements	53,065,179	49,972,895	6.19%
Equipment and vehicles	2,424,952	2,502,646	-3.10%
Total	<u>\$ 83,767,065</u>	<u>\$ 82,544,282</u>	<u>1.48%</u>

**Long-Term Obligations:** At year-end, the District had \$194,089,596 in bonds and other long-term debt outstanding as shown in Figure A-8. The bonds include accreted interest. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

**Figure A-8**

Governmental Activities	2019	2018	% Increase (Decrease)
Bonds	\$ 53,784,539	\$ 61,321,259	-12.29%
Unamortized bond premium	1,331,201	1,547,914	-14.00%
Capital leases	-	62,051	-100.00%
Compensated absences	502,049	448,000	12.06%
Pensions	31,471,911	26,629,496	18.18%
Other post-employment benefits	106,999,896	108,517,657	-1.40%
Total	<u>\$ 194,089,596</u>	<u>\$ 198,526,377</u>	<u>-2.23%</u>

### Factors Bearing on the District's Future

The persistent weakness of the State's economy continues to be a growing concern. Although the State passed a new funding bill, a budget and increased the State's income tax rate, the State's ability to properly fund education remains a concern.

The District completed a capital improvement plan, which is a ten-year plan that identified building infrastructure needs for sustainability, major equipment replacement, capital projects, and provides for streamlined financial forecasting. The estimated cost of the 10-year capital improvement plan (2020 to 2030) is \$122 million.

On August 31, 2017, the Evidence Based Funding for Student Success Act became law. Five previous grant programs are combined into a single grant program and distributed as evidence-based funding. Those grant programs are General State Aid, Special Education – Personnel, Special Education – Funding for Children Requiring Special Education Services, Special Education – Summer School and English Learner Education.

The passing of the evidence based-funding approach is a victory to Illinois education and ensures every district in the state will be receiving funding that is closer to adequacy, and provide many downstate schools the support it has needed over the last several years. As a result, the District is expected to receive additional State funding in the coming years.

Cost increases exceeding the general rate of inflation continue to be expected for the District relative to healthcare obligations for fiscal year 2020 and beyond. These costs represent a significant portion of the District's budget and their rate of increase is a concern to Administration and the Board of Education.

Legislators are continuing to discuss shifting a portion of the State's pension cost to school districts. In 2014, the General Assembly proposed a solution to alter pension benefits for current employees and retirees. The legislation was deemed to be unconstitutional and was never implemented. Although this legislation failed, it is likely that alternate legislation will be written that will shift costs for the pension system from the State to school districts.

### **Contacting the District's Financial Management**

The financial report is designed to provide the District's citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or require additional information, contact the Administration Office/Lincoln Center, Waukegan Public Schools District 60, 1201 N. Sheridan Road, Waukegan, Illinois 60085.

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## **BASIC FINANCIAL STATEMENTS**

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
STATEMENT OF NET POSITION  
JUNE 30, 2019  
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2018

	Total 2019 Actual	Total 2018 Actual
<b>ASSETS</b>		
Cash and investments	\$ 71,282,550	\$ 70,851,709
Receivables, net of allowances	34,479,473	32,626,786
Prepaid items	318,644	516,850
Capital assets not being depreciated		
Land	1,518,042	1,518,042
Construction in progress	2,571,890	3,022,524
Capital assets, net of accumulated depreciation		
Buildings	24,187,002	25,528,175
Improvements	53,065,179	49,972,895
Equipment and vehicles	2,424,952	2,502,646
<b>Total Assets</b>	<b>189,847,732</b>	<b>186,539,627</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	903,895	1,086,560
Pensions	22,313,239	9,247,203
Other post-employment benefits	1,281,452	877,671
<b>Total Deferred Outflows of Resources</b>	<b>24,498,586</b>	<b>11,211,434</b>
<b>LIABILITIES</b>		
Accounts payable	3,546,504	4,488,587
Insurance payable	1,030,200	974,099
Payroll deductions and withholdings	11,260	31,393
Accrued interest payable	104,875	115,650
Noncurrent liabilities		
Due within one year	9,041,395	8,948,764
Due in more than one year	185,048,201	189,577,613
<b>Total Liabilities</b>	<b>198,782,435</b>	<b>204,136,106</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	23,061,318	18,651,528
Other post-employment benefits	18,210,499	11,912,438
<b>Total Deferred Inflows of Resources</b>	<b>41,271,817</b>	<b>30,563,966</b>
<b>NET POSITION</b>		
Net investment in capital assets	48,246,512	41,958,834
Restricted for		
Operations and maintenance	6,657,694	6,670,322
Transportation	6,823,001	9,088,520
Municipal retirement/social security	5,242,283	4,329,467
Tort	1,558,203	548,406
Debt service	6,412,275	6,287,022
Fire prevention and safety	948,810	1,609,580
Unrestricted	(101,596,712)	(107,441,162)
<b>Total Net Position</b>	<b>\$ (25,707,934)</b>	<b>\$ (36,949,011)</b>

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

WAUKEGAN COMMUNITY SCHOOL DISTRICT NO. 60  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Total 2019 Actual	Total 2018 Actual
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
GOVERNMENTAL ACTIVITIES						
Instruction	\$ 177,883,462	\$ 619,483	\$ 75,152,271	\$ -	\$ (102,111,708)	\$ (91,336,066)
Support services	95,559,154	741,567	16,783,217	-	(78,034,370)	(68,273,926)
Community services	1,252,932	-	-	-	(1,252,932)	(1,085,283)
Payments to other districts and gov't units	34,799	-	-	-	(34,799)	(63,377)
Interest and other on long-term debt	2,352,747	-	-	-	(2,352,747)	(2,566,760)
Depreciation - unallocated	5,336,207	-	-	-	(5,336,207)	(5,088,311)
Total Governmental Activities	<u>\$ 282,419,301</u>	<u>\$ 1,361,050</u>	<u>\$ 91,935,488</u>	<u>\$ -</u>	<u>(189,122,763)</u>	<u>(168,413,723)</u>
GENERAL REVENUES						
Taxes						
Personal property replacement taxes					6,724,378	6,042,763
Property taxes, levied for general purposes					52,279,340	51,130,440
Property taxes, levied for debt service					9,896,604	9,842,506
State aid - grants					130,924,421	120,045,256
Unrestricted earnings on investments					232,693	63,383
Other					<u>306,404</u>	<u>49,763</u>
Total General Revenues					<u>200,363,840</u>	<u>187,174,111</u>
CHANGES IN NET POSITION					<u>11,241,077</u>	<u>18,760,388</u>
NET POSITION - BEGINNING - AS PREVIOUSLY REPORTED					(36,949,011)	48,984,228
PRIOR PERIOD ADJUSTMENTS						
Other post-employment benefit expenses					<u>-</u>	<u>(104,693,627)</u>
NET POSITION - BEGINNING - AS RESTATED					<u>(36,949,011)</u>	<u>(55,709,399)</u>
NET POSITION - ENDING					<u>\$ (25,707,934)</u>	<u>\$ (36,949,011)</u>

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

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019  
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2018

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
<b>ASSETS</b>				
Cash and investments	\$ 58,591,281	\$ 3,974,830	\$ 4,879,382	\$ 1,360,031
Property taxes receivable, net of allowance for uncollectibles	15,997,003	2,899,243	1,442,468	3,882,252
Personal property replacement taxes receivable	1,075,862	-	-	-
Grants receivable	767,714	-	1,607,590	-
Prepaid items	42,270	-	-	-
Interfund receivables	2,867,720	-	-	-
<b>Total Assets</b>	<b>79,341,850</b>	<b>\$ 6,874,073</b>	<b>\$ 7,929,440</b>	<b>\$ 5,242,283</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,963,895	\$ 216,379	\$ 1,106,439	\$ -
Insurance payable	1,030,200	-	-	-
Payroll deductions and withholdings	10,847	-	-	-
Interfund payables	-	-	-	-
<b>Total Liabilities</b>	<b>3,004,942</b>	<b>216,379</b>	<b>1,106,439</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	42,270	-	-	-
Restricted	-	6,657,694	6,823,001	5,242,283
Committed	10,000,000	-	-	-
Assigned	15,232,120	-	-	-
Unassigned	51,062,518	-	-	-
<b>Total Fund Balances</b>	<b>76,336,908</b>	<b>6,657,694</b>	<b>6,823,001</b>	<b>5,242,283</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 79,341,850</b>	<b>\$ 6,874,073</b>	<b>\$ 7,929,440</b>	<b>\$ 5,242,283</b>

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

Tort Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total 2019 Actual	Total 2018 Actual
\$ 190,622	\$ 1,578,865	\$ -	\$ 707,539	\$ 71,282,550	\$ 70,851,709
1,493,173	4,938,285	-	375,883	31,028,307	29,119,569
-	-	-	-	1,075,862	1,029,604
-	-	-	-	2,375,304	2,477,613
276,374	-	-	-	318,644	516,850
-	-	-	-	2,867,720	2,548,308
<u>\$ 1,960,169</u>	<u>\$ 6,517,150</u>	<u>\$ -</u>	<u>\$ 1,083,422</u>	<u>\$ 108,948,387</u>	<u>\$ 106,543,653</u>
\$ 125,179	\$ -	\$ -	\$ 134,612	\$ 3,546,504	\$ 4,488,587
-	-	-	-	1,030,200	974,099
413	-	-	-	11,260	31,393
-	-	2,867,720	-	2,867,720	2,548,308
<u>125,592</u>	<u>-</u>	<u>2,867,720</u>	<u>134,612</u>	<u>7,455,684</u>	<u>8,042,387</u>
276,374	-	-	-	318,644	516,850
1,558,203	6,517,150	-	948,810	27,747,141	28,648,967
-	-	-	-	10,000,000	-
-	-	-	-	15,232,120	15,248,610
-	-	(2,867,720)	-	48,194,798	54,086,839
<u>1,834,577</u>	<u>6,517,150</u>	<u>(2,867,720)</u>	<u>948,810</u>	<u>101,492,703</u>	<u>98,501,266</u>
<u>\$ 1,960,169</u>	<u>\$ 6,517,150</u>	<u>\$ -</u>	<u>\$ 1,083,422</u>	<u>\$ 108,948,387</u>	<u>\$ 106,543,653</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019

Total fund balances - governmental funds (Exhibit C)		\$ 101,492,703
Amounts reported for governmental activities in the Statement of Net Position are different because:		
When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.		
Cost of capital assets		
Land	\$ 1,518,042	
Construction in progress	2,571,890	
Buildings	68,082,713	
Improvements	73,864,331	
Equipment and vehicles	11,872,124	
	<u>157,909,100</u>	
Accumulated depreciation	<u>(74,142,035)</u>	83,767,065
Deferred charge on refunding included in the Statement of Net Position is not available to pay for current period expenditures and, therefore, is not recognized in the governmental funds balance sheet.		
		903,895
Deferred outflows of resources related to pensions and other post-employment benefits do not relate to current financial resources and are not included in the governmental funds balance sheet.		
Pensions	22,313,239	
Other post-employment benefits	<u>1,281,452</u>	23,594,691
Deferred inflows of resources related to pensions and other post-employment benefits do not relate to current financial resources and are not included in the governmental funds balance sheet.		
Pensions	(23,061,318)	
Other post-employment benefits	<u>(18,210,499)</u>	(41,271,817)
Interest on long-term liabilities accrued in the Statement of Net Position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.		
		(104,875)
Long-term liabilities (e.g. bonds payable and capital leases payable) are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. In addition, interest relating to long-term liabilities is not recorded in the governmental funds until due. All liabilities, both current and long-term are reported in the Statement of Net Position.		
Balances as of June 30, 2019 are as follows:		
Bonds payable	(53,784,539)	
Unamortized bond premium	(1,331,201)	
Pensions	(31,471,911)	
Other post-employment benefits	(106,999,896)	
Compensated absences	<u>(502,049)</u>	<u>(194,089,596)</u>
Total net position - governmental activities (Exhibit A)		<u>\$ (25,707,934)</u>

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



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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2018

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
<b>REVENUES</b>				
Local Sources				
General tax levy	\$ 25,869,879	\$ 5,806,116	\$ 2,911,264	\$ 3,887,793
Special education levy	6,179,981	-	-	-
FICA/Medicare levy	-	-	-	3,887,793
Personal property replacement taxes	6,714,378	-	-	10,000
Summer school - tuition	3,705	-	-	-
Earnings on investments	219,169	54	-	-
Food services	243,029	-	-	-
District/School activity income	154,572	-	-	-
Textbooks	321,757	-	-	-
Rentals	63,213	-	-	-
Contributions and donations	435,325	-	-	-
Refund of prior years' expenditures	306,404	-	-	-
Other local sources	76,976	25,006	35,910	-
State Sources				
Evidence based funding formula	120,877,019	8,847,402	-	-
Special education	2,151,406	-	-	-
Career and technical education	36,947	-	-	-
Bilingual education	-	-	-	-
State free lunch and breakfast	151,194	-	-	-
Driver education	67,444	-	-	-
Transportation aid	-	-	6,469,433	-
Truant alternative/optional education	71,406	-	-	-
Early childhood block grant	484,778	-	-	-
Other state sources	316,740	-	-	-
On behalf payments - State of Illinois	62,347,903	-	-	-
Federal Sources				
Food services	8,867,810	-	-	-
Title I - low income	4,470,349	-	-	-
Title I - school improvement	126,306	-	-	-
Title IVA - student support	142,427	-	-	-
Special education	2,387,190	-	-	-
Career and technical education	113,075	-	-	-
Title III - immigrant education program	20,023	-	-	-
Title III - language instruction program	404,154	-	-	-
McKinney education for homeless children	500	-	-	-
Title II - teacher quality	1,266,264	-	-	-
Medicaid administrative outreach	694,477	-	-	-
Medicaid matching fee-for-service	600,303	-	-	-
Other federal sources	745,359	-	-	-
Total Revenues	246,931,462	14,678,578	9,416,607	7,785,586

Tort Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total 2019 Actual	Total 2018 Actual
\$ 2,983,872	\$ 9,896,604	\$ -	\$ 752,642	\$ 52,108,170	\$ 51,843,237
-	-	-	-	6,179,981	5,573,010
-	-	-	-	3,887,793	3,556,699
-	-	-	-	6,724,378	6,042,763
-	-	-	-	3,705	13,960
-	-	13,470	-	232,693	63,383
-	-	-	-	243,029	161,786
-	-	-	-	154,572	162,564
-	-	-	-	321,757	356,017
-	-	-	-	63,213	96,060
-	-	-	-	435,325	21,873
-	-	-	-	306,404	49,763
205	1,352	-	-	139,449	220,474
1,200,000	-	-	-	130,924,421	120,045,256
-	-	-	-	2,151,406	1,970,165
-	-	-	-	36,947	81,309
-	-	-	-	-	1,496,097
-	-	-	-	151,194	96,816
-	-	-	-	67,444	55,847
-	-	-	-	6,469,433	6,552,531
-	-	-	-	71,406	71,406
-	-	-	-	484,778	3,669,800
-	-	-	-	316,740	491,047
-	-	-	-	62,347,903	65,455,233
-	-	-	-	8,867,810	9,662,215
-	-	-	-	4,470,349	5,934,955
-	-	-	-	126,306	-
-	-	-	-	142,427	40,659
-	-	-	-	2,387,190	2,979,536
-	-	-	-	113,075	66,762
-	-	-	-	20,023	57,624
-	-	-	-	404,154	473,040
-	-	-	-	500	5,000
-	-	-	-	1,266,264	176,094
-	-	-	-	694,477	450,374
-	-	-	-	600,303	1,085,240
-	-	-	-	745,359	681,979
4,184,077	9,897,956	13,470	752,642	293,660,378	289,760,574

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2018

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
EXPENDITURES				
Current				
Instruction	\$ 176,226,154	\$ -	\$ -	\$ 2,603,172
Support services	64,253,457	10,368,975	11,682,126	4,196,803
Community services	1,180,137	-	-	72,795
Payments to other districts and gov't units	34,799	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Capital Outlay	399,552	4,173,551	-	-
Total Expenditures	242,094,099	14,542,526	11,682,126	6,872,770
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,837,363	136,052	(2,265,519)	912,816
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(64,183)	(148,680)	-	-
Total Other Financing Sources (Uses)	(64,183)	(148,680)	-	-
NET CHANGES IN FUND BALANCES	4,773,180	(12,628)	(2,265,519)	912,816
FUND BALANCE, BEGINNING	71,563,728	6,670,322	9,088,520	4,329,467
FUND BALANCE, ENDING	\$ 76,336,908	\$ 6,657,694	\$ 6,823,001	\$ 5,242,283

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

Tort Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total 2019 Actual	Total 2018 Actual
\$ -	\$ -	\$ -	\$ -	\$ 178,829,326	\$ 172,315,569
3,161,136	-	63,911	270,145	93,996,553	84,767,730
-	-	-	-	1,252,932	1,085,283
-	-	-	-	34,799	63,377
-	3,375,339	-	-	3,375,339	3,662,144
-	6,615,324	-	-	6,615,324	6,218,644
-	5,678	-	-	5,678	4,252
-	-	842,620	1,143,267	6,558,990	5,191,122
3,161,136	9,996,341	906,531	1,413,412	290,668,941	273,308,121
1,022,941	(98,385)	(893,061)	(660,770)	2,991,437	16,452,453
-	212,863	-	-	212,863	22,977,995
-	-	-	-	(212,863)	(22,977,995)
-	212,863	-	-	-	-
1,022,941	114,478	(893,061)	(660,770)	2,991,437	16,452,453
811,636	6,402,672	(1,974,659)	1,609,580	98,501,266	82,048,813
\$ 1,834,577	\$ 6,517,150	\$ (2,867,720)	\$ 948,810	\$ 101,492,703	\$ 98,501,266

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

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Total net change in fund balances-governmental funds (Exhibit D) \$ 2,991,437

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

When capital assets that are to be used in governmental activities are purchased, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.

Depreciation expense	\$ (5,336,207)	
Capital outlay over capitalization limits	<u>6,558,990</u>	1,222,783

Repayment of debt principal is reported as an expenditure in governmental funds and thus, has the effect of reducing fund balance because current financial resources have been used. In the government-wide statements, however, the principal reduces the liabilities in the Statement of Net Position and does not result in an expense in the Statement of Activities. The District's debt was reduced by principal payments made to debt holders.

Principal payments made		8,732,051
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Some amounts reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds. These amounts include:

Accretion on capital appreciation bonds	(1,133,280)	
Amortization of deferred interest on refunding of bonds	(182,665)	
Amortization of bond premium	216,713	
Pensions	3,813,831	
Other post-employment benefits	(4,376,519)	
Compensated absences	<u>(54,049)</u>	(1,715,969)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest is recognized as the interest accrues, regardless of when it is due.

10,775

Change in net position of governmental activities (Exhibit B)		<u><u>\$ 11,241,077</u></u>
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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
 AGENCY FUNDS  
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 JUNE 30, 2019  
 WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2018

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	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and investments	<u>\$ 1,230,454</u>	<u>\$ 1,302,104</u>
Total Assets	<u><u>\$ 1,230,454</u></u>	<u><u>\$ 1,302,104</u></u>
LIABILITIES		
Due to student activity fund organizations	<u>\$ 1,230,454</u>	<u>\$ 1,302,104</u>
Total Liabilities	<u><u>\$ 1,230,454</u></u>	<u><u>\$ 1,302,104</u></u>

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

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

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

The financial statements of Waukegan Community Unit School District No. 60 (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Financial Reporting Entity**

The District’s reporting entity includes the District’s governing board and all related organizations. The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria includes, but is not limited to, scope of public services, and special financing relationships.

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District’s financial statements. In addition, the District is not aware of any entity that would result in the District being considered a component unit of the District.

**B. Basis of Presentation – Fund Accounting**

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities within the District. The effect of interfund activity has been removed from these statements.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The District maintains individual funds required by the Illinois State Board of Education (ISBE). Funds are organized into three major categories: governmental, proprietary, and fiduciary. The District does not have any proprietary funds.

The funds of the District are described below:

**Governmental Funds**

**General Fund** – The General Fund which consists of the legally mandated Educational Account and Working Cash Account is the general operating fund of the District and is always classified as a major fund. It is used to account for revenues and expenditures which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds. Included in the Educational Account is the District’s food service operation. The food service operating is a self-supporting activity; however, measurement of profit and loss is not an objective. This method of reporting is required for reports filed with the ISBE.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Special Revenue Funds** – Special Revenue Funds, which includes the Operations and Maintenance Fund, the Transportation Fund, the Municipal Retirement/Social Security Fund and the Tort Fund, are used to account for the proceeds of specified revenue sources (other than those accounted for in the Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes.

**Debt Service Fund** – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

**Capital Projects Funds** – The Capital Project Funds include both the Capital Projects Fund and the Fire Prevention and Safety Fund, are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Fire Prevention and Safety Fund accounts for financial resources to be used for authorized fire prevention and safety projects.

**Fiduciary Fund Types (not included in government-wide statements)**

**Agency Funds** – The Agency Funds (Student Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

**Major and Non-major Funds**

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District, is considered major by the District, or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues received, or expenditures disbursed of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues received, or expenditures disbursed of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

**The District has classified all funds as major:**

General Fund – See above for description.

Operations and Maintenance Fund – A Special Revenue Fund to account for expenses paid for repair and maintenance of District property. Revenue consists primarily of local revenues.

Transportation Fund – A Special Revenue Fund to account for activity relating to student transportation to and from school. Revenues consist primarily of property taxes and state transportation grants.

Municipal Retirement/Social Security Fund – A Special Revenue Fund to account 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 non-certified employees. Revenues consist primarily of property taxes and personal property replacement taxes.

Tort Fund – A Special Revenue Fund to account for the portion of the District's tax levy restricted for tort immunity expenditures in accordance with the *Illinois Compiled Statutes*.

Debt Service Fund – A Debt Service Fund used to accumulate resources for, and payment of, general long-term debt, principal, interest, and related costs.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Capital Projects Fund – A Capital Projects fund that accounts for financial resources to be used for the acquisition, construction, or additions to major capital facilities.

Fire Prevention and Safety Fund – A Capital Projects fund used to account for financial resources to be used for activity relating to fire prevention and safety capital projects.

**Equity / Net Position Classifications**

Equity is classified as net position and displayed in three components:

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

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

*Unrestricted net position* – All other net position that do not meet the definition of “Restricted” or “Net Investment in capital assets.”

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

**Governmental Fund Balance Reporting**

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned and Unassigned.

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The nonspendable fund balance consists of the General Fund (\$42,270) and the Tort Fund prepaid items (\$276,374), totaling \$318,644.

*Restricted* – The restricted balance classification refers to amounts that are subject to restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributions or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special revenue funds are by definition restricted for those specified purposes. The restricted fund balance consists of the Operations and Maintenance Fund by statute (\$6,657,694), the Transportation Fund by statute (\$6,823,001), the Municipal Retirement/Social Security Fund by statute (\$5,242,283), the Tort Fund by statute (\$1,558,203), the Debt Service Fund by statute (\$6,517,150), and the Fire Prevention and Safety Fund by statute (\$948,810), totaling \$27,747,141. The District has several revenue sources received within different funds that fall into these categories:

- Special Education – revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. As of June 30, 2019, expenditures exceeded revenues for this purpose, resulting in no restricted fund balance.
- State grants – proceeds from state grants and the related expenditures have been included in the Educational Account and the Transportation Fund. At June 30, 2019, expenditures exceeded revenues from state grants, resulting in no restricted fund balance.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

- Federal grants – proceeds from federal grants and the related expenditures have been included in the Educational Account. At June 30, 2019, expenditures exceeded revenues from federal grants, resulting in no restricted fund balance.
- Social Security – revenues and the related expenditures of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2019, expenditures disbursed exceeded revenue received, resulting in no restricted fund balance.

*Committed* – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the school board that originally created the commitment. The committed fund balance is for future capital improvements in the General Fund (\$10,000,000).

*Assigned* – the assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education may assign amounts for specific purposes. Assignments may take place after the end of the reporting period. The assigned fund balance is for insurance cash in the General Fund (\$15,232,120).

*Unassigned* – the unassigned fund balance classification is the residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes. The unassigned fund balance consists of the General Fund (\$51,062,518) and the Capital Projects Fund negative fund balance (\$2,867,720), totaling \$48,194,798.

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

**C. Measurement Focus/Basis of Accounting**

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported.

The governmental fund financial statements use the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Agency funds are also presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

In the fund financial statements and governmental funds are presented on the modified accrual basis of accounting, which is in conformity with the Illinois Program Accounting Manual for Local Education Agencies. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual: i.e. both measurable and available. Measurable means the amount of the transaction can be determined and available means due and collectible within the current period or 60 days after year-end to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payment to be made in the following year.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs is used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Those revenues susceptible to accrual are property taxes, replacement taxes, interest revenue and intergovernmental revenues. Grant funds are considered earned to the extent of expenditures made under the grant provisions. Charges for services and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash as they are not generally measurable until actually received. Amounts reported as program revenues include: 1) charges for services (i.e. student and parental fees as well as payments from other governments for services rendered), 2) operating grants and contributions (i.e. state and federal grant monies received for specific programs), and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Cash and Deposits**

Cash and deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and non-negotiable certificates of deposits.

**E. Investments**

Investments are considered to be government and municipal securities. Investments are stated at fair value. Changes in fair value are included as earnings on investments.

**F. Personal Property Replacement Taxes**

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

**G. Receivables**

In government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends. Major receivable balances are shown on the exhibits. In fund financial statements, material receivables in governmental funds include revenue accruals that are both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**H. Property Taxes**

The District must file its tax levy ordinance by the last Tuesday in December of each year. The 2018 tax levy, payable in 2019, was passed on November 13, 2018. The 2017 tax levy, payable in 2018, was passed on November 28, 2017. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The Lake County Assessor is responsible for the assessment of all taxable real property within Lake County except for certain railroad property which is assessed directly by the State. The County is reassessed every four years by the Assessor.

The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the Lake County Collector/Treasurer who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on or about June 1 and September 1 during the following year. Substantial collections are received by the District in June and September. Taxes recorded on these financial statements are from the 2018 and 2017 tax levy years.

In the governmental-wide financial statements revenue is recognized based on the period that the levy is intended to finance. Based upon collection histories, the District has provided an allowance for uncollectible real property taxes equal to 1.0% of the current extension. All property taxes receivable over one year old have been written off.

**I. Program Revenues**

Amounts reported as program revenues include 1) Tuition and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather as program revenues.

**J. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in the order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year-end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

**K. Capital Assets**

In the governmental-wide financial statements, capital outlay expenditures are accounted for as capital assets. All capital outlay expenditures which exceed a capitalization threshold of \$5,000 per asset are capitalized and valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at acquisition value as of the date of acquisition. Prior to July 1, 2002, infrastructure assets were not capitalized. Such assets have been valued at estimated historical cost. Depreciation of all exhaustible capital assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings, improvements and infrastructure 20-50 years, equipment 10 years, and transportation equipment 5 years. Land and construction in progress are not depreciated.

In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**L. Long-Term Debt**

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debts, to be repaid from governmental resources, are reported as liabilities in the government-wide statements. The long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

**M. Prepaid items**

The District's prepaid amount is accounted for using the consumption method. At June 30, 2019, \$42,270 is from software purchased for the following school year within the General Fund, and \$276,374 is from insurance premiums for insurance purchased on a calendar basis policy year within the Tort Fund, totaling \$318,644. These amounts are reported as non-spendable fund balances in the governmental funds.

**N. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. Vacation pay is accrued when incurred in the government-wide financial statements.

Vacation pay accrual is calculated by dividing the annual salary by 261 days to determine the daily rate of pay. Then the daily rate is multiplied by the number of unpaid days at June 30, 2019, to determine the total balance due. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee resignation and/or retirement. The General Fund is typically used to liquidate the compensated absences in prior years. At June 30, 2019, the amount of compensated absences as a liability is \$502,049.

**O. Restricted Assets**

Restricted assets are used for qualified restricted purposes prior to the use of unrestricted assets for restricted purposes.

**P. Assigned Assets**

Certain monies are set aside for the operation of the District self-insurance plan. The plan is funded through District and employee contributions, and expenditures are incurred when claims are paid. Resources for payment of these expenditures are maintained in bank accounts and assigned for this use.

**Q. Comparative Data**

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

**R. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

qualify for this category. The first is deferred charges on refunding reported in the government-wide statement of position (\$903,895). A deferred charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third items are pensions and other post-employment benefits reported in the government-wide statement of position (\$22,313,239 pensions and \$1,281,452 other post-employment benefits). These results are from the differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items which arises only under a modified accrual basis of accounting which qualifies for reporting in this category. The two items are pensions (\$23,061,318) and other post-employment benefits (\$18,210,499) reported in the government-wide statement of net position. This result is from the differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and non-negotiable certificates of deposit. Investments are considered to be government and municipal securities. Investments are stated at fair value. Changes in fair value of investments are included as earnings on investments. The District has adopted a formal cash and investment management policy. The financial institutions in which accounts are made must be approved by the Board of Education.

The District maintains a cash pool that is available for use by all funds. In addition, accounts may be separately held by some of the District's funds.

Permitted Deposits – The District is allowed to invest in securities as authorized by the Illinois Compiled Statutes.

At June 30, 2019, the carrying amount of the District's deposits and investments totaled \$72,513,004 (\$71,282,550 governmental and \$1,230,454 fiduciary). The bank balances totaling \$95,010,539 are classified as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Deposits and Investments	<u>\$ 93,676,718</u>	<u>\$ 1,333,821</u>	<u>\$ 95,010,539</u>



WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 2 – CASH AND DEPOSITS (Cont'd)**

For disclosure purposes, the amounts are classified as follows:

Deposits and Investments	Amount	Maturity		
		Less Than Six Months	Six Months to One Year	One Year to Three Years
Cash with financial institutions	\$ 70,337,551	\$ 70,337,551	\$ -	\$ -
Savings deposit accounts	14,628,929	14,628,929	-	-
ISDLAF+	22,634	22,634	-	-
Non-negotiable certificates of deposit	15,006	15,006	-	-
Government and municipal securities	10,006,419	4,974,689	2,002,480	3,029,250
<b>Total Deposits and Investments</b>	<b>\$ 95,010,539</b>	<b>\$ 89,978,809</b>	<b>\$ 2,002,480</b>	<b>\$ 3,029,250</b>

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 assets. 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.

At June 30, 2019, the District had the following fair value measurements:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Government and municipal securities	\$ 10,006,419	\$ 6,977,169	\$ 3,029,250	\$ -
<b>Total Investments</b>	<b>\$ 10,006,419</b>	<b>\$ 6,977,169</b>	<b>\$ 3,029,250</b>	<b>\$ -</b>

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the districts investment portfolio consists of investments with maturities of six months or less.

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

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- The Illinois Funds Money Market Fund.
- The Illinois School District Liquid Asset Fund (ISDLAF+).
- Repurchase agreements, which meet instrument transactions, requirements of Illinois law.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. This fund is not registered with the SEC as an investment company, but does operate in a

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 2 – CASH AND DEPOSITS (Concluded)**

manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments are valued at net asset value (NAV) per share price, which is the price at which the investment could be sold, as determined by the pool.

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of the failure of the bank or the counterparty, the District will not be able to recover the value of its deposits, investments, or collateral securities that are in possessions of an outside party. As of June 30, 2019, the District's bank balance of \$95,010,539 is exposed to custodial credit risk as follows:

Depository and Investment Account	Bank Balance
Insured	\$ 10,879,344
Collateralized	84,108,561
Uninsured and uncollateralized	22,634
Total	<u>\$ 95,010,539</u>

Deposits with the Illinois School District Liquid Asset Fund and Max Cash Fund of \$22,634 are not insured by FDIC and are not collateralized by any private source.

*Concentration of Credit Risk.* The District's policy states investments shall be diversified to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions. The District shall diversify its investments to the best of its ability based upon the type of funds invested, available institutions to invest in, and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

*Foreign currency risk.* The District does not have any investments denominated in a currency other than the U.S. dollar.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable of the governmental activities consists of property taxes and intergovernmental revenues. Receivable detail at June 30, 2019, is as follows:

Account	Amount
Property taxes	\$ 31,028,307
Personal property replacement taxes	1,075,862
Due from federal government	231,437
Due from state government	2,143,867
Total	<u>\$ 34,479,473</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 4 – CAPITAL ASSETS AND DEPRECIATION**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 1,518,042	\$ -	\$ -	\$ 1,518,042
Construction in progress	3,022,524	2,331,475	2,782,109	2,571,890
Total Capital Assets Not Being Depreciated	4,540,566	2,331,475	2,782,109	4,089,932
Capital Assets Being Depreciated				
Buildings	68,082,713	-	-	68,082,713
Improvements	67,245,903	6,618,428	-	73,864,331
Equipment	9,718,781	348,421	-	10,067,202
Vehicles	1,762,147	42,775	-	1,804,922
Total Capital Assets Being Depreciated	\$ 146,809,544	\$ 7,009,624	\$ -	\$ 153,819,168
Less: Accumulated Depreciation				
Buildings	42,554,538	1,341,173	-	43,895,711
Improvements	17,273,008	3,526,144	-	20,799,152
Equipment	7,303,157	418,155	-	7,721,312
Vehicles	1,675,125	50,735	-	1,725,860
Total Accumulated Depreciation	68,805,828	5,336,207	-	74,142,035
Net Depreciable Capital Assets	78,003,716	1,673,417	-	79,677,133
Net Total Capital Assets	\$ 82,544,282	\$ 4,004,892	\$ 2,782,109	\$ 83,767,065

Depreciation is not charged to any specific function.

Construction Commitments

As of June 30, 2019, the District entered into outstanding building commitments of approximately \$2,658,400. The District has incurred approximately \$2,571,890 of costs for these projects leaving remaining commitments of \$86,536.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 5 – DEBT SERVICE REQUIREMENTS**

**Changes in Long-Term Debt**

Long-term debt activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Accretions/ Increases	Refunded/ Decreases	Ending Balance	Due Within One Year
Bonds:					
1999B General Obligation School Bonds	\$ 5,058,953	\$ 131,047	\$ 5,190,000	\$ -	\$ -
2001A General Obligation Refunding Tax Bonds	12,520,935	595,220	3,480,000	9,636,155	3,480,000
2010A General Obligation Tax Bonds	7,446,371	407,013	-	7,853,384	5,365,000
2010B General Obligation Refunding School Bonds	13,505,000	-	-	13,505,000	-
2015A General Obligation Refunding Tax School Bonds	7,825,000	-	-	7,825,000	-
2015B General Obligation Refunding Tax School Bonds	1,000,000	-	-	1,000,000	-
2016 General Obligation Tax Bonds	7,000,000	-	-	7,000,000	-
2017A General Obligation School Refunding Bonds	1,225,000	-	-	1,225,000	-
2017B General Obligation School Bonds	5,740,000	-	-	5,740,000	-
Total Bonds	61,321,259	1,133,280	8,670,000	53,784,539	8,845,000
Unamortized Bond Premium	1,547,914	-	216,713	1,331,201	196,395
Capital Leases:					
Copiers - Konica (18)	2,318	-	2,318	-	-
Copiers - Konica (17)	4,218	-	4,218	-	-
Copiers - Konica (21)	18,522	-	18,522	-	-
Copiers - Konica (12)	10,384	-	10,384	-	-
Copiers - Konica (14)	26,609	-	26,609	-	-
Total Capital Leases	62,051	-	62,051	-	-
Compensated Absences	448,000	202,603	148,554	502,049	-
Pensions	26,629,496	18,465,311	13,622,896	31,471,911	-
Other Post-Employment Benefits	108,517,657	776,863	2,294,624	106,999,896	-
Total Long-Term Debt	<u>\$ 198,526,377</u>	<u>\$ 20,578,057</u>	<u>\$ 25,014,838</u>	<u>\$ 194,089,596</u>	<u>\$ 9,041,395</u>

Bonds are liquidated by the Operations and Maintenance Fund and the Debt Service Fund. Capital leases are liquidated by the General Fund. Compensated absences, pensions, and other post-employment benefits are liquidated by the General Fund.

**Bonds**

On February 11, 1999, the District issued General Obligation School Bonds in the amount of \$32,895,316. These bonds were issued in two series. The "A" series of Current Interest Bonds (CIBs) in the amount of \$22,595,000 and the "B" series of Capital Appreciation Bonds (CABs) in the amount of \$10,300,316. The issue provides for serial retirement of principal each year beginning December 1, 2000, with interest rates ranging from 3.20% to 6.00% payable on June 1 and December 1 each year.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)**

On January 28, 2010, a portion of the bonds were refunded by the 2010 Series B and C bonds. Any amount necessary to retire the remaining debt has been placed in escrow and is considered defeased and no longer an obligation of the District. The balance due on the Series "A" CIBs as of June 30, 2019 is \$0- and the Series "B" CABs was paid in full during the year ended June 30, 2019.

On November 27, 2001, the District issued General Obligation Refunding Tax Bonds in the amount of \$9,729,222. The issue provides for retirement of principal on November 1, 2012, and for serial retirement of the remaining principal each year beginning November 1, 2016, with interest rates ranging from 4.66% to 5.51% payable on May 1 and November 1 or each year. The balance due as of June 30, 2019 is \$9,636,155 including accreted interest.

On January 28, 2010, the District issued General Obligation Tax and Refunding School Bonds in the amount of \$29,780,268 in three series. The 2010 "A" CIB issue provides for retirement of principal and interest on June 1, 2010. The 2010 "A" CABs provide for retirement of principal and interest each December 1, starting in 2022, continuing through December 1, 2024. Interest rates on the Series "A" bonds range from 5.30% to 5.48%. The 2010 "B" CIBs provide for paying interest each June 1 and December 1 with principal payments resuming December 1, 2019, through December 1, 2021. Interest rates on the Series "B" bonds range from 4.00% to 5.00%. At June 30, 2019, the remaining balance due on the Series "A" CABs is \$7,853,384 including accreted interest, and the Series "B" CIBs is \$13,505,000, for a total due on the 2010 bonds of \$21,358,384.

On October 29, 2015, the District issued General Obligation Tax and Refunding School Bonds, Series 2015A, in the amount of \$8,130,000. The issue provides for retirement of principal starting January 1, 2026, and each January 1 continuing through January 1, 2028. The issue provides for interest payments starting July 1, 2016, and each January 1 and July 1 continuing through January 1, 2028. Interest rates range from 3.00% to 5.00%. The balance due as of June 30, 2019 is \$7,825,000.

On October 29, 2015, the District issued General Obligation Refunding Tax School Bonds, Series 2015B, in the amount of \$1,000,000. The issue provides for retirement of principal on January 1, 2026. The issue provides for interest payments starting July 1, 2016, and each January 1 and July 1 continuing through January 1, 2026. The interest rate is 5.00%. The balance due as of June 30, 2019 is \$1,000,000.

On June 2, 2016, the District issued General Obligation Tax Bonds in the amount of \$7,000,000. The issue provides for retirement of principal on January 1, 2032. The issue provides for interest payments starting July 1, 2017, and each January 1 and July 1 continuing through January 1, 2032. The interest rate is 4.00%. The payment of principal and interest will be paid from available funds in the Operations and Maintenance Fund. The balance due as of June 30, 2019 is \$7,000,000.

On June 28, 2017, the District issued General Obligation Refunding and School Bonds in the amount of \$6,965,000. The issue provides for retirement of principal starting January 1, 2028, and each January 1 continuing through January 1, 2030. The issue provides for interest payments starting January 1, 2018, and each January 1 and July 1 continuing through January 1, 2030. Interest rates range from 3.00% to 5.00%. At June 30, 2019, the remaining balance due on the Series "A" is \$1,225,000 and the Series "B" is \$5,740,000, for a total due on the 2017 bonds of \$6,965,000.

**Prior Years Defeasance of Debt**

In prior years, the District defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2019, \$523,207 of defeased bonds remains outstanding.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)**

**Bonds Annual Cash Flow Requirements**

As of June 30, 2019, the annual debt service cash flow requirements to service all bonds (including interest accretion) are:

Year Ending June 30	Principal	Interest	Total
2020	\$ 8,845,000	\$ 1,258,500	\$ 10,103,500
2021	9,085,000	1,017,100	10,102,100
2022	6,015,000	854,300	6,869,300
2023	3,325,000	958,600	4,283,600
2024	3,325,000	958,600	4,283,600
2025	3,325,000	958,600	4,283,600
2026	3,325,000	958,600	4,283,600
2027	3,485,000	798,850	4,283,850
2028	3,015,000	624,600	3,639,600
2029	3,260,000	524,150	3,784,150
2030	2,705,000	361,150	3,066,150
2031	-	280,000	280,000
2032	7,000,000	280,000	7,280,000
Interest portion of CABs included in principal	(2,925,461)	2,925,461	-
Total	<u>\$ 53,784,539</u>	<u>\$ 12,758,511</u>	<u>\$ 66,543,050</u>

**Lease/Purchase Agreements**

The District has acquired certain property and equipment by entering into various installment purchase obligations. The total cost of the property and equipment has been included in the capital assets in the year of acquisition. These obligations will be paid from current operating funds of the Educational Account, General Fund of the Governmental Fund.

On August 16, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 18 Konica Bizhub copier machines (equipment), totaling \$121,256, with a monthly payment of \$2,318 including interest at 5.71%. The lease/purchase agreement was paid in full during the year ended June 30, 2019.

On September 26, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 17 Konica Bizhub copier machines (equipment), totaling \$73,217, with a monthly payment of \$1,420 including interest at 6.14%. The lease/purchase agreement was paid in full during the year ended June 30, 2019.

On January 17, 2014, the District entered into a lease/purchase agreement with US Bank for the purchase of 21 Konica Bizhub copier machines (equipment), totaling \$140,444, with a monthly payment of \$2,697 including interest at 5.71%. The lease/purchase agreement was paid in full during the year ended June 30, 2019.

On February 28, 2014, the District entered into a lease/purchase agreement with US Bank for the purchase of 12 Konica Bizhub copier machines (equipment), totaling \$68,459, with a monthly payment of \$1,328 including interest at 6.14%. The lease/purchase agreement was paid in full during the year ended June 30, 2019.

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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)**

On July 1, 2015, the District entered into a lease/purchase agreement with US Bank for the purchase of 14 Konica Bizhub copier machines (equipment), totaling \$129,623, with a monthly payment of \$2,489 including interest at 5.71%. The lease/purchase agreement was paid in full during the year ended June 30, 2019.

**Lease/Purchase Agreements Annual Cash Flow Requirements**

As of June 30, 2019, all lease/purchase agreements were paid in full during the year ended June 30, 2019.

**Debt Limit**

The Illinois School Code limits the amount of bond indebtedness to 13.8 percent of \$814,534,583, the most recent available assessed valuation of the District; therefore, the District's legal debt margin as of June 30, 2019, is \$112,405,772. At June 30, 2019, the outstanding bonded debt to which the legal debt margin applies is \$44,844,242 and applicable capital lease debt is \$-0-, which totals \$44,844,242. The available borrowing power is \$67,561,530, which is 39.89 percent of its total legal debt limit.

**Operating Leases**

The District has entered into leases for automobiles to be utilized by Driver Education classes.

Operating lease activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Automobiles					
2017 Toyota Corolla	\$ 1,754	\$ -	\$ 1,754	\$ -	\$ -
2017 Toyota Corolla	4,829	-	2,414	2,415	2,415
2017 Toyota Corolla	4,833	-	2,417	2,416	2,416
2018 Toyota Corolla	-	10,072	3,357	6,715	3,637
2019 Toyota Camry	-	12,523	696	11,827	4,522
Total Operating Leases	<u>\$ 11,416</u>	<u>\$ 22,595</u>	<u>\$ 10,638</u>	<u>\$ 23,373</u>	<u>\$ 12,990</u>

Operating lease terms with respective balances for the year ended June 30, 2019 was as follows:

	Lease Term	Balance June 30, 2019
Automobiles		
2017 Toyota Corolla	36 months	\$ 2,415
2017 Toyota Corolla	36 months	2,416
2018 Toyota Corolla	36 months	6,715
2019 Toyota Camry	36 months	11,827
Total Automobiles		<u>\$ 23,373</u>

Operating leases are liquidated by the General Fund.

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**NOTE 6 – PROPERTY TAXES**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2018 tax levy, payable in 2019, was November 13, 2018. The adoption date for the 2017 tax levy, payable in 2018, was November 28, 2017. Property taxes attach as an enforceable lien on property as of January 1, of the Levy year, and are payable in two installments on approximately June 1 and September 1 of the year subsequent to the levy year. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded on these financial statements are from the 2018 and 2017 tax levy years.

The following are summaries of the past two years' assessed valuation, tax rates, and the tax extensions created therefrom for Lake County. The tax rates were developed according to the Property Tax Limitation Act.

Equalized Assessed Valuation	Levy			
	2018		2017	
	\$814,534,583		\$724,260,971	
Fund	Rates	Extensions	Rates	Extensions
Educational	3.183	\$ 25,925,007	3.459	\$ 25,052,781
Special Education	0.761	6,200,001	0.772	5,594,308
Operations and Maintenance	0.715	5,825,006	0.724	5,244,663
Transportation	0.356	2,898,130	0.776	5,622,785
Municipal Retirement	0.479	3,900,008	0.493	3,569,687
Social Security/Medicare	0.479	3,900,008	0.493	3,569,687
Bond and Interest	1.218	9,921,740	1.364	9,875,581
Working Cash	0.002	15,321	0.019	136,168
Tort	0.368	3,000,004	0.255	1,846,387
Fire Prevention and Life Safety	0.093	755,204	0.092	665,118
Totals	7.654	\$ 62,340,429	8.447	\$ 61,177,165

**NOTE 7 – SPECIAL TAX LEVIES AND RESTRICTED EQUITY**

**Special Education Levy**

Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Account of the General Fund. Cumulative expenditures disbursed exceeded cumulative revenues received; therefore, there are no restricted funds in accordance with the *Illinois Compiled Statutes*. Other District revenues were used to cover the remaining special education expenses.

**NOTE 8 – RETIREMENT SYSTEMS**

**A. Teachers' Retirement System (TRS) of the State of Illinois**

**General Information about the Pension Plan**

*Plan Description*

The employer participates in the Teachers' Retirement System (TRS) of the State of Illinois. 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



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**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

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 <http://www.trsil.org/forms-and-publications>; by writing to TRS at 2815 West Washington Street, P. O. Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

*Benefits Provided*

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

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

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

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

*Contributions*

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

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

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*On-Behalf Contributions to TRS*

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$61,226,980 in pension contributions from the State of Illinois.

*2.2 Formula Contributions*

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019, were \$743,512, 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.

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, salaries totaling \$9,798,964 were paid from federal and special trust funds that required employer contributions of \$965,198 (\$747,895 were paid). These contributions are deferred because they were paid after the June 30, 2018 measurement date.

*Employer Retirement 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 employer 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 of 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 employer paid \$199,558 to TRS for employer contributions due on salary increases in excess of 6 percent, \$9,351 for salary increases in excess of 3 percent, and \$2,305 for sick leave days granted in excess of the normal annual allotment.

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

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

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**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

Employer's proportionate share of the net pension liability	\$ 9,516,645
State's proportionate share of the net pension liability associated with the employer	<u>651,930,074</u>
Total	<u><u>\$ 661,446,719</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018, the employer's proportion was 0.0122094617 percent, which was a (decrease) of 0.0180786321 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the employer recognized pension expense of \$61,226,980 and revenue of \$66,549,363 for support provided by the state. At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 191,266	\$ 2,075
Net difference between projected and actual earnings on pension plan investments	-	29,139
Changes of assumptions	417,396	269,722
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>-</u>	<u>14,015,497</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>608,662</u>	<u>14,316,433</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>1,491,407</u>	<u>-</u>
Total	<u><u>\$ 2,100,069</u></u>	<u><u>\$ 14,316,433</u></u>

\$1,491,407 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) Of Resources
2020	\$ (3,981,508)
2021	(3,378,914)
2022	(2,812,807)
2023	(2,433,445)
2024	<u>(1,101,097)</u>
Total	<u><u>\$ (13,707,771)</u></u>

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**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

*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:

<b>Inflation</b>	2.50 percent
<b>Salary increases</b>	Varies by amount of service credit
<b>Investment rate of return</b>	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 adjustments as appropriate for TRS experience. The rates are used 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.00%	6.70%
U.S. equities small/mid cap	2.00%	7.90%
International equities developed	13.60%	7.00%
Emerging market equities	3.40%	9.40%
U.S. bonds core	8.00%	2.20%
U.S. bonds high yield	4.20%	4.40%
International debt developed	2.20%	1.30%
Emerging international debt	2.60%	4.50%
Real estate	16.00%	5.40%
Real return	4.00%	1.80%
Absolute return	14.00%	3.90%
Private equity	15.00%	10.20%
Total	<u>100.00%</u>	

*Discount Rate*

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

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

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of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 11,671,265	\$ 9,516,645	\$ 7,781,527

*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*.

**B. Illinois Municipal Retirement Fund (IMRF)**

**IMRF Plan Description**

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

**Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

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

**Employees Covered by Benefit Terms**

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

Retirees and Beneficiaries currently receiving benefits	594
Inactive Plan Members entitled to but not yet receiving benefits	765
Active Plan Members	<u>758</u>
Total	<u><u>2,117</u></u>

**Contributions**

As set by statute, the employer's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2018 was 10.29%. For the fiscal year ended 2019, the employer contributed \$3,017,929 to the plan. The employer 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 employer's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.

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**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

- Projected Retirement Age was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study of the period 2014 to 2016.
- 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 adjustments that were applied for non-disabled lives.
- For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

Asset Class	Target Allocation	Return 12/31/2018	Projected Returns/Risks	
			One Year Arithmetic	Ten Year Geometric
Equities	37%	-6.08%	8.50%	7.15%
International Equities	18%	-14.16%	9.20%	7.25%
Fixed Income	28%	-0.28%	3.75%	3.75%
Real Estate	9%	8.36%	7.30%	6.25%
Alternatives	7%			
Private Equity		N/A	12.40%	8.50%
Hedge Funds		N/A	5.75%	5.50%
Commodities		N/A	4.75%	3.20%
Cash Equivalents	1%	N/A	2.50%	2.50%
Total	100%			

**Single Discount Rate**

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

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**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 127,257,132	\$ 123,767,177	\$ 3,489,955
Changes for the year:			
Service Cost	2,830,874	-	2,830,874
Interest on the Total Pension Liability	9,412,014	-	9,412,014
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	523,500	-	523,500
Changes of Assumptions	4,038,314	-	4,038,314
Contributions - Employer	-	3,243,583	(3,243,583)
Contributions - Employees	-	1,405,034	(1,405,034)
Net Investment Income	-	(6,685,313)	6,685,313
Benefits Payments, including Refunds of Employee Contributions	(6,358,104)	(6,358,104)	-
Other (Net Transfer)	-	376,087	(376,087)
Net Changes	10,446,598	(8,018,713)	18,465,311
Balances at December 31, 2018	<u>\$ 137,703,730</u>	<u>\$ 115,748,464</u>	<u>\$ 21,955,266</u>

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 156,089,617	\$ 137,703,730	\$ 122,684,098
Plan Fiduciary Net Position	115,748,464	115,748,464	115,748,464
Net Pension Liability/(Asset)	<u>\$ 40,341,153</u>	<u>\$ 21,955,266</u>	<u>\$ 6,935,634</u>

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

For the year ended June 30, 2019, the employer recognized pension expense of \$1,508,552. At June 30, 2019, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:



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Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 1,209,202	\$ 38,835
Changes of assumptions	2,925,524	2,038,161
Net difference between projected and actual earnings on pension plan investments	<u>14,465,397</u>	<u>6,667,889</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>18,600,123</u>	<u>8,744,885</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>1,613,047</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 20,213,170</u></u>	<u><u>\$ 8,744,885</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 3,096,625
2020	1,823,426
2021	1,751,618
2022	3,183,569
2023	-
Thereafter	-
Total	<u><u>\$ 9,855,238</u></u>

**C. Aggregate Pension Amounts**

For the year ended June 30, 2019, aggregate pension amounts are as follows:

	TRS	IMRF	Total
Deferred Outflows of Resources	\$ 2,100,069	\$ 20,213,170	\$ 22,313,239
Net Pension Liability*	9,516,645	21,955,266	31,471,911
Deferred Inflows of Resources	14,316,433	8,744,885	23,061,318
Pension Expense/(Revenue), Net of State Support	(5,322,383)	1,508,552	(3,813,831)

\*The Net Pension Liability is recorded in noncurrent liabilities, due in more than one year on the Statement of Net Position.

**NOTE 8 – RETIREMENT SYSTEMS (Concluded)**

**D. Social Security/Medicare**

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating 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.

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS**

**A. Teachers' Health Insurance Security (THIS) Fund**

**General Information about the Plan**

*Plan Description*

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

*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.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, 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.

*Contributions*

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.

*On-Behalf Contributions to the THIS Fund*

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2019. State of Illinois contributions were \$1,120,923, and the employer recognized revenue and expenditures of this amount during the year.

*Employer Contributions to the THIS Fund*

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the employer paid \$831,653 to the THIS Fund, which was 100 percent of the required contribution. The contributions are deferred because they were paid after the June 30, 2018, measurement date.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Cont'd)**

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

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

Employer's proportionate share of the net THIS liability	\$ 97,273,894
State's proportionate share of the net THIS liability associated with the employer	<u>130,617,862</u>
Total	<u><u>\$ 227,891,756</u></u>

The net THIS liability was measured as of June 30, 2018, and the total THIS liability used to calculate the net THIS liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The employer's proportion of the net THIS liability was based on the employer's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the employer's proportion was 0.369219 percent, which was a decrease of 0.014481 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the employer recognized THIS expense of \$5,027,983 and revenue of \$1,120,923 for support provided by the state. At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to THIS from the following sources:

Deferred Amounts Related to THIS	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in THIS expense in future periods</i>		
Differences between expected and actual experience	\$ -	\$ 349,020
Net difference between projected and actual earnings on THIS plan investments	-	2,986
Changes of assumptions	-	14,164,713
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>142,395</u>	<u>3,693,780</u>
Total deferred amounts to be recognized in THIS expense in future periods	<u>142,395</u>	<u>18,210,499</u>
<i>THIS contributions made subsequent to the measurement date</i>	<u>831,653</u>	<u>-</u>
Total	<u><u>\$ 974,048</u></u>	<u><u>\$ 18,210,499</u></u>

\$831,653 reported as deferred outflows of resources related to THIS resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the THIS pension liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows (inflows) of resources related to THIS will be recognized in THIS expense as follows:

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Cont'd)**

Year Ending June 30,	Net Deferred Outflows (Inflows) Of Resources
2020	\$ (2,976,024)
2021	(2,976,024)
2022	(2,976,024)
2023	(2,975,711)
2024	(2,975,060)
Thereafter	(2,357,608)
Total	<u>\$ (17,236,451)</u>

*Actuarial Assumptions*

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

<b>Inflation</b>	2.75 percent
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	0.00 percent, net of THIS plan investment expense, including inflation
<b>Healthcare cost trend rates</b>	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for Excise Tax.

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

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

Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set at zero.

*Discount Rate*

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on THIS plan investments (to the extent that the plan fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.56%, as of June 30, 2017, and 3.62% as of June 30, 2018.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Concluded)**

*Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Discount Rate*

The following presents the employer's proportionate share of the net THIS liability calculated using the discount rate of 3.62 percent, as well as what the employer's proportionate share of the net THIS 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%)
Employer's proportionate share of the net THIS liability	\$ 116,960,751	\$ 97,273,894	\$ 81,732,867

*Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Health Care Trend Rate*

The following presents the employer's proportionate share of the net THIS liability calculated using the health care trend rate of 8.00 percent, as well as what the employer's proportionate share of the net THIS liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Employer's proportionate share of the net THIS liability	\$ 78,873,432	\$ 97,273,894	\$ 122,063,899

**Further information on 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." Prior reports are available under "Healthcare and Family Services".

**B. Health Benefit Plan (HBP)**

**General Information about the Plan**

*Plan Description*

The District's Other Post Employment Benefit Plan (OPEB) is single-employer defined benefit healthcare plan that is administered by the District. The District provides post-employment medical and dental benefits for eligible participants enrolled in the District sponsored plans.

*Benefits Provided*

Benefit provisions are established through contractual agreements and may only be amended through negotiations with the District and union representatives. Participants are eligible for medical and dental coverage under a fully-insured PPO plan or HMOI plan for pre-65 and post-65 coverage.

*Employees Covered by Benefit Terms*

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

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Cont'd)**

Total Active Employees	1,794
Inactive Employees Currently Receiving Benefit Payments	32
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	<u>-</u>
Total	<u><u>1,826</u></u>

*Contributions*

Contribution requirements are established through contractual agreements and may only be amended through negotiations with the District and union representatives. The retiree is responsible for paying the full monthly premium. However, the District provides an annual reimbursement toward the premium cost at established rates. The District currently pays for post-employment health care benefits on a pay-as-you-go basis. The employer contributed \$308,154 for the year ending June 30, 2019.

*Net HBP Liability*

The employer's net HBP liability was measured as of June 30, 2019. The total HBP liability used to calculate the HBP liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The following are the methods and assumptions used to determine total HBP liability at June 30, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Actuarial Valuation Frequency is prepared biennially with a "roll-forward" valuation in the interim year.
- The Inflation Rate was assumed to be 2.50%.
- The Discount Rate was 3.50%.
- The Health Care Trend Rate was 6.50% at the current rate; 5.00% at the ultimate rate with year reached 2024.
- The Lapse Rate (N/A) for retirees receiving medical coverage are expected to lapse all coverages at age 65.
- The Medicare Eligibility was all participants are assumed to be eligible for Medicare upon attainment of age 65.
- The Marriage Assumption was actual spouse data used for current retirees.
- The Mortality Table was RP-2014 Combined Health Mortality Table and projected generationally using Scale MP-2017.

*Discount Rate*

A discount rate of 3.50% was used to measure the total HBP liability. The discount rate decreased from 3.87% to 3.50% to reflect the current high-quality fixed income environment. The discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Rates were taken from the S&P municipal bond 20-year high grade rate index as of the measurement dates.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Cont'd)**

*Changes in the Net HBP Liability*

	Total HBP Liability (A)	Plan Fiduciary Net Position (B)	Net HBP Liability (A) - (B)
Balances at June 30, 2018	\$ 8,949,139	\$ -	\$ 8,949,139
Changes for the year:			
Service Cost	411,669	-	411,669
Interest	340,369	-	340,369
Changes of Benefit Terms	-	-	-
Changes of Assumptions	332,979	-	332,979
Contributions - Employer	-	308,154	(308,154)
Contributions - Employees	-	-	-
Net Investment Income	-	-	-
Benefits Payments	(308,154)	(308,154)	-
Other (Net Transfer)	-	-	-
Net Changes	<u>776,863</u>	<u>-</u>	<u>776,863</u>
Balances at June 30, 2019	<u>\$ 9,726,002</u>	<u>\$ -</u>	<u>\$ 9,726,002</u>

*Sensitivity of the Net HBP Liability to Changes in the Discount Rate*

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

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Employer's proportionate share of the net HBP liability	\$ 10,684,932	\$ 9,726,002	\$ 8,852,857

*Sensitivity of the Net HBP Liability to Changes in the Health Care Trend Rate*

The following presents the plan's net HBP liability, calculated using a Discount Rate of 6.50%, but varies to its ultimate rate of 5.00%, as well as what the plan's net HBP liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Employer's proportionate share of the net HBP liability	\$ 8,445,626	\$ 9,726,002	\$ 11,267,225

**HBP Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to HBP**

For the year ended June 30, 2019, the employer recognized HBP expense of \$469,459. At June 30, 2019, the employer reported deferred outflows or resources and deferred inflows of resources related to HBP from the following sources:

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Concluded)**

Deferred Amounts Related to HBP	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in HBP expense in future periods</i>		
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on HBP plan investments	-	-
Changes of assumptions	307,404	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Total deferred amounts to be recognized in HBP expense in future periods	307,404	-
<i>HBP contributions made subsequent to the measurement date</i>	-	-
Total	\$ 307,404	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to HBP will be recognized in HBP expense in future periods as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) Of Resources
2020	\$ 25,575
2021	25,575
2022	25,575
2023	25,575
2024	25,575
Thereafter	179,529
Total	\$ 307,404

**C. Aggregate OPEB Amounts**

For the year ended June 30, 2019, aggregate OPEB amounts are as follows:

	THIS	HBP	Total
Deferred Outflows of Resources	\$ 974,048	\$ 307,404	\$ 1,281,452
Net OPEB Liability*	97,273,894	9,726,002	106,999,896
Deferred Inflows of Resources	18,210,499	-	18,210,499
OPEB Expense/(Revenue)	3,907,060	469,459	4,376,519

\*The Net OPEB Liability is recorded in noncurrent liabilities, due in more than one year on the Statement of Net Position.



WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 10 – SELF-INSURANCE PLAN**

The District is self-insured with respect to medical and dental coverage which is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees.

At June 30, 2019, total unpaid claims were \$1,030,200. This includes an estimate of claims that have been incurred but not reported to the administrative agent and classified as health insurance payable (included in accounts payable). The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other non-incremental costs to the claims liability. There is an assignment of the Educational Account portion of the General Fund for \$15,232,120, which represents the cash balance at June 30, 2019. For the year ended June 30, 2019, changes in the liability reported in the government-wide and governmental funds statements for unpaid claims are summarized as follows:

	Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	End of Year
Claims Payable	<u>\$ 974,099</u>	<u>\$ 20,268,640</u>	<u>\$ 20,212,539</u>	<u>\$ 1,030,200</u>

**NOTE 11 – INTERFUND LOANS AND TRANSFERS**

**Interfund Loans**

At June 30, 2019, interfund loans consisted of the following:

Due To	Due From	Balance
General Fund (Working Cash Account)	Capital Projects Fund	\$ 2,867,720

Interfund loans are used to finance activities of a fund which has over-expended its available resources. Working Cash Account funds are available for borrowing by other funds not able to meet their cash flow needs during the year. These funds are expected to be repaid in the short term.

**Interfund Transfers**

The District made the following interfund transfers:

- The District made interfund transfers from the General Fund (Educational Account) to the Debt Service Fund in the amount of \$64,183 for capital lease payments.
- The District made interfund transfers from the Operations and Maintenance Fund to the Debt Service Fund for \$148,680 for bond payments.

Transfers are used to (1) move revenues from the fund in which statute or budget requires collection to the fund that statute or budget requires expenditures, and (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 12 – DEFICIT FUND BALANCE**

The unassigned fund balance of the Capital Projects Fund was in a deficit position in the amount of \$2,867,720.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 13 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past three years.

**NOTE 14 – LITIGATION**

The District is a defendant in various claims and lawsuits. The District intends to vigorously defend its position and, while it is not feasible to predict the outcome of the claims and lawsuits at this time, the District is of the opinion that the ultimate disposition should not have a material adverse effect on the District's financial position.

**NOTE 15 – INVESTMENT IN JOINT AGREEMENTS**

The District participates with other Illinois school districts in certain cooperative educational organizations, known as joint agreements. These joint agreements are owned by the participants and are operated for the specific purposes stated in the joint agreement document, e.g., Special Education, Vocational Education, etc. This District has, in accordance with the generally accepted practice of other Illinois school districts, charged the cost of its investment to current expenditures in the year paid. The investment is not capitalized and it is unclear whether the District would receive any return of its investment should it choose to withdraw from the joint agreement.

**Lake County High School Technology Campus**

The District is a member of the Lake County High School Technology Campus Consortium, along with twenty-one other area school districts in Lake and McHenry Counties. The Lake County High Schools Technology Campus provides career and technical education programs and services which benefit District students, and also provides jointly administered grants and programming which benefits the District. The District is financially responsible for annual and special assessments as established in the Lake County High Schools governing board and tuition and fees for programs and services are based on usage. The Lake County High Schools Technology Campus is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from the Lake County High Schools Technology Campus by contacting its administration at 19525 West Washington Street, Grayslake, Illinois 60030. The telephone number is: 847-223-6681.

**NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLE**

In 2019, the District adopted new accounting guidance *GASB Statement No. 72, Fair Value Measurement and Application*.

**NOTE 17 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between June 30, 2019, and the date of this audit report requiring disclosure in the financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered part of the basic financial statements. Such information includes:

Schedule of the Employer's Proportionate Share of the Net Pension Liability - Teachers' Retirement System (TRS) of the State of Illinois

Schedule of Employer Contributions - Teachers' Retirement System (TRS) of the State of Illinois

Schedule of Changes in Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund (IMRF)

Schedule of Employer Contributions - Illinois Municipal Retirement Fund (IMRF)

Schedule of the Employer's Proportionate Share of the THIS Liability - Other Post-Employment Benefits (OPEB) - Teachers' Health Insurance Security (THIS) Fund

Schedule of Employer Contributions - Other Post-Employment Benefits (OPEB) - Teachers' Health Insurance Security (THIS) Fund

Schedule of Changes in Net HBP Liability and Related Ratios - Other Post-Employment Benefits (OPEB) - Health Benefit Plan (HBP)

Schedule of Contributions - Other Post-Employment Benefits (OPEB) - Health Benefit Plan (HBP)

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
- Budget and Actual - Budget Basis for:

General Fund

Operations and Maintenance Fund

Transportation Fund

Municipal Retirement/Social Security Fund

Tort Fund

Notes to the Required Supplementary Information

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS  
MOST RECENT FISCAL YEARS

Fiscal year ending June 30,*	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.012%	0.303%	0.031%	0.039%	0.044%
Employer's proportionate share of the net pension liability	\$ 9,516,645	\$ 23,139,541	\$ 24,600,290	\$ 25,707,271	\$ 26,770,496
State's proportionate share of the net pension liability associated with the employer	651,930,074	654,643,470	707,696,371	553,293,148	529,144,563
Total	<u>\$661,446,719</u>	<u>\$677,783,011</u>	<u>\$732,296,661</u>	<u>\$579,000,419</u>	<u>\$555,915,059</u>
Covered payroll	\$ 87,149,069	\$ 88,251,209	\$ 89,153,672	\$ 85,445,003	\$ 85,710,418
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.92%	26.22%	27.59%	30.09%	31.23%
Plan fiduciary net position as a percentage of the total pension liability	40.00%	39.30%	36.40%	41.50%	43.00%

\*The amounts presented were determined as of the prior fiscal-year end.

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

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEACHERS' RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS  
MOST RECENT FISCAL YEARS

Fiscal year ending June 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 1,489,501	\$ 652,858	\$ 1,243,846	\$ 1,178,415	\$ 1,396,939
Contributions in relation to the contractually- required contribution	<u>1,491,407</u>	<u>773,152</u>	<u>1,253,568</u>	<u>1,185,386</u>	<u>1,244,440</u>
Contribution deficiency (excess)	<u>\$ (1,906)</u>	<u>\$ (120,294)</u>	<u>\$ (9,722)</u>	<u>\$ (6,971)</u>	<u>\$ 152,499</u>
Covered payroll	\$ 90,397,021	\$ 87,149,069	\$ 88,251,209	\$ 89,153,672	\$ 85,445,003
Contributions as a percentage of covered payroll	1.65%	0.89%	1.42%	1.33%	1.46%

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

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)  
MOST RECENT CALENDAR YEARS

Calendar year ending December 31,	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 2,830,874	\$ 2,947,709	\$ 3,038,905	\$ 2,938,108	\$ 2,961,732
Interest on the total pension liability	9,412,014	9,154,038	8,717,222	8,260,887	7,441,349
Difference between expected and actual experience of the total pension liability	523,500	1,728,179	(203,187)	90,844	1,301,073
Changes of assumptions	4,038,314	(4,182,341)	(154,835)	149,179	4,296,752
Benefit payments, including refunds of employee contributions	(6,358,104)	(5,940,888)	(5,426,037)	(5,073,509)	(5,050,324)
Net change in pension liability	10,446,598	3,706,697	5,972,068	6,365,509	10,950,582
Total pension liability - beginning	127,257,132	123,550,435	117,578,367	111,212,858	100,262,276
Total pension liability - ending (A)	<u>\$ 137,703,730</u>	<u>\$ 127,257,132</u>	<u>\$ 123,550,435</u>	<u>\$ 117,578,367</u>	<u>\$ 111,212,858</u>
Plan fiduciary net position					
Contributions - employer	\$ 3,243,583	\$ 2,972,708	\$ 2,951,482	\$ 2,881,581	\$ 2,801,856
Contributions - employees	1,405,034	1,298,485	1,257,767	1,247,085	1,192,038
Net investment income	(6,685,313)	19,109,905	6,914,531	517,147	5,971,646
Benefit payments, including refunds of employee contributions	(6,358,104)	(5,940,888)	(5,426,037)	(5,073,509)	(5,050,324)
Other (net transfer)	376,087	(2,262,937)	676,830	(1,258,742)	562,491
Net change in plan fiduciary net position	(8,018,713)	15,177,273	6,374,573	(1,686,438)	5,477,707
Plan fiduciary net position - beginning	123,767,177	108,589,894	102,215,321	103,901,759	98,424,052
Plan fiduciary net position - ending (B)	<u>\$ 115,748,464</u>	<u>\$ 123,767,167</u>	<u>\$ 108,589,894</u>	<u>\$ 102,215,321</u>	<u>\$ 103,901,759</u>
Net pension liability - ending (A) - (B)	<u>\$ 21,955,266</u>	<u>\$ 3,489,965</u>	<u>\$ 14,960,541</u>	<u>\$ 15,363,046</u>	<u>\$ 7,311,099</u>
Plan fiduciary net position as a percentage of total pension liability	84.06%	97.26%	87.89%	86.93%	93.43%
Covered valuation payroll	\$ 30,601,405	\$ 28,655,223	\$ 27,793,205	\$ 27,367,514	\$ 26,288,387
Net pension liability as a percentage of covered valuation payroll	71.75%	12.18%	53.83%	56.14%	27.81%

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

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)  
MOST RECENT CALENDAR YEARS

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2018	\$ 3,148,885	\$ 3,243,583	\$ (94,698)	\$ 30,601,405	10.60%
2017	2,960,085	2,972,708	(12,623)	28,655,223	10.37%
2016	2,951,638	2,951,482	156	27,793,205	10.62%
2015	2,881,799	2,881,581	218	27,367,514	10.53%
2014	2,802,342	2,801,856	486	26,288,387	10.66%

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

**Valuation Date**

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

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

<i>Actuarial Cost Method</i>	Aggregate entry age = normal
<i>Amortization Method</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period</i>	25-year closed period
<i>Asset Valuation Method</i>	5-year smoothed market; 20% corridor
<i>Wage Growth</i>	3.50%
<i>Price Inflation</i>	2.75%
<i>Salary Increases</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return</i>	7.50%
<i>Retirement Age</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
<i>Mortality</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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.

**Other Information**

Notes There were no benefit changes during the year.

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

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



WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE THIS LIABILITY  
OTHER POST-EMPLOYMENT BENEFITS (OPEB) - TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND  
MOST RECENT FISCAL YEARS

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Fiscal year ending June 30, *	<u>2019</u>	<u>2018</u>
Employer's proportion of the net THIS liability	0.3692%	0.3837%
Employer's proportionate share of the net THIS liability	\$ 97,273,894	\$ 99,568,518
State's proportionate share of the net THIS liability associated with the employer	<u>130,617,862</u>	<u>130,758,205</u>
Total	<u><u>\$ 227,891,756</u></u>	<u><u>\$ 230,326,723</u></u>
Covered payroll	\$ 87,149,069	\$ 88,251,209
Employer's proportionate share of the net THIS liability as a percentage of its covered payroll	111.62%	112.82%
Plan fiduciary net position as a percentage of the total THIS liability	-0.07%	-0.17%

\*The amounts presented were determined as of the prior fiscal-year end.

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

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS (OPEB) - TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND  
MOST RECENT FISCAL YEARS

---

Fiscal year ending June 30,	<u>2019</u>	<u>2018</u>
Contractually-required contribution	\$ 831,653	\$ 766,912
Contributions in relation to the contractually-required contribution	<u>831,653</u>	<u>766,912</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 90,397,021	\$ 87,149,069
Contributions as a percentage of covered payroll	0.92%	0.88%

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

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET HBP LIABILITY AND RELATED RATIOS  
OTHER POST-EMPLOYMENT BENEFITS (OPEB) - HEALTH BENEFIT PLAN (HBP)  
MOST RECENT FISCAL YEARS

Fiscal year ending June 30,	2019	2018
Total HBP liability		
Service cost	\$ 411,669	\$ 396,331
Interest	340,369	323,131
Changes of assumptions	332,979	-
Benefit payments	(308,154)	(239,923)
Net change in total HBP liability	776,863	479,539
Total HBP liability - beginning	8,949,139	8,469,600
Total HBP liability - ending (A)	<u>\$ 9,726,002</u>	<u>\$ 8,949,139</u>
HBP plan net position		
Contributions - employer	\$ 308,154	\$ 239,923
Contributions - employees	-	-
Benefit payments	(308,154)	(239,923)
Net change in HBP plan net position	-	-
HBP plan net position - beginning	-	-
HBP plan net position - ending (B)	<u>\$ -</u>	<u>\$ -</u>
Net HBP liability - ending (A) - (B)	<u>\$ 9,726,002</u>	<u>\$ 8,949,139</u>
HBP plan net position as a percentage of the total HBP liability	0.00%	0.00%
Covered payroll	\$ 122,812,600	\$ 116,867,397
Net HBP liability as a percentage of covered payroll	7.92%	7.66%

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

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS (OPEB) - HEALTH BENEFIT PLAN (HBP)  
MOST RECENT FISCAL YEARS

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<u>Fiscal Year Ended</u>	<u>Actuarially Determined Employer Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2019	\$ 308,154	\$ 308,154	\$ -	\$ 122,812,600	0.25%
6/30/2018	239,923	239,923	-	116,867,397	0.21%

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

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

		2019	
	Original and Final Budget	Educational Account	Working Cash Account
<b>REVENUES RECEIVED</b>			
Local Sources			
General tax levy	\$ 25,106,078	\$ 24,875,013	\$ 73,376
Special education levy	5,380,536	5,756,915	-
Personal property replacement taxes	6,173,061	6,668,120	-
Summer school - tuition	-	3,705	-
Earnings on investments	5,365	212,750	-
Food services	161,803	243,029	-
District/School activity income	156,551	154,572	-
Textbooks	267,035	321,757	-
Rentals	96,060	63,213	-
Contributions and donations	-	435,325	-
Refund of prior years' expenditures	85,935	306,404	-
Drivers' education fees	6,013	-	-
Other local sources	-	76,976	-
Total Local Sources	37,438,437	39,117,779	73,376
State Sources			
Unrestricted Grants-In-Aid			
Evidence based funding formula	120,056,853	120,877,019	-
Total Unrestricted Grants-In-Aid	120,056,853	120,877,019	-
Restricted Grants-In-Aid			
Special education	1,528,647	2,073,980	-
Career and technical education	81,309	36,947	-
Bilingual education	-	-	-
State free lunch and breakfast	47,084	154,885	-
Driver education	51,254	64,545	-
Truant alternative/optional education	12,515	78,347	-
Early childhood block grant	63,216	592,778	-
Other state sources	108,332	328,095	-
On behalf payments - State of Illinois	-	62,347,903	-
Total Restricted Grants-In-Aid	1,892,357	65,677,480	-
Total State Sources	121,949,210	186,554,499	-
Federal Sources			
Restricted Grants-In-Aid			
Food services	8,099,682	8,867,810	-
Title I - low income	4,044,737	4,470,349	-
Title IVA - student support	40,659	142,427	-

		2018
Total	Variance	Actual
\$ 24,948,389	\$ (157,689)	\$ 24,994,667
5,756,915	376,379	5,359,180
6,668,120	495,059	6,163,061
3,705	3,705	13,960
212,750	207,385	63,176
243,029	81,226	161,786
154,572	(1,979)	162,564
321,757	54,722	356,017
63,213	(32,847)	96,060
435,325	435,325	21,873
306,404	220,469	31,515
-	(6,013)	-
76,976	76,976	175,153
39,191,155	1,752,718	37,599,012
120,877,019	820,166	117,702,881
120,877,019	820,166	117,702,881
2,073,980	545,333	5,361,895
36,947	(44,362)	81,309
-	-	2,451,635
154,885	107,801	144,373
64,545	13,291	58,970
78,347	65,832	131,291
592,778	529,562	6,975,060
328,095	219,763	440,580
62,347,903	62,347,903	65,455,233
65,677,480	63,785,123	81,100,346
186,554,499	64,605,289	198,803,227
8,867,810	768,128	9,729,049
4,470,349	425,612	6,537,664
142,427	101,768	40,659

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

			2019
	Original and Final Budget	Educational Account	Working Cash Account
Federal Sources			
Restricted Grants-In-Aid			
Special education - pre-school flow through	\$ 78,928	\$ 62,626	\$ -
Special education - IDEA - flow through	2,868,911	2,324,564	-
Special education - IDEA - room and board	1,662	-	-
Career and technical education	66,762	113,075	-
Title III - immigrant education program	43,092	18,876	-
Title III - language instruction program	563,600	401,541	-
McKinney education for homeless children	-	500	-
Title II - teacher quality	176,094	1,266,264	-
Medicaid administrative outreach	246,925	887,637	-
Medicaid matching fee-for-service	532,440	529,447	-
Other federal sources	516,164	769,690	-
Total Restricted Grants-In-Aid	17,279,656	19,854,806	-
Total Federal Sources	17,279,656	19,854,806	-
Total Revenues Received	176,667,303	245,527,084	73,376
EXPENDITURES DISBURSED			
Current			
Instruction	116,323,118	176,053,900	-
Support services	68,816,931	64,146,041	-
Community services	1,563,412	1,213,901	-
Payments to other districts and gov't units	387,829	26,944	-
Provision for Contingencies	2,604,255	-	-
Capital Outlay	2,546,306	419,814	-
Total Expenditures Disbursed	192,241,851	241,860,600	-
Excess (Deficiency) of Revenues Over Expenditures	(15,574,548)	3,666,484	73,376
OTHER FINANCING (USES)			
Transfers out	-	(64,183)	-
Total Other Financing (Uses)	-	(64,183)	-
Net Changes in Fund Balances	<u><u>\$(15,574,548)</u></u>	3,602,301	73,376
Fund Balance, Budget Basis, at Beginning of Year		<u>30,782,964</u>	<u>26,976,281</u>
Fund Balance, Budget Basis, at End of Year		<u><u>\$ 34,385,265</u></u>	<u><u>\$ 27,049,657</u></u>



		2018
Total	Variance	Actual
\$ 62,626	\$ (16,302)	\$ 137,528
2,324,564	(544,347)	2,840,346
-	(1,662)	1,662
113,075	46,313	66,762
18,876	(24,216)	57,610
401,541	(162,059)	442,539
500	500	5,000
1,266,264	1,090,170	176,094
887,637	640,712	257,214
529,447	(2,993)	1,085,240
769,690	253,526	672,980
19,854,806	2,575,150	22,050,347
19,854,806	2,575,150	22,050,347
245,600,460	68,933,157	258,452,586
176,053,900	(59,730,782)	170,354,435
64,146,041	4,670,890	60,024,970
1,213,901	349,511	1,007,933
26,944	360,885	63,377
-	2,604,255	-
419,814	2,126,492	265,104
241,860,600	(49,618,749)	231,715,819
3,739,860	19,314,408	26,736,767
(64,183)	(64,183)	(6,207,035)
(64,183)	(64,183)	(6,207,035)
3,675,677	<u>\$ 19,250,225</u>	20,529,732
57,759,245		37,229,513
<u>\$ 61,434,922</u>		<u>\$ 57,759,245</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
 OPERATIONS AND MAINTENANCE FUND  
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources				
General tax levy	\$ 5,044,252	\$ 5,403,268	\$ 359,016	\$ 5,024,230
Earnings on investments	197	54	(143)	207
Refund of prior years' expenditures	-	-	-	18,248
Other local sources	-	25,006	25,006	11,213
Total Local Sources	5,044,449	5,428,328	383,879	5,053,898
State Sources				
Unrestricted Grants-In-Aid				
Evidence based funding formula	8,847,402	8,847,402	-	70,000
Total Unrestricted Grants-In-Aid	8,847,402	8,847,402	-	70,000
Restricted Grants-In-Aid				
Other state sources	-	-	-	42,014
Total Restricted Grants-In-Aid	-	-	-	42,014
Total State Sources	8,847,402	8,847,402	-	112,014
Total Revenues Received	13,891,851	14,275,730	383,879	5,165,912
EXPENDITURES DISBURSED				
Current				
Support Services				
Facilities Acquisition and Construction				
Services				
Purchased services	4,150,397	475,563	3,674,834	46,280
Total Facilities Acquisition and Construction	4,150,397	475,563	3,674,834	46,280
Services				
Operation and Maintenance of Plant Services				
Salaries	2,765,737	3,200,105	(434,368)	2,892,206
Employee benefits	728,767	358,182	370,585	365,092
Purchased services	4,515,281	2,692,676	1,822,605	1,282,249
Supplies and materials	3,755,651	3,445,921	309,730	3,424,262
Non-capitalized equipment	-	23,654	(23,654)	36,598
Other objects	400	254	146	-
Total Operation and Maintenance of	11,765,836	9,720,792	2,045,044	8,000,407
Plant Services				

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
OPERATIONS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Support Services				
Pupil Transportation Services				
Purchased services	\$ -	\$ -	\$ -	\$ 42,013
Total Pupil Transportation Services	-	-	-	42,013
Other Support Services				
Purchased services	-	500,000	(500,000)	-
Total Other Support Services	-	500,000	(500,000)	-
Total Support Services	15,916,233	10,696,355	5,219,878	8,088,700
Provision for Contingencies				
Other objects	500,000	-	500,000	-
Total Provision for Contingencies	500,000	-	500,000	-
Capital Outlay				
Facilities acquisition and construction services	150,000	2,413,551	(2,263,551)	1,511,820
Operation and maintenance of plant services	235,000	1,811,803	(1,576,803)	193,657
Total Capital Outlay	385,000	4,225,354	(3,840,354)	1,705,477
Total Expenditures Disbursed	16,801,233	14,921,709	1,379,524	9,794,177
(Deficiency) of Revenues Over Expenditures	(2,909,382)	(645,979)	1,763,403	(4,628,265)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	13,361,300
Transfers out	-	(148,680)	(148,680)	(6,809,660)
Total Other Financing Sources (Uses)	-	(148,680)	(148,680)	6,551,640
Net Changes in Fund Balances	<u>\$ (2,909,382)</u>	<u>(794,659)</u>	<u>\$ 1,614,723</u>	1,923,375
Fund Balance, Budget Basis, at Beginning of Year		4,769,489		2,846,114
Fund Balance, Budget Basis, at End of Year		<u>\$ 3,974,830</u>		<u>\$ 4,769,489</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
TRANSPORTATION FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources				
General tax levy	\$ 6,162,065	\$ 4,145,172	\$ (2,016,893)	\$ 6,127,535
Other local sources	-	35,910	35,910	30,765
Total Local Sources	6,162,065	4,181,082	(1,980,983)	6,158,300
State Sources				
Restricted Grants-In-Aid				
Transportation - regular	3,030,354	3,316,573	286,219	3,437,364
Transportation - special education	3,522,176	3,188,938	(333,238)	4,516,121
Total Restricted Grants-In-Aid	6,552,530	6,505,511	(47,019)	7,953,485
Total State Sources	6,552,530	6,505,511	(47,019)	7,953,485
Total Revenues Received	12,714,595	10,686,593	(2,028,002)	14,111,785
EXPENDITURES DISBURSED				
Current				
Support Services				
Pupil Transportation Services				
Salaries	145,962	184,874	(38,912)	130,489
Employee benefits	27,003	30,599	(3,596)	20,171
Purchased services	9,976,035	10,642,745	(666,710)	9,898,548
Supplies and materials	23,000	31,376	(8,376)	28,354
Total Pupil Transportation Services	10,172,000	10,889,594	(717,594)	10,077,562
Total Support Services	10,172,000	10,889,594	(717,594)	10,077,562
Total Expenditures Disbursed	10,172,000	10,889,594	(717,594)	10,077,562
Excess of Revenues Over Expenditures	2,542,595	(203,001)	(2,745,596)	4,034,223
OTHER FINANCING (USES)				
Transfers out	-	-	-	(3,561,300)
Total Other Financing (Uses)	-	-	-	(3,561,300)
Net Changes in Fund Balances	<u>\$ 2,542,595</u>	<u>\$ (203,001)</u>	<u>\$ (2,745,596)</u>	<u>\$ 472,923</u>
Fund Balance, Budget Basis, at Beginning of Year		5,082,383		4,609,460
Fund Balance, Budget Basis, at End of Year		<u>\$ 4,879,382</u>		<u>\$ 5,082,383</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources				
General tax levy	\$ 6,954,508	\$ 3,645,793	\$ (3,308,715)	\$ 3,462,864
FICA/Medicare levy	-	3,645,793	3,645,793	3,462,864
Personal property replacement taxes	-	10,000	10,000	10,000
Total Local Sources	6,954,508	7,301,586	347,078	6,935,728
Total Revenues Received	6,954,508	7,301,586	347,078	6,935,728
EXPENDITURES DISBURSED				
Current				
Employee Benefits				
Instruction	3,104,517	2,603,172	501,345	2,468,003
Support services	4,538,802	4,196,803	341,999	4,156,652
Community services	66,370	72,795	(6,425)	48,896
Total Employee Benefits	7,709,689	6,872,770	836,919	6,673,551
Total Expenditures Disbursed	7,709,689	6,872,770	836,919	6,673,551
Net Changes in Fund Balances	\$ (755,181)	428,816	\$ 1,183,997	262,177
Fund Balance, Budget Basis, at Beginning of Year		931,215		669,038
Fund Balance, Budget Basis, at End of Year		\$ 1,360,031		\$ 931,215

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
TORT FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources				
General tax levy	\$ 1,801,088	\$ 2,369,556	\$ 568,468	\$ 1,793,601
Other local sources	-	205	205	3,343
Total Local Sources	1,801,088	2,369,761	568,673	1,796,944
State Sources				
Unrestricted Grants-In-Aid				
Evidence based funding formula	1,200,000	1,200,000	-	1,979,375
Total Unrestricted Grants-In-Aid	1,200,000	1,200,000	-	1,979,375
Total State Sources	1,200,000	1,200,000	-	1,979,375
Total Revenues Received	3,001,088	3,569,761	568,673	3,776,319
EXPENDITURES DISBURSED				
Current				
Support Services				
Workers' Compensation Payments				
Purchased services	825,721	936,098	(110,377)	897,305
Total Workers' Compensation Payments	825,721	936,098	(110,377)	897,305
Unemployment Insurance Payments				
Purchased services	199,436	-	199,436	-
Total Unemployment Insurance Payments	199,436	-	199,436	-
Insurance Payments				
Purchased services	597,991	663,605	(65,614)	597,991
Total Insurance Payments	597,991	663,605	(65,614)	597,991
Risk Management and Claims Services				
Payments				
Salaries	1,057,980	967,081	90,899	1,017,205
Employee benefits	167,190	135,467	31,723	147,353
Total Risk Management and Claims Services				
Payments	1,225,170	1,102,548	122,622	1,164,558

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
TORT FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Support Services				
Judgments and Settlements				
Salaries	\$ 2,600	\$ -	\$ 2,600	\$ 2,500
Other objects	96,039	5,780	90,259	96,039
Total Judgements and Settlements	98,639	5,780	92,859	98,539
Services Related to Loss Prevention				
Purchased services	30,000	-	30,000	7,500
Total Services Related to Loss Prevention	30,000	-	30,000	7,500
Legal Services				
Salaries	71,034	130,007	(58,973)	68,302
Employee benefits	4,517	6,779	(2,262)	3,812
Purchased services	350,102	416,451	(66,349)	348,828
Total Legal Services	425,653	553,237	(127,584)	420,942
Total Support Services	3,402,610	3,261,268	141,342	3,186,835
Total Expenditures Disbursed	3,402,610	3,261,268	141,342	3,186,835
Net Changes in Fund Balances	<u>\$ (401,522)</u>	308,493	<u>\$ 710,015</u>	589,484
Fund Balance, Budget Basis, at Beginning of Year		<u>(118,284)</u>		<u>(707,768)</u>
Fund Balance, Budget Basis, at End of Year		<u>\$ 190,209</u>		<u>\$ (118,284)</u>

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2019

**NOTE 1 – TEACHERS’ RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS**

*Changes of Assumptions*

For the 2018, 2017, and 2016 measurement year, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

**NOTE 2 – TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND**

*Changes of Assumptions*

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

Amounts reported in 2016 reflect an investment rate of return of 7.00 percent, an inflation rate of 2.50 percent and salary increases that vary by amount of service credit. Amounts reported in 2015 reflect an investment rate of return of 7.50 percent, an inflation rate of 3.00 percent and real return of 4.50 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.50 percent, and inflation rate of 3.00 percent and real return of 4.50 percent, and salary increases of 5.75 percent.

**NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING**

The District’s budget is prepared and the District’s books are maintained on the basis of cash receipts and disbursements (budget basis) which results in the accounting for certain transactions to be on a basis other than accounting principles generally accepted in the United States of America (modified accrual/accrual). Under this basis, certain revenues and the related assets are recognized when received rather than when susceptible to accrual or earned, and certain expenditures are recognized when disbursed as determined by the date of the check rather than when the obligation is incurred. This is an acceptable method in accordance with the Illinois Revised Statutes. The original and final budget was passed on September 7, 2018. For each fund, total fund expenditures may not legally exceed the budgeted expenditures. All budget appropriations lapse at the end of each fiscal year. The District has adopted a legal budget for all its governmental funds.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2019

**NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING (Cont'd)**

2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

***EXPENDITURES IN EXCESS OF BUDGET***

The District over-expended its budget in the Educational Fund by \$48,928,660, and the Transportation Fund by \$717,594 during the fiscal year ended June 30, 2019. The Educational Fund was over-expended due to non-budgeted on-behalf payments made by the State in the amount of \$62,347,903. The District over-expended the Transportation Fund due to additional expenditures for bus services unexpected at the time of the preparation of the budget.

***BUDGET AND BOOK BASIS OF ACCOUNTING***

The major differences between the budget and the modified accrual basis are as follows:

1. Revenues, primarily property tax revenues, are recorded when received in cash (budget) as opposed to when susceptible to accrual (modified accrual).
2. Expenditures, primarily payroll and related items, are recorded when cash is disbursed as determined by the date of the check (budget) as opposed to when the liability is incurred (modified accrual).

Adjustments necessary to convert the results of operations and fund balances as of June 30, 2019, on the modified accrual basis for governmental funds to the budget basis are as follows:

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2019

**NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING (Concluded)**

Net Changes in Fund Balances		
<hr/>		
Modified accrual basis		
General Fund	\$ 4,773,180	
Operations and Maintenance Fund	(12,628)	
Transportation Fund	(2,265,519)	
Municipal Retirement/Social Security Fund	912,816	
Tort Fund	1,022,941	
Debt Service Fund	114,478	
Capital Projects Fund	(893,061)	
Fire Prevention and Safety Fund	<u>(660,770)</u>	\$ 2,991,437
Due to revenues		
Received in cash during year but accrued as receivables, net of deferred revenue (modified accrual) at June 30, 2018		33,143,636
Accrued as receivables net of deferred revenue (modified accrual) at June 30, 2019 but not recognized in budget		(34,804,536)
Due to expenditures		
Paid in cash during year but accrued as liability (modified accrual) at June 30, 2018		(5,458,033)
Accrued as liability (modified accrual) at June 30, 2019 but not recognized in budget		<u>4,569,891</u>
Budget basis		<u><u>\$ 442,395</u></u>
<hr/>		
Fund balance as of June 30, 2019		
Modified accrual basis		\$101,492,703
Due to revenues		
Accrued as receivables net of deferred revenue (modified accrual) at June 30, 2019 but not recognized in budget		(34,804,536)
Due to expenditures		
Accrued as liability (modified accrual) at June 30, 2019 but not recognized in budget		<u>4,569,891</u>
Budget basis		<u><u>\$ 71,258,058</u></u>

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## **SUPPLEMENTARY INFORMATION**

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources				
General tax levy	\$ 9,828,030	\$ 9,658,973	\$ (169,057)	\$ 9,784,613
Refund of prior years' expenditures	-	1,352	1,352	-
Total Local Sources	9,828,030	9,660,325	(167,705)	9,784,613
Total Revenues Received	9,828,030	9,660,325	(167,705)	9,784,613
EXPENDITURES DISBURSED				
Debt Service				
Interest	6,118,479	6,615,324	(496,845)	6,218,644
Principal retirement	4,245,841	3,375,339	870,502	3,662,144
Other	173,880	5,678	168,202	4,252
Total Debt Service	10,538,200	9,996,341	541,859	9,885,040
Total Expenditures Disbursed	10,538,200	9,996,341	541,859	9,885,040
(Deficiency) of Revenues Over Expenditures	(710,170)	(336,016)	374,154	(100,427)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	212,863	212,863	216,695
Transfers out	-	-	-	(3,800,000)
Total Other Financing Sources (Uses)	-	212,863	212,863	(3,583,305)
Net Changes in Fund Balances	\$ (710,170)	(123,153)	\$ 587,017	(3,683,732)
Fund Balance, Budget Basis, at Beginning of Year		1,702,018		5,385,750
Fund Balance, Budget Basis, at End of Year		\$ 1,578,865		\$ 1,702,018

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
<b>REVENUES RECEIVED</b>				
Local Sources				
Earnings on investments	\$ -	\$ 13,470	\$ 13,470	\$ -
Total Local Sources	-	13,470	13,470	-
State Sources				
Unrestricted Grants-In-Aid				
Evidence based funding formula	-	-	-	293,000
Total Unrestricted Grants-In-Aid	-	-	-	293,000
Total State Sources	-	-	-	293,000
Total Revenues Received	-	13,470	13,470	293,000
<b>EXPENDITURES DISBURSED</b>				
Current				
Support Services				
Facilities Acquisition and Construction				
Services				
Purchased services	2,129,985	-	2,129,985	553,350
Other objects	399,942	61,057	338,885	-
Non-capitalized equipment	-	2,854	(2,854)	-
Total Facilities Acquisition and Construction	2,529,927	63,911	2,466,016	553,350
Total Support Services	2,529,927	63,911	2,466,016	553,350
Capital Outlay				
Facilities acquisition and construction				
services	-	1,610,409	(1,610,409)	690,339
Total Capital Outlay	-	1,610,409	(1,610,409)	690,339
Total Expenditures Disbursed	2,529,927	1,674,320	855,607	1,243,689
(Deficiency) of Revenues Over Expenditures	(2,529,927)	(1,660,850)	869,077	(950,689)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	6,800,000
Transfers out	-	-	-	(2,600,000)
Total Other Financing Sources (Uses)	-	-	-	4,200,000
Net Changes in Fund Balances	<u>\$ (2,529,927)</u>	(1,660,850)	<u>\$ 869,077</u>	3,249,311
Fund Balance, Budget Basis, at Beginning of Year		(1,206,870)		(4,456,181)
Fund Balance, Budget Basis, at End of Year		<u>\$ (2,867,720)</u>		<u>\$ (1,206,870)</u>



WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
FIRE PREVENTION AND SAFETY FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources				
General tax levy	\$ 655,140	\$ 693,347	\$ 38,207	\$ 652,334
Total Local Sources	655,140	693,347	38,207	652,334
Total Revenues Received	655,140	693,347	38,207	652,334
EXPENDITURES DISBURSED				
Current				
Support Services				
Facilities Acquisition and Construction Services				
Purchased services	1,737,933	149,529	1,588,404	88,193
Total Facilities Acquisition and Construction Services	1,737,933	149,529	1,588,404	88,193
Total Support Services	1,737,933	149,529	1,588,404	88,193
Capital Outlay				
Facilities acquisition and construction services	263,796	1,732,746	(1,468,950)	1,964,220
Total Capital Outlay	263,796	1,732,746	(1,468,950)	1,964,220
Total Expenditures Disbursed	2,001,729	1,882,275	119,454	2,052,413
(Deficiency) of Revenues Over Expenditures	(1,346,589)	(1,188,928)	157,661	(1,400,079)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	2,600,000
Total Other Financing Sources	-	-	-	2,600,000
Net Changes in Fund Balances	\$ (1,346,589)	(1,188,928)	\$ 157,661	1,199,921
Fund Balance, Budget Basis, at Beginning of Year		1,896,467		696,546
Fund Balance, Budget Basis, at End of Year		\$ 707,539		\$ 1,896,467

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
GENERAL FUND - MODIFIED ACCRUAL BASIS  
COMBINING BALANCE SHEET  
JUNE 30, 2019  
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2018

	Educational Account	Working Cash Account	Total 2019 Actual	Total 2018 Actual
<b>ASSETS</b>				
Cash and investments	\$ 34,409,344	\$ 24,181,937	\$ 58,591,281	\$ 56,451,976
Property taxes receivable, net of allowance for uncollectibles	15,989,377	7,626	15,997,003	14,652,447
Personal property replacement taxes receivable	1,075,862	-	1,075,862	1,029,604
Grants receivable	767,714	-	767,714	833,945
Prepaid items	42,270	-	42,270	253,620
Interfund receivables	-	2,867,720	2,867,720	1,341,438
Total Assets	<u>\$ 52,284,567</u>	<u>\$ 27,057,283</u>	<u>\$ 79,341,850</u>	<u>\$ 74,563,030</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,963,895	\$ -	\$ 1,963,895	\$ 1,995,687
Insurance payable	1,030,200	-	1,030,200	974,099
Payroll deductions and withholdings	10,847	-	10,847	29,516
Total Liabilities	<u>3,004,942</u>	<u>-</u>	<u>3,004,942</u>	<u>2,999,302</u>
<b>FUND BALANCES</b>				
Nonspendable	42,270	-	42,270	253,620
Committed	10,000,000	-	10,000,000	-
Assigned	15,232,120	-	15,232,120	15,248,610
Unassigned	24,005,235	27,057,283	51,062,518	56,061,498
Total Fund Balances	<u>49,279,625</u>	<u>27,057,283</u>	<u>76,336,908</u>	<u>71,563,728</u>
Total Liabilities and Fund Balances	<u>\$ 52,284,567</u>	<u>\$ 27,057,283</u>	<u>\$ 79,341,850</u>	<u>\$ 74,563,030</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Educational Account	Working Cash Account	Total	Actual
<b>REVENUES</b>				
Local Sources				
General tax levy	\$ 25,853,691	\$ 16,188	\$ 25,869,879	\$ 25,105,109
Special education levy	6,179,981	-	6,179,981	5,573,010
Personal property replacement taxes	6,714,378	-	6,714,378	6,032,763
Summer school - tuition	3,705	-	3,705	13,960
Earnings on investments	219,169	-	219,169	63,176
Food services	243,029	-	243,029	161,786
District/School activity income	154,572	-	154,572	162,564
Textbooks	321,757	-	321,757	356,017
Rentals	63,213	-	63,213	96,060
Contributions and donations	435,325	-	435,325	21,873
Refund of prior years' expenditures	306,404	-	306,404	31,515
Other local sources	76,976	-	76,976	175,153
Total Local Sources	40,572,200	16,188	40,588,388	37,792,986
State Sources				
Unrestricted Grants-In-Aid				
Evidence based funding formula	120,877,019	-	120,877,019	117,702,881
Total Unrestricted Grants-In-Aid	120,877,019	-	120,877,019	117,702,881
Restricted Grants-In-Aid				
Special education	2,151,406	-	2,151,406	1,970,165
Career and technical education	36,947	-	36,947	81,309
Bilingual education	-	-	-	1,496,097
State free lunch and breakfast	151,194	-	151,194	96,816
Driver education	67,444	-	67,444	55,847
Truant alternative/optional education	71,406	-	71,406	71,406
Early childhood block grant	484,778	-	484,778	3,669,800
Other state sources	316,740	-	316,740	449,033
On behalf payments - State of Illinois	62,347,903	-	62,347,903	65,455,233
Total Restricted Grants-In-Aid	65,627,818	-	65,627,818	73,345,706
Total State Sources	186,504,837	-	186,504,837	191,048,587
Federal Sources				
Restricted Grants-In-Aid				
Food services	8,867,810	-	8,867,810	9,662,215
Title I - low income	4,470,349	-	4,470,349	5,934,955
Title I - school improvement	126,306	-	126,306	-

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Educational Account	Working Cash Account	Total	Actual
Federal Sources				
Restricted Grants-In-Aid				
Title IVA - student support	\$ 142,427	\$ -	\$ 142,427	\$ 40,659
Special education - pre-school flow through	62,626	-	62,626	137,528
Special education - IDEA - flow through	2,324,564	-	2,324,564	2,840,346
Special education - IDEA - room and board	-	-	-	1,662
Career and technical education	113,075	-	113,075	66,762
Title III - immigrant education program	20,023	-	20,023	57,624
Title III - language instruction program	404,154	-	404,154	473,040
McKinney education for homeless children	500	-	500	5,000
Title II - teacher quality	1,266,264	-	1,266,264	176,094
Medicaid administrative outreach	694,477	-	694,477	450,374
Medicaid matching fee-for-service	600,303	-	600,303	1,085,240
Other federal sources	745,359	-	745,359	681,979
Total Restricted Grants-In-Aid	19,838,237	-	19,838,237	21,613,478
Total Federal Sources	19,838,237	-	19,838,237	21,613,478
Total Revenues	246,915,274	16,188	246,931,462	250,455,051
EXPENDITURES				
Current				
Instruction	176,226,154	-	176,226,154	169,847,566
Support services	64,253,457	-	64,253,457	59,924,396
Community services	1,180,137	-	1,180,137	1,036,387
Payments to other districts and govt units	34,799	-	34,799	63,377
Capital Outlay	399,552	-	399,552	280,399
Total Expenditures	242,094,099	-	242,094,099	231,152,125
Excess of Revenues Over Expenditures	4,821,175	16,188	4,837,363	19,302,926
OTHER FINANCING (USES)				
Transfers out	(64,183)	-	(64,183)	(6,207,035)
Total Other Financing (Uses)	(64,183)	-	(64,183)	(6,207,035)
Net Changes in Fund Balances	4,756,992	16,188	4,773,180	13,095,891
Fund Balance, Modified Accrual Basis, at Beginning of Year	44,522,633	27,041,095	71,563,728	58,467,837
Fund Balance, Modified Accrual Basis, at End of Year	\$ 49,279,625	\$ 27,057,283	\$ 76,336,908	\$ 71,563,728

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
<b>REVENUES RECEIVED</b>				
Local Sources				
General tax levy	\$ 24,973,446	\$ 24,875,013	\$ (98,433)	\$ 24,862,584
Special education levy	5,380,536	5,756,915	376,379	5,359,180
Personal property replacement taxes	6,173,061	6,668,120	495,059	6,163,061
Summer school - tuition	-	3,705	3,705	13,960
Earnings on investments	5,365	212,750	207,385	63,176
Food services	161,803	243,029	81,226	161,786
District/School activity income	156,551	154,572	(1,979)	162,564
Textbooks	267,035	321,757	54,722	356,017
Rentals	96,060	63,213	(32,847)	96,060
Contributions and donations	-	435,325	435,325	21,873
Refund of prior years' expenditures	85,935	306,404	220,469	31,515
Drivers' education fees	6,013	-	(6,013)	-
Other local sources	-	76,976	76,976	175,153
Total Local Sources	37,305,805	39,117,779	1,811,974	37,466,929
State Sources				
Unrestricted Grants-In-Aid				
Evidence based funding formula	120,056,853	120,877,019	820,166	117,702,881
Total Unrestricted Grants-In-Aid	120,056,853	120,877,019	820,166	117,702,881
Restricted Grants-In-Aid				
Special education	1,528,647	2,073,980	545,333	5,361,895
Career and technical education	81,309	36,947	(44,362)	81,309
Bilingual education	-	-	-	2,451,635
State free lunch and breakfast	47,084	154,885	107,801	144,373
Driver education	51,254	64,545	13,291	58,970
Truant alternative/optional education	12,515	78,347	65,832	131,291
Early childhood block grant	63,216	592,778	529,562	6,975,060
Other state sources	108,332	328,095	219,763	440,580
On behalf payments - State of Illinois	-	62,347,903	62,347,903	65,455,233
Total Restricted Grants-In-Aid	1,892,357	65,677,480	63,785,123	81,100,346
Total State Sources	121,949,210	186,554,499	64,605,289	198,803,227
Federal Sources				
Restricted Grants-In-Aid				
Food services	8,099,682	8,867,810	768,128	9,729,049
Title I - low income	4,044,737	4,470,349	425,612	6,537,664
Title IVA - student support	40,659	142,427	101,768	40,659

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Federal Sources				
Restricted Grants-In-Aid				
Special education - pre-school flow through	\$ 78,928	\$ 62,626	\$ (16,302)	\$ 137,528
Special education - IDEA - flow through	2,868,911	2,324,564	(544,347)	2,840,346
Special education - IDEA - room and board	1,662	-	(1,662)	1,662
Career and technical education	66,762	113,075	46,313	66,762
Title III - immigrant education program	43,092	18,876	(24,216)	57,610
Title III - language instruction program	563,600	401,541	(162,059)	442,539
McKinney education for homeless children	-	500	500	5,000
Title II - teacher quality	176,094	1,266,264	1,090,170	176,094
Medicaid administrative outreach	246,925	887,637	640,712	257,214
Medicaid matching fee-for-service	532,440	529,447	(2,993)	1,085,240
Other federal sources	516,164	769,690	253,526	672,980
Total Restricted Grants-In-Aid	17,279,656	19,854,806	2,575,150	22,050,347
Total Federal Sources	17,279,656	19,854,806	2,575,150	22,050,347
Total Revenues Received	176,534,671	245,527,084	68,992,413	258,320,503
EXPENDITURES DISBURSED				
Current				
Instruction				
Regular Programs				
Salaries	47,256,314	47,471,506	(215,192)	46,012,654
Employee benefits	7,795,792	8,785,177	(989,385)	7,038,125
Purchased services	1,120,364	1,690,945	(570,581)	1,093,787
Supplies and materials	5,916,425	3,582,091	2,334,334	974,089
Other objects	11,648	5,528	6,120	7,684
Non-capitalized equipment	48,744	15,364	33,380	29,081
On behalf payments - State of Illinois	-	62,347,903	(62,347,903)	65,455,233
Total Regular Programs	62,149,287	123,898,514	(61,749,227)	120,610,653
Pre-K Programs				
Salaries	1,794,434	2,062,314	(267,880)	1,748,991
Employee benefits	330,212	435,242	(105,030)	303,041
Purchased services	7,500	34,310	(26,810)	13,983
Supplies and materials	-	250,195	(250,195)	243,326
Non-capitalized equipment	-	1,525	(1,525)	-
Total Pre-K Programs	2,132,146	2,783,586	(651,440)	2,309,341

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Instruction				
Special Education Programs				
Salaries	\$ 16,726,030	\$ 18,096,309	\$ (1,370,279)	\$ 16,992,621
Employee benefits	3,521,570	3,973,005	(451,435)	3,150,527
Purchased services	163,590	502,053	(338,463)	287,763
Supplies and materials	388,736	136,978	251,758	192,596
Other objects	2,550	4,994,709	(4,992,159)	5,832,615
Non-capitalized equipment	43,000	18,157	24,843	21,760
Total Special Education Programs	<u>20,845,476</u>	<u>27,721,211</u>	<u>(6,875,735)</u>	<u>26,477,882</u>
Special Education Programs Pre-K				
Salaries	911,669	749,533	162,136	879,960
Employee benefits	134,919	139,560	(4,641)	123,919
Supplies and materials	-	692	(692)	1,452
Total Special Education Programs Pre-K	<u>1,046,588</u>	<u>889,785</u>	<u>156,803</u>	<u>1,005,331</u>
Remedial and Supplemental Programs K-12				
Salaries	3,196,549	3,112,157	84,392	1,908,750
Employee benefits	332,363	534,127	(201,764)	297,995
Purchased services	3,030,143	1,178,803	1,851,340	1,183,752
Supplies and materials	2,666,102	871,712	1,794,390	2,273,321
Other objects	5,385,550	17,210	5,368,340	34,800
Non-capitalized equipment	-	1,690	(1,690)	1,501
Total Remedial and Supplemental Programs K-12	<u>14,610,707</u>	<u>5,715,699</u>	<u>8,895,008</u>	<u>5,700,119</u>
Remedial and Supplemental Programs Pre-K				
Salaries	288,691	164,820	123,871	281,295
Employee benefits	89,023	74,074	14,949	82,113
Supplies and materials	1,500	-	1,500	-
Total Remedial and Supplemental Programs Pre-K	<u>379,214</u>	<u>238,894</u>	<u>140,320</u>	<u>363,408</u>
CTE Programs				
Salaries	-	325	(325)	325
Purchased services	18,715	18,615	100	18,705
Supplies and materials	55,121	63,537	(8,416)	56,282
Non-capitalized equipment	-	21,140	(21,140)	30,593
Total CTE Programs	<u>73,836</u>	<u>103,617</u>	<u>(29,781)</u>	<u>105,905</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

Instruction	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Interscholastic Programs				
Salaries	\$ 1,257,236	\$ 1,296,614	\$ (39,378)	\$ 1,234,909
Employee benefits	75,560	52,403	23,157	49,045
Purchased services	248,605	253,905	(5,300)	290,138
Supplies and materials	50,799	252,091	(201,292)	190,234
Other objects	980	980	-	980
Non-capitalized equipment	-	53,037	(53,037)	-
Total Interscholastic Programs	1,633,180	1,909,030	(275,850)	1,765,306
Summer School Programs				
Salaries	95,200	20,804	74,396	46,747
Employee benefits	2,970	915	2,055	870
Other objects	600	-	600	600
Total Summer School Programs	98,770	21,719	77,051	48,217
Gifted Programs				
Salaries	4,223	-	4,223	4,061
Employee benefits	151	22	129	128
Total Gifted Programs	4,374	22	4,352	4,189
Driver's Education Programs				
Salaries	141,446	125,302	16,144	123,940
Employee benefits	42,604	30,138	12,466	23,755
Total Driver's Education Programs	184,050	155,440	28,610	147,695
Bilingual Programs				
Salaries	10,261,872	10,103,496	158,376	9,880,432
Employee benefits	1,927,180	1,877,983	49,197	1,462,855
Purchased services	128,850	67,501	61,349	15,421
Supplies and materials	278,707	362,576	(83,869)	78,684
Non-capitalized equipment	-	15,225	(15,225)	-
Total Bilingual Programs	12,596,609	12,426,781	169,828	11,437,392
Truant Alternative and Optional Programs				
Salaries	294,989	161,653	133,336	291,739
Employee benefits	52,011	27,949	24,062	39,258
Purchased services	221,881	-	221,881	48,000
Total Truant Alternative and Optional Programs	568,881	189,602	379,279	378,997
Total Instruction	116,323,118	176,053,900	(59,730,782)	170,354,435

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Support Services				
Support Services - Pupils				
Attendance and Social Work Services				
Salaries	\$ 4,555,081	\$ 4,914,144	\$ (359,063)	\$ 4,272,918
Employee benefits	102,489	942,159	(839,670)	817,946
Purchased services	136,350	278,409	(142,059)	247,243
Supplies and materials	37,000	28,571	8,429	31,356
Total Attendance and Social Work Services	4,830,920	6,163,283	(1,332,363)	5,369,463
Guidance Services				
Salaries	2,639,864	2,759,286	(119,422)	2,602,924
Employee benefits	496,845	567,361	(70,516)	445,760
Purchased services	892,398	100,760	791,638	61,290
Supplies and materials	12,000	-	12,000	-
Total Guidance Services	4,041,107	3,427,407	613,700	3,109,974
Health Services				
Salaries	3,054,553	3,015,799	38,754	2,965,793
Employee benefits	387,071	429,354	(42,283)	362,332
Purchased services	472,500	637,530	(165,030)	364,495
Supplies and materials	114,730	56,997	57,733	81,568
Non-capitalized equipment	-	9,081	(9,081)	1,768
Total Health Services	4,028,854	4,148,761	(119,907)	3,775,956
Psychological Services				
Salaries	1,645,066	1,528,968	116,098	1,577,361
Employee benefits	246,175	256,839	(10,664)	247,725
Purchased services	569,844	287,911	281,933	320,910
Supplies and materials	217,868	67,497	150,371	21,850
Other objects	-	125	(125)	-
Total Psychological Services	2,678,953	2,141,340	537,613	2,167,846
Speech Pathology and Audiology Services				
Salaries	1,985,870	1,908,261	77,609	1,910,146
Employee benefits	245,003	273,144	(28,141)	212,283
Purchased services	2,354,065	1,431,097	922,968	1,357,247
Supplies and materials	18,000	14,904	3,096	16,098
Total Speech Pathology and Audiology Services	4,602,938	3,627,406	975,532	3,495,774
Total Support Services - Pupils	20,182,772	19,508,197	674,575	17,919,013

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Support Services				
Support Services - Instructional Staff				
Improvement of Instruction Services				
Salaries	\$ 5,021,901	\$ 5,980,179	\$ (958,278)	\$ 5,169,903
Employee benefits	830,351	991,405	(161,054)	729,364
Purchased services	2,278,430	2,053,092	225,338	1,932,381
Supplies and materials	352,646	287,475	65,171	487,269
Other objects	53,069	72,389	(19,320)	33,271
Non-capitalized equipment	2,999	6,478	(3,479)	31,560
Total Improvement of Instruction Services	8,539,396	9,391,018	(851,622)	8,383,748
Educational Media Services				
Salaries	901,606	809,739	91,867	887,565
Employee benefits	214,867	199,116	15,751	188,577
Supplies and materials	175,093	152,052	23,041	13,203
Non-capitalized equipment	90,112	124,774	(34,662)	84,611
Total Educational Media Services	1,381,678	1,285,681	95,997	1,173,956
Assessment and Testing				
Salaries	239,993	230,780	9,213	233,672
Employee benefits	24,799	23,713	1,086	24,300
Purchased services	1,133,181	432,555	700,626	455,135
Supplies and materials	745,750	4,745	741,005	4,401
Total Assessment and Testing	2,143,723	691,793	1,451,930	717,508
Total Support Services - Instructional Staff	12,064,797	11,368,492	696,305	10,275,212
Support Services - General Administration				
Board of Education Services				
Purchased services	160,696	115,108	45,588	154,172
Supplies and materials	10,335	17,023	(6,688)	7,748
Other objects	4,785	2,019	2,766	468
Total Board of Education Services	175,816	134,150	41,666	162,388

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
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IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Support Services				
Support Services - General Administration				
Executive Administration Services				
Salaries	\$ 315,343	\$ 346,508	\$ (31,165)	\$ 308,385
Employee benefits	33,125	31,174	1,951	26,267
Purchased services	96,176	63,123	33,053	76,857
Supplies and materials	52,735	29,190	23,545	28,545
Other objects	31,750	21,870	9,880	22,246
Total Executive Administration Services	529,129	491,865	37,264	462,300
Tort Immunity Services				
Salaries	213,361	393,660	(180,299)	207,257
Employee benefits	13,515	22,327	(8,812)	10,538
Purchased services	22,510	21,709	801	14,728
Supplies and materials	3,800	1,514	2,286	1,353
Other objects	2,050	3,874	(1,824)	1,305
Total Tort Immunity Services	255,236	443,084	(187,848)	235,181
Total Support Services - General Administration	960,181	1,069,099	(108,918)	859,869
Support Services - School Administration				
Office of the Principal Services				
Salaries	7,190,764	5,920,831	1,269,933	5,830,127
Employee benefits	1,378,469	1,141,690	236,779	900,660
Total Office of the Principal Services	8,569,233	7,062,521	1,506,712	6,730,787
Total Support Services - School Administration	8,569,233	7,062,521	1,506,712	6,730,787
Support Services - Business				
Direction of Business Support Services				
Salaries	279,213	342,872	(63,659)	319,390
Employee benefits	34,063	32,031	2,032	26,991
Purchased services	-	-	-	408
Total Direction of Business Support Services	313,276	374,903	(61,627)	346,789

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Support Services				
Support Services - Business				
Fiscal Services				
Salaries	\$ 1,271,116	\$ 933,997	\$ 337,119	\$ 1,224,541
Employee benefits	187,875	129,383	58,492	149,555
Purchased services	165,213	137,651	27,562	149,901
Supplies and materials	24,684	19,432	5,252	15,671
Other objects	5,906	7,666	(1,760)	3,134
Non-capitalized equipment	387	-	387	-
Total Fiscal Services	1,655,181	1,228,129	427,052	1,542,802
Operation and Maintenance of Plant Services				
Salaries	4,987,009	4,903,944	83,065	4,900,124
Employee benefits	898,061	872,057	26,004	717,543
Purchased services	73,938	33,580	40,358	27,629
Supplies and materials	3,680	11,120	(7,440)	35,000
Other objects	-	-	-	240
Non-capitalized equipment	10,000	-	10,000	9,670
Total Operation and Maintenance of Plant Services	5,972,688	5,820,701	151,987	5,690,206
Pupil Transportation Services				
Purchased services	1,240,609	262,338	978,271	919,375
Total Pupil Transportation Services	1,240,609	262,338	978,271	919,375
Food Services				
Salaries	317,573	348,622	(31,049)	333,019
Employee benefits	86,924	91,443	(4,519)	78,516
Purchased services	6,555,986	5,795,641	760,345	6,188,390
Supplies and materials	189,323	958,883	(769,560)	1,279,417
Other objects	3,500	3,450	50	1,433
Non-capitalized equipment	337,411	482,653	(145,242)	-
Total Food Services	7,490,717	7,680,692	(189,975)	7,880,775
Internal Services				
Salaries	401,479	394,717	6,762	390,368
Employee benefits	71,811	71,241	570	58,846
Purchased services	6,840	6,006	834	5,971
Supplies and materials	200,000	61,725	138,275	115,209
Other objects	7,526	-	7,526	1,569
Total Internal Services	687,656	533,689	153,967	571,963
Total Support Services - Business	17,360,127	15,900,452	1,459,675	16,951,910

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
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IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Support Services				
Support Services - Central				
Direction of Central Support Services				
Purchased services	\$ -	\$ 1,615	\$ (1,615)	\$ -
Total Direction of Central Support Services	-	1,615	(1,615)	-
Planning and Evaluation Services				
Purchased services	59	-	59	2,574
Total Planning and Evaluation Services	59	-	59	2,574
Information Services				
Salaries	192,216	317,107	(124,891)	184,823
Employee benefits	31,453	39,188	(7,735)	25,970
Purchased services	300	1,486	(1,186)	25
Supplies and materials	-	-	-	84
Total Information Services	223,969	357,781	(133,812)	210,902
Staff Services				
Salaries	720,184	405,927	314,257	574,895
Employee benefits	202,732	167,984	34,748	151,037
Purchased services	201,074	380,245	(179,171)	146,135
Supplies and materials	15,815	8,853	6,962	5,525
Other objects	690	653	37	626
Total Staff Services	1,140,495	963,662	176,833	878,218
Data Processing Services				
Salaries	1,486,515	1,667,887	(181,372)	1,485,383
Employee benefits	271,116	232,996	38,120	216,623
Purchased services	3,884,545	2,653,781	1,230,764	2,892,800
Supplies and materials	636,644	573,848	62,796	552,792
Other objects	17,070	-	17,070	10,634
Non-capitalized equipment	20,500	1,402,306	(1,381,806)	119,891
Total Data Processing Services	6,316,390	6,530,818	(214,428)	5,278,123
Total Support Services - Central	7,680,913	7,853,876	(172,963)	6,369,817

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
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IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
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(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Support Services				
Other Support Services				
Salaries	\$ 878,928	\$ 540,531	\$ 338,397	\$ 489,955
Employee benefits	98,164	88,123	10,041	83,462
Purchased services	871,832	578,231	293,601	173,224
Supplies and materials	145,116	134,504	10,612	38,163
Other objects	-	-	-	45,844
Non-capitalized equipment	4,868	42,015	(37,147)	87,714
Total Other Support Services	1,998,908	1,383,404	615,504	918,362
Total Support Services	68,816,931	64,146,041	4,670,890	60,024,970
Community Services				
Salaries	634,367	713,428	(79,061)	617,969
Employee benefits	198,557	141,386	57,171	101,875
Purchased services	332,834	257,630	75,204	174,703
Supplies and materials	397,654	100,810	296,844	113,386
Other objects	-	120	(120)	-
Non-capitalized equipment	-	527	(527)	-
Total Community Services	1,563,412	1,213,901	349,511	1,007,933
Payments to Other Districts and Gov't Units				
Regular programs				
Purchased services	15,647	12,445	3,202	1,315
Total Regular programs	15,647	12,445	3,202	1,315
Special Education programs:				
Other objects	372,182	14,499	357,683	62,062
Total Special Education programs	372,182	14,499	357,683	62,062
Total Payments to Other Districts and Gov't Units	387,829	26,944	360,885	63,377
Provision for Contingencies				
Other objects	2,604,255	-	2,604,255	-
Total Provision for Contingencies	2,604,255	-	2,604,255	-

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
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IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
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(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
Capital Outlay				
Instruction				
Regular programs	\$ 11,440	\$ 14,399	\$ (2,959)	\$ 4,968
Pre-K programs	6,000	-	6,000	-
Special education programs Pre-K	9,670	-	9,670	-
CTE programs	30,593	-	30,593	-
Interscholastic programs	387,625	76,300	311,325	10,999
Bilingual programs	159,000	-	159,000	-
Total Instruction	604,328	90,699	513,629	15,967
Support Services				
Health services	79,683	-	79,683	-
Speech pathology and audiology services	8,217	-	8,217	-
Improvement of instruction services	2,900	-	2,900	11,704
Executive administration services	1,500	-	1,500	-
Fiscal services	468	-	468	-
Food services	228,931	20,262	208,669	9,889
Data processing services	1,088,285	227,506	860,779	176,486
Other support services	531,994	81,347	450,647	51,058
Total Support Services	1,941,978	329,115	1,612,863	249,137
Total Capital Outlay	2,546,306	419,814	2,126,492	265,104
Total Expenditures Disbursed	192,241,851	241,860,600	(49,618,749)	231,715,819
Excess (Deficiency) of Revenues Over Expenditures	(15,707,180)	3,666,484	19,373,664	26,604,684
OTHER FINANCING (USES)				
Transfers out	-	(64,183)	(64,183)	(207,035)
Total Other Financing (Uses)	-	(64,183)	(64,183)	(207,035)
Net Changes in Fund Balances	<u>\$ (15,707,180)</u>	3,602,301	<u>\$ 19,309,481</u>	26,397,649
Fund Balance, Budget Basis, at Beginning of Year		30,782,964		4,385,315
Fund Balance, Budget Basis, at End of Year		<u>\$ 34,385,265</u>		<u>\$ 30,782,964</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
 WORKING CASH ACCOUNT  
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019			2018
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources				
General tax levy	\$ 132,632	\$ 73,376	\$ (59,256)	\$ 132,083
Total Revenues Received	132,632	73,376	(59,256)	132,083
EXPENDITURES DISBURSED				
Total Expenditures Disbursed	-	-	-	-
Excess of Revenues Over Expenditures	132,632	73,376	(59,256)	132,083
OTHER FINANCING (USES)				
Transfers out	-	-	-	(6,000,000)
Total Other Financing (Uses)	-	-	-	(6,000,000)
Net Changes in Fund Balances	\$ 132,632	73,376	\$ (59,256)	(5,867,917)
Fund Balance, Budget Basis, at Beginning of Year		26,976,281		32,844,198
Fund Balance, Budget Basis, at End of Year		\$ 27,049,657		\$ 26,976,281



WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
<b>REVENUES</b>		
Local Sources		
General tax levy	\$ 25,853,691	\$ 24,969,437
Special education levy	6,179,981	5,573,010
Personal property replacement taxes	6,714,378	6,032,763
Summer school - tuition	3,705	13,960
Earnings on investments	219,169	63,176
Food services	243,029	161,786
District/School activity income	154,572	162,564
Textbooks	321,757	356,017
Rentals	63,213	96,060
Contributions and donations	435,325	21,873
Refund of prior years' expenditures	306,404	31,515
Other local sources	76,976	175,153
Total Local Sources	<u>40,572,200</u>	<u>37,657,314</u>
State Sources		
Unrestricted Grants-In-Aid		
Evidence based funding formula	<u>120,877,019</u>	<u>117,702,881</u>
Total Unrestricted Grants-In-Aid	<u>120,877,019</u>	<u>117,702,881</u>
Restricted Grants-In-Aid		
Special education	2,151,406	1,970,165
Career and technical education	36,947	81,309
Bilingual education	-	1,496,097
State free lunch and breakfast	151,194	96,816
Driver education	67,444	55,847
Truant alternative/optional education	71,406	71,406
Early childhood block grant	484,778	3,669,800
Other state sources	316,740	449,033
On behalf payments - State of Illinois	<u>62,347,903</u>	<u>65,455,233</u>
Total Restricted Grants-In-Aid	<u>65,627,818</u>	<u>73,345,706</u>
Total State Sources	<u>186,504,837</u>	<u>191,048,587</u>
Federal Sources		
Restricted Grants-In-Aid		
Food services	8,867,810	9,662,215
Title I - low income	4,470,349	5,934,955
Title I - school improvement	126,306	-

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Federal Sources		
Restricted Grants-In-Aid		
Title IVA - student support	\$ 142,427	\$ 40,659
Special education - pre-school flow through	62,626	137,528
Special education - IDEA - flow through	2,324,564	2,840,346
Special education - IDEA - room and board	-	1,662
Career and technical education	113,075	66,762
Title III - immigrant education program	20,023	57,624
Title III - language instruction program	404,154	473,040
McKinney education for homeless children	500	5,000
Title II - teacher quality	1,266,264	176,094
Medicaid administrative outreach	694,477	450,374
Medicaid matching fee-for-service	600,303	1,085,240
Other federal sources	745,359	681,979
Total Restricted Grants-In-Aid	19,838,237	21,613,478
Total Federal Sources	19,838,237	21,613,478
Total Revenues	246,915,274	250,319,379
EXPENDITURES		
Current		
Instruction		
Regular Programs		
Salaries	47,471,506	46,012,654
Employee benefits	8,797,021	7,200,979
Purchased services	1,512,134	1,208,096
Supplies and materials	3,598,853	972,922
Other objects	6,845	5,321
Non-capitalized equipment	20,548	29,081
On behalf payments - State of Illinois	62,347,903	65,455,233
Total Regular Programs	123,754,810	120,884,286
Pre-K Programs		
Salaries	2,062,314	1,748,991
Employee benefits	431,880	313,250
Purchased services	35,981	13,932
Supplies and materials	247,183	250,358
Non-capitalized equipment	1,525	-
Total Pre-K Programs	2,778,883	2,326,531

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Instruction		
Special Education Programs		
Salaries	\$ 18,096,309	\$ 16,992,621
Employee benefits	4,007,669	3,219,610
Purchased services	675,607	317,811
Supplies and materials	148,117	203,211
Other objects	4,781,975	5,318,701
Non-capitalized equipment	18,157	21,760
Total Special Education Programs	27,727,834	26,073,714
Special Education Programs Pre-K		
Salaries	749,533	879,960
Employee benefits	141,116	125,848
Supplies and materials	748	1,452
Total Special Education Programs Pre-K	891,397	1,007,260
Remedial and Supplemental Programs K-12		
Salaries	3,112,157	1,908,750
Employee benefits	518,804	308,919
Purchased services	1,420,465	833,558
Supplies and materials	926,608	2,170,235
Other objects	330	51,680
Non-capitalized equipment	1,690	1,501
Total Remedial and Supplemental Programs K-12	5,980,054	5,274,643
Remedial and Supplemental Programs Pre-K		
Salaries	164,820	281,295
Employee benefits	74,750	84,775
Total Remedial and Supplemental Programs Pre-K	239,570	366,070
CTE Programs		
Salaries	325	325
Purchased services	13,108	24,212
Supplies and materials	63,537	56,282
Non-capitalized equipment	21,140	30,593
Total CTE Programs	98,110	111,412

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Instruction		
Interscholastic Programs		
Salaries	\$ 1,296,614	\$ 1,234,909
Employee benefits	52,696	46,842
Purchased services	257,533	250,172
Supplies and materials	222,614	213,316
Other objects	980	980
Non-capitalized equipment	53,037	-
Total Interscholastic Programs	1,883,474	1,746,219
Summer School Programs		
Salaries	20,804	46,747
Employee benefits	912	401
Other objects	-	600
Total Summer School Programs	21,716	47,748
Gifted Programs		
Salaries	-	4,061
Employee benefits	30	128
Total Gifted Programs	30	4,189
Driver's Education Programs		
Salaries	125,302	123,940
Employee benefits	30,418	24,804
Total Driver's Education Programs	155,720	148,744
Bilingual Programs		
Salaries	10,103,496	9,880,432
Employee benefits	1,905,283	1,490,387
Purchased services	62,235	20,835
Supplies and materials	420,829	84,386
Non-capitalized equipment	15,225	-
Total Bilingual Programs	12,507,068	11,476,040
Truant Alternative and Optional Programs		
Salaries	161,653	291,739
Employee benefits	25,835	40,971
Purchased services	-	48,000
Total Truant Alternative and Optional Programs	187,488	380,710

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Total Instruction	\$ 176,226,154	\$ 169,847,566
Support Services		
Support Services - Pupils		
Attendance and Social Work Services		
Salaries	4,914,144	4,272,918
Employee benefits	903,362	840,780
Purchased services	264,236	230,003
Supplies and materials	28,905	29,686
Total Attendance and Social Work Services	6,110,647	5,373,387
Guidance Services		
Salaries	2,759,286	2,602,924
Employee benefits	568,171	456,395
Purchased services	100,727	61,323
Total Guidance Services	3,428,184	3,120,642
Health Services		
Salaries	3,015,799	2,965,793
Employee benefits	429,203	366,997
Purchased services	636,142	364,532
Supplies and materials	57,869	81,347
Non-capitalized equipment	9,081	1,768
Total Health Services	4,148,094	3,780,437
Psychological Services		
Salaries	1,528,968	1,577,361
Employee benefits	257,315	251,967
Purchased services	399,444	273,067
Supplies and materials	67,500	21,850
Other objects	125	-
Total Psychological Services	2,253,352	2,124,245
Speech Pathology and Audiology Services		
Salaries	1,908,261	1,910,146
Employee benefits	272,074	216,903
Purchased services	1,288,145	1,318,395
Supplies and materials	15,085	14,748
Total Speech Pathology and Audiology Services	3,483,565	3,460,192

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Support Services		
Total Support Services - Pupils	<u>\$ 19,423,842</u>	<u>\$ 17,858,903</u>
Support Services - Instructional Staff		
Improvement of Instruction Services		
Salaries	5,980,179	5,169,903
Employee benefits	997,544	727,990
Purchased services	2,051,541	1,998,485
Supplies and materials	192,892	577,090
Other objects	45,796	53,739
Non-capitalized equipment	<u>5,319</u>	<u>32,719</u>
Total Improvement of Instruction Services	<u>9,273,271</u>	<u>8,559,926</u>
Educational Media Services		
Salaries	809,739	887,565
Employee benefits	198,636	195,445
Supplies and materials	121,733	58,421
Non-capitalized equipment	<u>124,774</u>	<u>84,611</u>
Total Educational Media Services	<u>1,254,882</u>	<u>1,226,042</u>
Assessment and Testing		
Salaries	230,780	233,672
Employee benefits	23,894	24,630
Purchased services	485,647	457,692
Supplies and materials	<u>4,745</u>	<u>4,401</u>
Total Assessment and Testing	<u>745,066</u>	<u>720,395</u>
Total Support Services - Instructional Staff	<u>11,273,219</u>	<u>10,506,363</u>
Support Services - General Administration		
Board of Education Services		
Purchased services	131,463	160,594
Supplies and materials	16,398	8,717
Other objects	<u>2,019</u>	<u>468</u>
Total Board of Education Services	<u>149,880</u>	<u>169,779</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Support Services		
Support Services - General Administration		
Executive Administration Services		
Salaries	\$ 346,508	\$ 308,385
Employee benefits	31,448	25,632
Purchased services	62,467	77,733
Supplies and materials	39,856	26,980
Other objects	21,870	21,888
Total Executive Administration Services	502,149	460,618
Tort Immunity Services		
Salaries	393,660	207,257
Employee benefits	22,329	10,131
Purchased services	24,864	14,728
Supplies and materials	1,514	1,353
Other objects	4,409	625
Total Tort Immunity Services	446,776	234,094
Total Support Services - General Administration	1,098,805	864,491
Support Services - School Administration		
Office of the Principal Services:		
Salaries	5,920,831	5,830,127
Employee benefits	1,151,185	927,306
Total Office of the Principal Services	7,072,016	6,757,433
Total Support Services - School Administration	7,072,016	6,757,433
Support Services - Business		
Direction of Business Support Services		
Salaries	342,872	319,390
Employee benefits	32,356	25,585
Purchased services	-	408
Total Direction of Business Support Services	375,228	345,383

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Support Services		
Support Services - Business		
Fiscal Services		
Salaries	\$ 933,997	\$ 1,224,541
Employee benefits	131,645	147,857
Purchased services	133,902	164,993
Supplies and materials	15,043	17,445
Other objects	9,048	3,149
Total Fiscal Services	1,223,635	1,557,985
Operation and Maintenance of Plant Services		
Salaries	4,903,944	4,900,124
Employee benefits	881,763	737,057
Purchased services	33,580	26,205
Supplies and materials	11,120	35,000
Other objects	-	240
Non-capitalized equipment	-	9,670
Total Operation and Maintenance of Plant Services	5,830,407	5,708,296
Pupil Transportation Services		
Purchased services	408,233	790,231
Total Pupil Transportation Services:	408,233	790,231
Food Services		
Salaries	348,622	333,019
Employee benefits	91,555	80,841
Purchased services	5,762,180	5,962,375
Supplies and materials	974,247	1,300,972
Other objects	3,042	1,841
Non-capitalized equipment	510,296	-
Total Food Services	7,689,942	7,679,048
Internal Services		
Salaries	394,717	390,368
Employee benefits	72,476	59,262
Purchased services	6,356	4,436
Supplies and materials	353,274	111,188
Other objects	-	1,569
Total Internal Services	826,823	566,823
Total Support Services - Business	16,354,268	16,647,766

(Continued)



WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Support Services		
Support Services - Central		
Direction of Central Support Services		
Purchased services	\$ 1,615	\$ -
Total Direction of Central Support Services	1,615	-
Planning and Evaluation Services		
Purchased services	-	2,574
Total Planning and Evaluation Services	-	2,574
Information Services		
Salaries	317,107	184,823
Employee benefits	40,262	26,277
Purchased services	4,530	25
Supplies and materials	-	84
Total Information Services	361,899	211,209
Staff Services		
Salaries	405,927	574,895
Employee benefits	162,758	157,966
Purchased services	376,875	144,918
Supplies and materials	9,508	4,993
Other objects	653	626
Total Staff Services	955,721	883,398
Data Processing Services		
Salaries	1,667,887	1,485,383
Employee benefits	235,425	219,651
Purchased services	2,557,492	2,792,716
Supplies and materials	440,291	554,039
Other objects	-	10,634
Non-capitalized equipment	1,402,306	199,079
Total Data Processing Services	6,303,401	5,261,502
Total Support Services - Central	7,622,636	6,358,683

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Support Services		
Other Support Services		
Salaries	\$ 540,531	\$ 489,955
Employee benefits	89,045	84,439
Purchased services	606,671	180,569
Supplies and materials	130,409	42,236
Other objects	-	45,844
Non-capitalized equipment	42,015	87,714
Total Other Support Services	1,408,671	930,757
Total Support Services	64,253,457	59,924,396
Community Services		
Salaries	713,428	617,969
Employee benefits	150,083	95,390
Purchased services	217,744	206,547
Supplies and materials	98,235	116,481
Other objects	120	-
Non-capitalized equipment	527	-
Total Community Services	1,180,137	1,036,387
Payments to Other Districts and Gov't Units		
Regular programs		
Purchased services	20,300	1,315
Total Regular programs	20,300	1,315
Special Education programs		
Other objects	14,499	62,062
Total Special Education programs	14,499	62,062
Total Payments to Other Districts and Gov't Units	34,799	63,377
Capital Outlay		
Instruction		
Regular programs	14,399	-
Interscholastic programs	76,300	10,999
Total Instruction	90,699	10,999

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Capital Outlay		
Support Services		
Improvement of instruction services	\$ -	\$ 11,704
Food services	-	30,152
Data processing services	227,506	176,486
Other support services	81,347	51,058
Total Support Services	308,853	269,400
Total Capital Outlay	399,552	280,399
Total Expenditures	242,094,099	231,152,125
Excess of Revenues Over Expenditures	4,821,175	19,167,254
OTHER FINANCING (USES)		
Transfers out	(64,183)	(207,035)
Total Other Financing (Uses)	(64,183)	(207,035)
Net Changes in Fund Balances	4,756,992	18,960,219
Fund Balance, Modified Accrual Basis, at Beginning of Year	44,522,633	25,562,414
Fund Balance, Modified Accrual Basis, at End of Year	\$ 49,279,625	\$ 44,522,633

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
 WORKING CASH ACCOUNT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
REVENUES		
Local Sources		
General tax levy	\$ 16,188	\$ 135,672
Total Revenues	16,188	135,672
EXPENDITURES		
Total Expenditures	-	-
Excess of Revenues Over Expenditures	16,188	135,672
OTHER FINANCING (USES)		
Transfers out	-	(6,000,000)
Total Other Financing (Uses)	-	(6,000,000)
Net Changes in Fund Balances	16,188	(5,864,328)
Fund Balance, Modified Accrual Basis, at Beginning of Year	27,041,095	32,905,423
Fund Balance, Modified Accrual Basis, at End of Year	<u>\$ 27,057,283</u>	<u>\$ 27,041,095</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
 OPERATIONS AND MAINTENANCE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
<b>REVENUES</b>		
Local Sources		
General tax levy	\$ 5,806,116	\$ 5,224,697
Earnings on investments	54	207
Refund of prior years' expenditures	-	18,248
Other local sources	25,006	11,213
Total Local Sources	5,831,176	5,254,365
State Sources		
Unrestricted Grants-In-Aid		
Evidence based funding formula	8,847,402	70,000
Total Unrestricted Grants-In-Aid	8,847,402	70,000
Restricted Grants-In-Aid		
Other state sources	-	42,014
Total Restricted Grants-In-Aid	-	42,014
Total State Sources	8,847,402	112,014
Total Revenues	14,678,578	5,366,379
<b>EXPENDITURES</b>		
Current		
Support Services		
Facilities Acquisition and Construction Services		
Purchased services	355,688	53,345
Total Facilities Acquisition and Construction Services	355,688	53,345
Operation and Maintenance of Plant Services		
Salaries	3,200,105	2,892,206
Employee benefits	358,182	365,092
Purchased services	2,529,829	1,430,068
Supplies and materials	3,401,263	3,148,249
Other objects	254	-
Non-capitalized equipment	23,654	36,598
Total Operation and Maintenance of Plant Services	9,513,287	7,872,213

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
OPERATIONS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Support Services		
Pupil Transportation Services		
Purchased services	\$ -	\$ 42,013
Total Pupil Transportation Services	-	42,013
Other Support Services		
Purchased services	500,000	-
Total Other Support Services	500,000	-
Total Support Services	10,368,975	7,967,571
Capital Outlay		
Facilities acquisition and construction services	2,413,551	1,498,199
Operation and maintenance of plant services	1,760,000	282,005
Total Capital Outlay	4,173,551	1,780,204
Total Expenditures	14,542,526	9,747,775
Excess (Deficiency) of Revenues Over Expenditures	136,052	(4,381,396)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	13,361,300
Transfers out	(148,680)	(6,809,660)
Total Other Financing Sources (Uses)	(148,680)	6,551,640
Net Changes in Fund Balances	(12,628)	2,170,244
Fund Balance, Modified Accrual Basis, at Beginning of Year	6,670,322	4,500,078
Fund Balance, Modified Accrual Basis, at End of Year	\$ 6,657,694	\$ 6,670,322

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
TRANSPORTATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
REVENUES		
Local Sources		
General tax levy	\$ 2,911,264	\$ 5,611,724
Other local sources	35,910	30,765
Total Local Sources	<u>2,947,174</u>	<u>5,642,489</u>
State Sources		
Restricted Grants-In-Aid		
Transportation - regular	3,416,697	3,030,354
Transportation - special education	3,052,736	3,522,177
Total Restricted Grants-In-Aid	<u>6,469,433</u>	<u>6,552,531</u>
Total State Sources	<u>6,469,433</u>	<u>6,552,531</u>
Total Revenues	<u>9,416,607</u>	<u>12,195,020</u>
EXPENDITURES		
Current		
Support Services		
Pupil Transportation Services		
Salaries	184,874	130,489
Employee benefits	30,599	20,171
Purchased services	11,435,467	8,668,227
Supplies and materials	31,186	28,596
Total Pupil Transportation Services	<u>11,682,126</u>	<u>8,847,483</u>
Total Support Services	<u>11,682,126</u>	<u>8,847,483</u>
Total Expenditures	<u>11,682,126</u>	<u>8,847,483</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,265,519)</u>	<u>3,347,537</u>
OTHER FINANCING (USES)		
Transfers out	-	(3,561,300)
Total Other Financing (Uses)	<u>-</u>	<u>(3,561,300)</u>
Net Changes in Fund Balances	(2,265,519)	(213,763)
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>9,088,520</u>	<u>9,302,283</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u><u>\$ 6,823,001</u></u>	<u><u>\$ 9,088,520</u></u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
REVENUES		
Local Sources		
General tax levy	\$ 3,887,793	\$ 3,556,699
FICA/Medicare levy	3,887,793	3,556,699
Personal property replacement taxes	10,000	10,000
Total Local Sources	<u>7,785,586</u>	<u>7,123,398</u>
Total Revenues	<u>7,785,586</u>	<u>7,123,398</u>
EXPENDITURES		
Current		
Employee Benefits		
Instruction	2,603,172	2,468,003
Support services	4,196,803	4,156,652
Community services	72,795	48,896
Total Employee Benefits	<u>6,872,770</u>	<u>6,673,551</u>
Total Expenditures	<u>6,872,770</u>	<u>6,673,551</u>
Net Changes in Fund Balances	912,816	449,847
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>4,329,467</u>	<u>3,879,620</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u>\$ 5,242,283</u>	<u>\$ 4,329,467</u>



WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
TORT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
REVENUES		
Local Sources		
General tax levy	\$ 2,983,872	\$ 1,839,704
Other local sources	205	3,343
Total Local Sources	2,984,077	1,843,047
State Sources		
Unrestricted Grants-In-Aid		
Evidence based funding formula	1,200,000	1,979,375
Total Unrestricted Grants-In-Aid	1,200,000	1,979,375
Total State Sources	1,200,000	1,979,375
Total Revenues	4,184,077	3,822,422
EXPENDITURES		
Current		
Support Services		
Workers' Compensation Payments		
Purchased services	919,084	917,467
Total Workers' Compensation Payments	919,084	917,467
Insurance Payments		
Purchased services	634,910	555,489
Total Insurance Payments	634,910	555,489
Risk Management and Claims Services Payments		
Salaries	967,081	1,017,205
Employee benefits	135,467	147,353
Total Risk Management and Claims Services Payments	1,102,548	1,164,558
Judgments and Settlements		
Salaries	-	2,500
Other objects	67,187	96,039
Total Judgments and Settlements	67,187	98,539

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
TORT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
Support Services		
Services Related to Loss Prevention		
Purchased services	\$ -	\$ 7,500
Total Services Related to Loss Prevention	-	7,500
Legal Services		
Salaries	130,007	68,302
Employee benefits	6,779	3,812
Purchased services	300,621	457,854
Total Legal Services	437,407	529,968
Total Support Services	3,161,136	3,273,521
Total Expenditures	3,161,136	3,273,521
Net Changes in Fund Balances	1,022,941	548,901
Fund Balance, Modified Accrual Basis, at Beginning of Year	811,636	262,735
Fund Balance, Modified Accrual Basis, at End of Year	\$ 1,834,577	\$ 811,636

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
REVENUES		
Local Sources		
General tax levy	\$ 9,896,604	\$ 9,842,506
Refund of prior years' expenditures	1,352	-
Total Local Sources	9,897,956	9,842,506
Total Revenues	9,897,956	9,842,506
EXPENDITURES		
Debt Service		
Interest	6,615,324	6,218,644
Principal retirement	3,375,339	3,662,144
Other	5,678	4,252
Total Debt Service	9,996,341	9,885,040
Total Expenditures	9,996,341	9,885,040
(Deficiency) of Revenues Over Expenditures	(98,385)	(42,534)
OTHER FINANCING SOURCES (USES)		
Transfers in	212,863	216,695
Transfers out	-	(3,800,000)
Total Other Financing Sources (Uses)	212,863	(3,583,305)
Net Changes in Fund Balances	114,478	(3,625,839)
Fund Balance, Modified Accrual Basis, at Beginning of Year	6,402,672	10,028,511
Fund Balance, Modified Accrual Basis, at End of Year	\$ 6,517,150	\$ 6,402,672

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
REVENUES		
Local Sources		
Earnings on investments	\$ 13,470	\$ -
Total Local Sources	13,470	-
State Sources		
Unrestricted Grants-In-Aid		
Evidence based funding formula	-	293,000
Total Unrestricted Grants-In-Aid	-	293,000
Total State Sources	-	293,000
Total Revenues	13,470	293,000
EXPENDITURES		
Current		
Support Services		
Facilities Acquisition and Construction Services		
Purchased services	-	504,484
Other objects	61,057	-
Non-capitalized equipment	2,854	-
Total Facilities Acquisition and Construction Services	63,911	504,484
Total Support Services	63,911	504,484
Capital Outlay		
Facilities acquisition and construction services	842,620	1,042,667
Total Capital Outlay	842,620	1,042,667
Total Expenditures	906,531	1,547,151
(Deficiency) of Revenues Over Expenditures	(893,061)	(1,254,151)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	6,800,000
Transfers out	-	(2,600,000)
Total Other Financing Sources (Uses)	-	4,200,000
Net Changes in Fund Balances	(893,061)	2,945,849
Fund Balance, Modified Accrual Basis, at Beginning of Year	(1,974,659)	(4,920,508)
Fund Balance, Modified Accrual Basis, at End of Year	\$ (2,867,720)	\$ (1,974,659)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
FIRE PREVENTION AND SAFETY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

	2019 Actual	2018 Actual
REVENUES		
Local Sources		
General tax levy	\$ 752,642	\$ 662,798
Total Local Sources	752,642	662,798
Total Revenues	752,642	662,798
EXPENDITURES		
Current		
Support Services		
Facilities Acquisition and Construction Services		
Purchased services	270,145	93,623
Total Facilities Acquisition and Construction Services	270,145	93,623
Total Support Services	270,145	93,623
Capital Outlay		
Facilities acquisition and construction services	1,143,267	2,087,852
Total Capital Outlay	1,143,267	2,087,852
Total Expenditures	1,413,412	2,181,475
(Deficiency) of Revenues Over Expenditures	(660,770)	(1,518,677)
OTHER FINANCING SOURCES		
Transfers in	-	2,600,000
Total Other Financing Sources	-	2,600,000
Net Changes in Fund Balances	(660,770)	1,081,323
Fund Balance, Modified Accrual Basis, at Beginning of Year	1,609,580	528,257
Fund Balance, Modified Accrual Basis, at End of Year	\$ 948,810	\$ 1,609,580

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
STUDENT ACTIVITY FUNDS  
YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Net Activity	Balance June 30, 2019
Assets			
Cash and investments	\$ 1,302,104	\$ (71,650)	\$ 1,230,454
Total Assets	<u>\$ 1,302,104</u>	<u>\$ (71,650)</u>	<u>\$ 1,230,454</u>
Liabilities			
District student activity funds	\$ 1,302,104	\$ (71,650)	\$ 1,230,454
Total Liabilities	<u>\$ 1,302,104</u>	<u>\$ (71,650)</u>	<u>\$ 1,230,454</u>
REPRESENTED BY			
Cash and investments			
First Midwest Bank/Associated Bank			
Checking account		\$ 1,131,152	
Certificates of deposit		<u>15,006</u>	<u>\$ 1,146,158</u>
Norstates Bank			
Lulu V. Rippberger Fund		69,643	
Allen J. Larson Music Scholarship Fund		<u>4,335</u>	<u>73,978</u>
Illinois School District Liquid Asset Fund			
Money market			<u>10,318</u>
Total Cash and Investments			<u>\$ 1,230,454</u>

WAUKEGAN COMMUNITY SCHOOL DISTRICT NO. 60  
SCHEDULE OF ASSESSED VALUATION, TAX EXTENSIONS  
AND COLLECTIONS  
YEARS ENDED JUNE 30, 2019 AND 2018

TAX LEVY YEAR	2018		2017	
ASSESSED VALUATION	\$814,534,583		\$724,260,971	
TAX EXTENSIONS BY LEVY	RATE	AMOUNT	RATE	AMOUNT
Educational	3.183%	\$ 25,925,007	3.459%	\$ 25,052,781
Special Education	0.761%	6,200,001	0.772%	5,594,308
Operations and Maintenance	0.715%	5,825,006	0.724%	5,244,663
Bond and Interest	1.218%	9,921,740	1.364%	9,875,581
Transportation	0.356%	2,898,130	0.776%	5,622,785
Tort	0.368%	3,000,004	0.255%	1,846,387
Working Cash	0.002%	15,321	0.019%	136,168
Municipal Retirement	0.479%	3,900,008	0.493%	3,569,687
Social Security/Medicare	0.479%	3,900,008	0.493%	3,569,687
Fire Prevention and Safety	0.093%	755,204	0.092%	665,118
Total	7.654%	\$ 62,340,429	8.447%	\$ 61,177,165
TAX COLLECTIONS				
Year Ended June 30,				
2018		\$ -		\$ 31,445,824
2019		30,688,715		29,578,493
Total		\$ 30,688,715		\$ 61,024,317
Percent of Total Levy Collected through June 30, 2019		49.23%		99.75%

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2019

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General Obligation/Refunding Series 2001A  
Original Amount: \$18,329,222  
Capital Appreciation Bonds  
November 27, 2001

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<u>Due Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,338,791	\$ 2,141,209	\$ 3,480,000
2021	1,255,340	2,224,660	3,480,000
2022	<u>1,178,050</u>	<u>2,301,950</u>	<u>3,480,000</u>
TOTAL	<u><u>\$ 3,772,181</u></u>	<u><u>\$ 6,667,819</u></u>	<u><u>\$ 10,440,000</u></u>



WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2019

General Obligation Series 2010A Original Amount: \$4,995,268 Capital Appreciation Bonds January 28, 2010			
<u>Due Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ -	\$ -
2021	-	-	-
2022	-	-	-
2023	1,698,443	1,626,557	3,325,000
2024	1,588,153	1,736,847	3,325,000
2025	<u>1,490,465</u>	<u>1,834,535</u>	<u>3,325,000</u>
TOTAL	<u>\$ 4,777,061</u>	<u>\$ 5,197,939</u>	<u>\$ 9,975,000</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2019

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		General Obligation Series 2010B Original Amount: \$13,505,000 January 28, 2010		
<u>Due Year Ended June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020		\$ 5,365,000	\$ 454,900	\$ 5,819,900
2021		5,605,000	213,500	5,818,500
2022		<u>2,535,000</u>	<u>50,700</u>	<u>2,585,700</u>
TOTAL		<u>\$ 13,505,000</u>	<u>\$ 719,100</u>	<u>\$ 14,224,100</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2019

General Obligation/Refunding Series 2015A Original Amount: \$8,000,000 October 29, 2015			
<u>Due Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 189,450	\$ 189,450
2021	-	189,450	189,450
2022	-	189,450	189,450
2023	-	344,450	344,450
2024	-	344,450	344,450
2025	-	344,450	344,450
2026	2,325,000	344,450	2,669,450
2027	3,485,000	234,700	3,719,700
2028	<u>2,015,000</u>	<u>60,450</u>	<u>2,075,450</u>
TOTAL	<u>\$ 7,825,000</u>	<u>\$ 2,241,300</u>	<u>\$ 10,066,300</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2019

General Obligation/Refunding Series 2015B Original Amount: \$1,000,000 October 29, 2015			
<u>Due Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 50,000	\$ 50,000
2021	-	50,000	50,000
2022	-	50,000	50,000
2023	-	50,000	50,000
2024	-	50,000	50,000
2025	-	50,000	50,000
2026	<u>1,000,000</u>	<u>50,000</u>	<u>1,050,000</u>
TOTAL	<u>\$ 1,000,000</u>	<u>\$ 350,000</u>	<u>\$ 1,350,000</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2019

		General Obligation Series 2016 Original Amount: \$7,000,000 June 2, 2016		
<u>Due Year Ended June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020		\$ -	\$ 280,000	\$ 280,000
2021		-	280,000	280,000
2022		-	280,000	280,000
2023		-	280,000	280,000
2024		-	280,000	280,000
2025		-	280,000	280,000
2026		-	280,000	280,000
2027		-	280,000	280,000
2028		-	280,000	280,000
2029		-	280,000	280,000
2030		-	280,000	280,000
2031		-	280,000	280,000
2032		<u>7,000,000</u>	<u>280,000</u>	<u>7,280,000</u>
TOTAL		<u>\$ 7,000,000</u>	<u>\$ 3,640,000</u>	<u>\$ 10,640,000</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2019

General Obligation/Refunding Series 2017A and B  
Original Amount: \$6,965,000  
June 28, 2017

<u>Due Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 284,150	\$ 284,150
2021	-	284,150	284,150
2022	-	284,150	284,150
2023	-	284,150	284,150
2024	-	284,150	284,150
2025	-	284,150	284,150
2026	-	284,150	284,150
2027	-	284,150	284,150
2028	1,000,000	284,150	1,284,150
2029	3,260,000	244,150	3,504,150
2030	<u>2,705,000</u>	<u>81,150</u>	<u>2,786,150</u>
TOTAL	<u>\$ 6,965,000</u>	<u>\$ 2,882,650</u>	<u>\$ 9,847,650</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
 SCHEDULE OF PER CAPITA TUITION CHARGE  
 AND AVERAGE DAILY ATTENDANCE - BUDGET BASIS  
 YEARS ENDED JUNE 30, 2019 AND 2018

	Year Ended June 30,	
	2019	2018
Total Expenditures		
Education	\$ 178,822,608	\$ 165,131,155
Operations and Maintenance	14,921,709	9,794,177
Debt service	9,996,341	9,885,040
Transportation	10,889,594	10,077,562
Municipal Retirement/Social Security	6,872,770	6,673,551
Tort	3,261,268	3,186,835
Total	<u>224,764,290</u>	<u>204,748,320</u>
Less Receipts/Revenues or Disbursements/Expenditures Not Applicable to the Regular K-12 Program	<u>15,653,195</u>	<u>11,113,737</u>
Operating Expense Regular K-12	209,111,095	193,634,583
Average Daily Attendance	<u>13,646</u>	<u>13,676</u>
Estimated Operating Expense Per Pupil	<u>\$ 15,324</u>	<u>\$ 14,159</u>
Operating Expense Regular K-12	\$ 209,111,095	\$ 193,634,583
Less Offsetting Receipts/Revenues	<u>29,126,972</u>	<u>38,225,367</u>
Net Operating Expense For Tuition Computation	179,984,123	155,409,216
Add Total Depreciation Allowance	<u>5,540,311</u>	<u>4,958,092</u>
Total Allowance For Tuition Computation	185,524,434	160,367,308
Average Daily Attendance	<u>13,646</u>	<u>13,676</u>
Estimated Per Capita Tuition Charge	<u>\$ 13,595.12</u>	<u>\$ 11,726.18</u>

Note: This schedule is utilized by the Illinois State Board of Education.

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## STATISTICAL SECTION (UNAUDITED)

This part of the Waukegan Community Unit School District No. 60's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	130
<i>These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. Tables 1 – 4</i>	
Revenue Capacity	138
<i>These tables contain information to help the reader assess the District's most significant revenue source, the property tax. Tables 5 – 8</i>	
Debt Capacity	143
<i>These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. Tables 9 – 12</i>	
Demographic and Economic Information	148
<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. Tables 13 – 14</i>	
Operating Information	150
<i>These tables contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. Tables 15 – 17</i>	

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017	2016
Governmental Activities				
Net investment in capital assets	\$ 48,246,512	\$ 41,958,834	\$ 41,989,240	\$ 35,764,908
Restricted	27,642,266	28,533,317	28,384,560	34,983,405
Unrestricted	<u>(101,596,712)</u>	<u>(107,441,162)</u>	<u>(21,389,572)</u>	<u>(25,078,892)</u>
Total governmental activities net position	<u><u>\$ (25,707,934)</u></u>	<u><u>\$ (36,949,011)</u></u>	<u><u>\$ 48,984,228</u></u>	<u><u>\$ 45,669,421</u></u>

Note:  
GASB 75 was adopted for the year ended June 30, 2018. Prior year information has not been restated.  
GASB 68 and 71 was adopted for the year ended June 30, 2015. 2014 was restated but prior year information has not been restated.

TABLE 1

Fiscal Years					
2015	(Restated) 2014	2013	2012	2011	2010
\$ 43,048,372	\$ 44,399,882	\$ 34,390,282	\$ 3,598,370	\$ 574,089	\$ 6,496,380
28,962,620	27,821,009	34,484,797	37,071,060	32,600,995	-
(27,953,102)	(31,064,725)	5,783,811	6,874,695	3,951,654	10,847,665
<u>\$ 44,057,890</u>	<u>\$ 41,156,166</u>	<u>\$ 74,658,890</u>	<u>\$ 47,544,125</u>	<u>\$ 37,126,738</u>	<u>\$ 17,344,045</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017	2016
Expenses				
Governmental Activities				
Instruction	\$177,883,462	\$175,753,620	\$173,948,152	\$151,138,859
Support services	95,559,154	86,442,835	90,467,818	88,686,014
Community services	1,252,932	1,085,283	955,062	1,155,437
Payments to other districts and gov't units	34,799	63,377	201,301	10,736
Interest and other on long-term debt	2,352,747	2,566,760	3,105,671	3,149,733
Capital outlay	-	-	-	-
Depreciation - unallocated*	5,336,207	5,088,311	4,302,145	5,119,756
Total Expenses	<u>282,419,301</u>	<u>271,000,186</u>	<u>272,980,149</u>	<u>249,260,535</u>
Program Revenues				
Governmental Activities				
Charges For Services				
Instruction	619,483	753,015	702,137	2,081,286
Support services	741,567	279,719	344,177	301,766
Operating Grants and Contributions				
Instruction	75,152,271	83,664,539	93,075,289	71,629,777
Support services	16,783,217	17,847,176	15,637,563	16,098,582
Capital Grants and Contributions				
Support services	-	42,014	337,684	54,009
Total Program Revenues	<u>93,296,538</u>	<u>102,586,463</u>	<u>110,096,850</u>	<u>90,165,420</u>
Net (Expense) Revenue	<u>(189,122,763)</u>	<u>(168,413,723)</u>	<u>(162,883,299)</u>	<u>(159,095,115)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Personal property replacement taxes	6,724,378	6,042,763	7,340,677	6,646,258
Real estate taxes, levied for general purposes	52,279,340	51,130,440	49,950,489	49,396,031
Real estate taxes, levied for debt service	9,896,604	9,842,506	9,595,535	9,298,223
State aid - grants	130,924,421	120,045,256	99,089,810	95,338,757
Earnings on investments	232,693	63,383	6,474	12,749
Other	306,404	49,763	215,121	14,628
Total General Revenues and Other Changes in Net Position	<u>200,363,840</u>	<u>187,174,111</u>	<u>166,198,106</u>	<u>160,706,646</u>
Changes in Net Position	<u>\$ 11,241,077</u>	<u>\$ 18,760,388</u>	<u>\$ 3,314,807</u>	<u>\$ 1,611,531</u>

\*This amount excludes direct depreciation expenses of the various programs.

Note:

GASB 75 was adopted for the year ended June 30, 2018. Prior year information has not been restated.

GASB 68 and 71 was adopted for the year ended June 30, 2015. 2014 was restated but prior year information has not been restated.

TABLE 2

Fiscal Years					
2015	(Restated) 2014	2013	2012	2011	2010
\$144,184,752	\$122,936,371	\$118,720,317	\$ 91,752,680	\$106,891,124	\$109,284,495
84,061,013	80,681,902	82,684,647	99,175,009	73,660,700	76,095,567
1,011,788	1,045,200	1,328,453	1,111,796	1,190,740	1,049,105
14,158	280,322	19,625	162,818	279,321	276,273
3,817,461	3,701,027	4,097,245	5,360,630	4,149,998	4,237,845
-	-	-	-	2,212,463	2,852,010
4,037,503	3,173,451	2,816,964	2,517,166	1,038,204	975,935
<u>237,126,675</u>	<u>211,818,273</u>	<u>209,667,251</u>	<u>200,080,099</u>	<u>189,422,550</u>	<u>194,771,230</u>
1,025,739	833,995	816,005	1,230,084	1,201,671	1,091,805
163,120	229,952	160,066	167,278	271,384	704,214
66,863,793	53,324,240	47,817,931	26,297,667	50,379,996	53,829,093
14,036,833	11,311,551	10,695,851	32,179,765	12,283,354	12,069,475
4,275,571	1,193,786	23,073,311	-	-	-
<u>86,365,056</u>	<u>66,893,524</u>	<u>82,563,164</u>	<u>59,874,794</u>	<u>64,136,405</u>	<u>67,694,587</u>
<u>(150,761,619)</u>	<u>(144,924,749)</u>	<u>(127,104,087)</u>	<u>(140,205,305)</u>	<u>(125,286,145)</u>	<u>(127,076,643)</u>
7,259,799	6,750,403	6,672,863	6,530,858	7,099,308	5,474,404
48,784,116	47,296,457	64,413,762	64,458,290	63,155,756	61,421,911
8,749,401	8,318,808	8,400,748	7,793,667	8,002,050	6,577,113
88,552,015	82,441,382	74,471,954	69,642,723	67,383,061	60,565,597
15,687	19,397	24,458	15,148	34,327	17,282
302,325	19,320	235,067	2,182,006	423,275	-
<u>153,663,343</u>	<u>144,845,767</u>	<u>154,218,852</u>	<u>150,622,692</u>	<u>146,097,777</u>	<u>134,056,307</u>
<u>\$ 2,901,724</u>	<u>\$ (78,982)</u>	<u>\$ 27,114,765</u>	<u>\$ 10,417,387</u>	<u>\$ 20,811,632</u>	<u>\$ 6,979,664</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017	2016
General Fund				
Nonspendable	\$ 42,270	\$ 253,620	\$ -	\$ -
Restricted	-	-	-	-
Committed	10,000,000	-	-	-
Assigned	15,232,120	15,248,610	10,775,236	7,666,466
Unassigned	51,062,518	56,061,498	47,692,601	41,854,145
Total General Fund	76,336,908	71,563,728	58,467,837	49,520,611
All Other Governmental Funds				
Nonspendable	276,374	263,230	250,701	241,402
Restricted	27,747,141	28,648,967	28,250,783	34,843,971
Committed	-	-	-	-
Unassigned	(2,867,720)	(1,974,659)	(4,920,508)	(4,456,181)
Total All Other Governmental Funds	25,155,795	26,937,538	23,580,976	30,629,192
Total General and All Other Governmental Funds	<u>\$ 101,492,703</u>	<u>\$ 98,501,266</u>	<u>\$ 82,048,813</u>	<u>\$ 80,149,803</u>



TABLE 3

Fiscal Years					
2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ 331,050	\$ -
-	-	-	-	1,651,589	1,407,744
-	-	486,692	2,706,692	-	-
6,483,367	2,317,672	1,096,115	-	99,945	-
40,217,222	48,997,608	57,533,046	63,080,414	60,384,592	48,308,216
46,700,589	51,315,280	59,115,853	65,787,106	62,467,176	49,715,960
232,986	226,708	241,789	236,346	30,622	82,210
28,806,595	27,897,970	27,504,439	27,372,576	30,457,167	16,748,399
-	1,461,068	5,155,762	6,409,077	-	-
(2,516,477)	(7,860,613)	-	(5,010,218)	(7,081,395)	(6,795,741)
26,523,104	21,725,133	32,901,990	29,007,781	23,406,394	10,034,868
<u>\$ 73,223,693</u>	<u>\$ 73,040,413</u>	<u>\$ 92,017,843</u>	<u>\$ 94,794,887</u>	<u>\$ 85,873,570</u>	<u>\$ 59,750,828</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017	2016
Revenues				
Local sources				
Tax levies	\$ 62,175,944	\$ 60,972,946	\$ 59,546,024	\$ 58,694,254
Personal property replacement taxes	6,724,378	6,042,763	7,340,677	6,646,258
Tuition	3,705	13,960	108,894	129,021
Earnings on investments	232,693	63,383	6,474	12,749
Food services	243,029	161,786	299,144	152,816
District/School activity income	154,572	162,564	165,522	221,138
Textbooks	321,757	356,017	313,349	527,295
Rentals	63,213	96,060	44,058	24,690
Contributions and donations	435,325	21,873	975	124,260
Refund of prior years' expenditures	306,404	49,763	215,121	14,628
Other local sources	139,449	220,474	114,372	1,203,832
State sources	203,021,672	199,985,507	189,310,622	159,604,061
Federal sources	19,838,237	21,613,478	18,829,724	23,517,064
Total Revenues	293,660,378	289,760,574	276,294,956	250,872,066
Expenditures				
Current				
Instruction	178,829,326	172,315,569	174,833,001	151,193,881
Support services	93,996,553	84,767,730	87,819,844	84,881,316
Community services	1,252,932	1,085,283	955,062	1,155,437
Payments to other districts and gov't units	34,799	63,377	201,301	10,736
Debt Service				
Principal retirement	3,375,339	3,662,144	4,032,289	3,272,711
Interest and other	6,621,002	6,222,896	5,973,771	6,326,258
Capital outlay	6,558,990	5,191,122	6,860,051	4,287,344
Total Expenditures	290,668,941	273,308,121	280,675,319	251,127,683
Excess (Deficiency) of Revenues Over Expenditures	2,991,437	16,452,453	(4,380,363)	(255,617)
Other Financing Sources (Uses)				
Transfers in	212,863	22,977,995	3,499,492	3,680,342
Transfers out	(212,863)	(22,977,995)	(3,499,492)	(3,680,342)
Bonds issued	-	-	5,740,000	7,000,000
Refunding bonds issued	-	-	1,225,000	9,130,000
Premium on bonds issued	-	-	478,302	-
Premium on refunding bonds issued	-	-	160,982	977,838
Payment to bond escrow agent	-	-	-	-
Payment to refunded bond escrow agent	-	-	(1,324,911)	(9,926,111)
Capital leases	-	-	-	-
Debt issuance costs	-	-	-	-
Total Other Financing Sources (Uses)	-	-	6,279,373	7,181,727
Net Changes in Fund Balances	\$ 2,991,437	\$ 16,452,453	\$ 1,899,010	\$ 6,926,110
Debt Service as a Percentage of Non-capital Expenditures	3.52%	3.69%	3.65%	3.89%

TABLE 4

Fiscal Years					
2015	2014	2013	2012	2011	2010
\$ 57,533,517	\$ 55,615,265	\$ 72,814,510	\$ 72,251,957	\$ 71,157,806	\$ 67,999,024
7,259,799	6,750,403	6,672,863	6,530,858	7,099,308	5,474,404
111,359	79,023	94,178	53,665	86,830	79,577
15,687	19,397	24,458	15,148	34,327	17,282
137,790	168,813	124,980	119,578	231,954	598,498
258,828	167,534	151,433	67,414	174,621	226,478
480,586	473,703	552,932	586,777	731,006	503,566
19,100	30,809	30,086	25,961	24,534	50,244
6,230	30,330	5,000	23,850	14,896	30,495
112,054	19,320	84,130	22,267	234,614	146,887
365,237	113,735	168,399	2,578,591	397,875	160,274
154,336,350	129,992,051	137,192,085	108,071,277	103,824,599	90,109,485
19,391,862	18,278,908	18,866,962	20,048,878	26,221,812	36,354,677
240,028,399	211,739,291	236,782,016	210,396,221	210,234,182	201,750,891
142,656,087	123,626,727	116,781,675	110,146,628	105,539,884	107,931,994
84,123,300	82,605,186	82,660,739	78,625,443	73,627,015	76,092,353
1,011,788	1,045,200	1,328,453	1,111,796	1,190,740	1,049,105
14,158	280,322	19,625	162,818	279,321	276,273
3,430,872	3,743,514	6,021,254	7,022,486	6,691,214	7,759,207
6,052,544	5,883,699	2,692,491	1,131,136	928,542	1,690,562
2,685,993	13,935,449	31,062,146	3,370,404	4,653,430	5,507,597
239,974,742	231,120,097	240,566,383	201,570,711	192,910,146	200,307,091
53,657	(19,380,806)	(3,784,367)	8,825,510	17,324,036	1,443,800
7,334,651	678,436	551,351	480,248	462,437	16,405,786
(7,334,651)	(678,436)	(551,351)	(480,248)	(462,437)	(16,405,786)
-	-	-	-	9,695,000	29,780,268
-	-	-	-	-	-
-	-	-	-	-	822,683
-	-	-	-	-	-
-	-	-	-	-	(20,380,211)
-	-	-	-	-	-
129,623	403,376	1,007,323	95,808	196,942	155,033
-	-	-	-	(80,747)	-
129,623	403,376	1,007,323	95,808	9,811,195	10,377,773
\$ 183,280	\$ (18,977,430)	\$ (2,777,044)	\$ 8,921,318	\$ 27,135,231	\$ 11,821,573
4.00%	4.43%	4.16%	4.11%	4.05%	4.85%

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN TAX YEARS

Tax Year	Real Property				
	Residential	Commercial	Industrial	Rural	Railroad
2018	\$ 518,246,652	\$ 270,936,410	\$ 20,794,554	\$ 192,006	\$ 4,364,961
2017	453,988,576	246,495,211	19,541,044	153,235	4,082,905
2016	388,273,419	223,673,741	19,406,551	135,122	4,227,683
2015	340,768,005	205,466,682	17,723,443	79,206	4,063,330
2014	329,679,911	208,664,414	18,319,479	79,073	3,382,474
2013	362,088,867	223,153,416	19,689,596	77,860	3,151,011
2012	456,740,055	240,663,394	22,507,138	87,308	2,281,052
2011	595,856,306	265,717,897	24,355,091	94,433	2,093,459
2010	717,906,417	285,339,323	25,770,668	85,723	1,891,332
2009	825,587,625	283,707,693	26,712,097	78,453	1,292,672

Sources: Lake County levy, rate and extension reports and Lake County Clerk's office.

Note: Property in the county is reassessed annually. The county assesses property at approximately 33.33% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

TABLE 5

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
\$ 814,534,583	7.6535	\$ 2,443,848,134	33.33%
724,260,971	8.4468	2,173,000,213	33.33%
635,716,516	9.4107	1,907,340,282	33.33%
568,100,666	10.4121	1,704,472,445	33.33%
560,125,351	10.3800	1,680,544,107	33.33%
608,160,750	9.2920	1,824,664,716	33.33%
722,278,947	9.2790	2,167,053,546	33.33%
888,117,186	7.2930	2,664,618,020	33.33%
1,030,993,463	6.1430	3,093,289,718	33.33%
1,137,378,540	5.9860	3,412,476,868	33.33%

TABLE 6

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN TAX YEARS  
(RATE PER \$100 OF ASSESSED VALUE)

Tax Year	Waukegan Community Unit School District No. 60 Total Millage	Overlapping Rates	
		City of Waukegan	Other Lake County Governments
		Total Millage	Total Millage
2018	7.6535	3.0303	7.4071
2017	8.4468	3.0760	7.4382
2016	9.4107	3.2391	7.3923
2015	10.4121	3.4749	7.6069
2014	10.3800	3.4737	7.7463
2013	9.2920	3.3400	7.4380
2012	10.1360	2.8270	6.6040
2011	8.1750	2.1910	5.4600
2010	6.9210	1.9560	4.7170
2009	5.9860	1.6440	4.8100

Source: Office of the Lake County Clerk

Note: The District's basic property tax rate may be increased only by a majority vote of the District's residents. Rates for debt service are set based on each year's requirements.

TABLE 7

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
AREA PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND NINE YEARS AGO

Taxpayer	2018 Tax Levy			2009 Tax Levy		
	Taxable Equalized Assessed Valuation (1)	Rank	Percentage of Total District Taxable Assessed Value (2)	Taxable Equalized Assessed Valuation (3)	Rank	Percentage of Total District Taxable Assessed Value (4)
Community Health Systems, Inc.	\$ 20,125,650	1	2.47%	\$ 15,755,551	1	1.39%
MIMG LXXXIV LLC	9,147,979	2	1.12%			
Nicolls, II, C Robert	7,026,614	3	0.86%	6,049,395	4	0.53%
Whispering Oaks Associates LP	5,287,789	4	0.65%	4,289,026	6	0.38%
Midwest Generation LLC	4,452,164	5	0.55%	6,144,136	3	0.54%
Heritage Green Apartments LLC	3,954,287	6	0.49%	3,325,001	9	0.29%
Briarwood Investments LLC	3,533,842	7	0.43%	3,133,020	10	0.28%
Cinnamon Lake Towers	3,443,967	8	0.42%			
Union Pacific Railroad Prop. Tax	3,334,235	9	0.41%			
Haoyue Investment Vi LLC	3,055,421	10	0.38%			
JRC/CSE Eagle Ridge Jv LLC				6,799,320	2	0.60%
Sunset Lake Apartments				5,013,545	5	0.44%
Fox Crest Apartments LLC				3,624,991	7	0.32%
Lake Towers Associates II LTD				3,414,439	8	0.30%
Total	<u>\$ 63,361,948</u>		<u>7.78%</u>	<u>\$ 57,548,424</u>		<u>5.07%</u>

Source: Office of the Lake County Clerk

(1) Includes tax year 2018 equalized assessed valuations of property parcels with an aggregate total over approximately \$100,000.

(2) Uses the District's 2018 equalized assessed valuation of \$813,534,583.

(3) Includes tax year 2009 equalized assessed valuations of property parcels with an aggregate total over approximately \$705,000.

(4) Uses the District's 2009 equalized assessed valuation of \$1,137,378,540.

TABLE 8

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 62,340,429	\$ 30,668,715	49.20%	\$ -	\$ 30,688,715	49.23%
2018	61,177,165	31,445,824	51.40%	29,578,493	61,024,317	99.75%
2017	59,825,641	30,418,874	50.85%	29,216,066	59,634,940	99.68%
2016	59,151,272	29,815,525	50.41%	29,062,875	58,878,400	99.54%
2015	58,141,224	28,769,268	49.48%	28,925,037	57,694,305	99.23%
2014	56,510,297	28,064,827	49.66%	27,854,071	55,918,898	98.95%
2013	73,210,194	35,916,491	49.06%	36,963,776	72,880,267	99.55%
2012	72,603,580	35,419,131	48.78%	36,788,753	72,207,884	99.45%
2011	71,355,058	34,513,198	48.37%	36,490,237	71,003,435	99.51%
2010	68,083,479	33,411,440	49.07%	34,474,790	67,886,230	99.71%

Source: Office of the Lake County Clerk



TABLE 9

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds <sup>2</sup>	Debt Certificates	Capital Leases	Mortgage			
2019	\$ 44,844,242	\$ -	\$ -	\$ -	\$ 44,844,242	2.36%	517
2018	48,157,530	-	62,051	-	48,219,581	2.55%	550
2017	51,621,760	-	259,964	-	51,881,724	2.77%	586
2016	48,936,783	-	535,438	-	49,472,221	2.73%	555
2015	35,796,384	9,695,000	818,548	-	46,309,932	2.57%	521
2014	38,771,265	9,695,000	1,008,175	139,648	49,614,088	2.74%	557
2013	41,908,558	9,695,000	1,078,969	271,699	52,954,226	2.96%	594
2012	47,596,896	9,695,000	279,692	396,569	57,968,157	3.21%	651
2011	62,129,803	9,695,000	277,181	514,649	72,616,633	4.03%	815
2010	57,045,429	-	153,353	626,310	57,825,092	3.07%	622

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Demographic and Economic Statistics on page 152 for personal income and population data.

<sup>2</sup> General obligation bonds without accretion.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds <sup>3</sup>	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
2019	\$ 44,844,242	\$ 6,517,150	\$ 38,327,092	1.57%	442
2018	48,157,530	6,402,672	41,754,858	1.92%	476
2017	51,621,760	10,028,511	41,593,249	2.18%	470
2016	48,936,783	9,878,122	39,058,661	2.29%	438
2015	35,796,384	9,277,203	26,519,181	1.58%	298
2014	38,771,265	8,886,567	29,884,698	1.64%	335
2013	41,908,558	8,926,470	32,982,088	1.52%	370
2012	47,596,896	8,623,310	38,973,586	1.46%	438
2011	62,129,803	8,163,017	53,966,786	1.74%	606
2010	57,045,429	3,905,292	53,140,137	1.56%	572

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 142-143 for property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics on page 152.

<sup>3</sup> General obligation bonds without accretion.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2019

Taxing Authority	Outstanding Bonds		Applicable to District	
			Percentage	Amount
Debt repaid with property taxes				
Lake County	\$ -	(1)	3.100%	\$ -
Lake County Forest Preserve	240,365,000	(4)	3.100%	7,451,315
Village of Beach Park	-	(1)(3)	19.159%	-
Village of Gurnee	4,380,000		0.029%	1,270
City of Park City	300,000		21.724%	65,172
City of Waukegan	86,660,000	(3)	62.080%	53,798,528
Warren-Newport Library	-	(1)	2.218%	-
Foss Park District	361,360	(1)	9.021%	32,598
Gurnee Park District	2,190,275	(1)	0.028%	613
Waukegan Park District	1,787,805	(1)	62.737%	1,121,615
Community College No. 532	13,290,000	(1)	3.210%	426,609
Subtotal, Overlapping Debt				\$ 62,897,720
<b>Waukegan Community Unit School District No. 60 Direct Debt</b>		(1)(2)	100.000%	37,844,242
Total Direct and Overlapping Debt				<u><u>\$ 100,741,962</u></u>

Rates may not be increased without voter approval by referendum.

Lake County governmental units are subject to Illinois Property Tax Extension Limitation laws. Property tax increases are limited to the lesser of 5% or the reported increase in the Consumer Price Index (CPI).

Source: Office of the Lake County Clerk

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

(1) Excludes outstanding principal amounts of General Obligation Alternative Revenue Source Bonds

(2) Includes outstanding original principal amounts of Capital Appreciation Bonds

(3) Includes self-supporting and tax increment bonds

(4) Excludes outstanding Debt Certificates and Capital Leases.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 112,405,772	\$ 99,948,014	\$ 87,728,879	\$ 78,397,892
Total Net Debt Applicable to Limit	<u>44,844,242</u>	<u>48,219,581</u>	<u>51,881,724</u>	<u>49,472,221</u>
Legal Debt Margin	<u>\$ 67,561,530</u>	<u>\$ 51,728,433</u>	<u>\$ 35,847,155</u>	<u>\$ 28,925,671</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	39.89%	48.24%	59.14%	63.10%
<u>Legal Debt Margin Calculation for Fiscal Year 2019</u>				
Assessed Value	\$ 814,534,583			
Debt Limit (13.8% of total assessed value)	112,405,772			
Debt Applicable to Limit				
General Obligation Bonds <sup>1</sup>	44,844,242			
Capital Leases	<u>-</u>			
Total	<u>44,844,242</u>			
Legal Debt Margin	<u>\$ 67,561,530</u>			

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 13.8 percent of total assessed property value.

<sup>1</sup> General obligation bonds without accretion.

TABLE 12

Fiscal Years					
2015	2014	2013	2012	2011	2010
\$ 77,297,298	\$ 83,926,184	\$ 99,674,495	\$ 122,560,172	\$ 142,277,098	\$ 156,958,239
46,309,932	40,727,521	44,027,756	39,649,847	54,758,617	53,919,790
<u>\$ 30,987,366</u>	<u>\$ 43,198,663</u>	<u>\$ 55,646,739</u>	<u>\$ 82,910,325</u>	<u>\$ 87,518,481</u>	<u>\$ 103,038,449</u>
59.91%	48.53%	44.17%	32.35%	38.49%	34.35%

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Population <sup>2</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Median Age <sup>2</sup>	School Enrollment <sup>3,4</sup>	Unemployment Rate <sup>1</sup>
2019	86,792	\$ 1,898,054,248	\$ 21,869	31.5	15,872	5.40%
2018	87,729	1,892,402,259	21,571	31.3	16,275	4.30%
2017	88,475	1,869,830,650	21,134	31.1	16,478	4.80%
2016	89,078	1,811,222,974	20,333	30.5	16,684	5.90%
2015	88,915	1,801,951,390	20,266	30.5	16,892	5.90%
2014	89,078	1,810,421,272	20,324	30.7	16,732	7.70%
2013	89,159	1,791,471,787	20,093	30.5	16,600	9.60%
2012	89,078	1,803,740,422	20,249	30.5	16,152	9.50%
2011	89,078	1,803,740,422	20,249	30.0	16,328	10.70%
2010	92,929	1,881,719,321	20,249	30.0	16,548	11.70%

## Sources:

<sup>1</sup> State of Illinois Department of Employment Security<sup>2</sup> City of Waukegan<sup>3</sup> School District<sup>4</sup> Illinois Report Card

Note: Population, per capita income and median age are based on data provided by Lake County Partners.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
AREA PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO

Taxpayer	2019			2010		
	Approximate Number of Employees*	Rank	Percentage of Total District Employment**	Approximate Number of Employees*	Rank	Percentage of Total District Employment**
Lake County Government	2,353	1	8.20%	2,642	1	9.20%
<b>Waukegan Community Unit School District No. 60</b>	2,078	2	7.20%	2,194	2	7.60%
Southwire Co., Inc. (Coleman Cable)	1,500	3	5.20%	1,000	4	3.50%
Vista Medical Center - East	1,250	4	4.30%	1,350	3	4.70%
Medline Industries, Inc.	900	5	3.10%	850	5	2.90%
City of Waukegan	481	6	1.70%	569	6	2.00%
Yaskawa America Inc.	420	7	1.50%	420	9	1.50%
Jewel Foods	375	8	1.30%	525	7	1.80%
Walmart Supercenter	350	9	1.20%	350	11	1.20%
Cardinal Health, Inc.	340	10	1.20%	340	12	1.20%
United Conveyor Corp.	250	11	0.90%	300	13	1.00%
Deublin Co.	225	12	0.80%	225	14	0.80%
Nosco Inc.	200	13	0.70%	400	10	1.40%
Visual Pak	200	13	0.70%	200	15	0.70%
WMS Industries				500	8	1.70%
Total	<u>10,922</u>		<u>38.00%</u>	<u>11,865</u>		<u>41.20%</u>

\*Includes full and part-time and/or temporary/seasonal

\*\*The Illinois Department of Employment Security reports that 28,769 were employed in 2018 in the City of Waukegan and 28,870 were employed in 2010.

Sources:

- (1) 2019 Illinois Manufacturers Directory
- (2) 2019 Illinois Services Directory
- (3) Employer Official Website and/or City Financial Reports
- (4) AtoZDatabase.com - Business Edition

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

Function	Year ended				
	2019	2018	2017	2016	2015
Instruction	1,408	1,309	1,344	1,314	1,292
Support Services	686	759	741	740	725
Community Services	13	10	10	17	17
Total	<u>2,107</u>	<u>2,078</u>	<u>2,095</u>	<u>2,071</u>	<u>2,034</u>

Source: Waukegan School District



TABLE 15

June 30,				
2014	2013	2012	2011	2010
1,323	1,272	1,294	1,514	1,387
679	629	708	677	784
13	17	19	17	23
<u>2,015</u>	<u>1,918</u>	<u>2,021</u>	<u>2,208</u>	<u>2,194</u>

TABLE 16

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal Year</u>	<u>Operating Expenses</u>	<u>Enrollment</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Student Attendance Percentage</u>
2019	\$ 216,004,754	15,872	\$ 13,609	N/A	834	19.03	91%
2018	194,239,222	16,275	11,935	11.21%	992	16.41	93%
2017	198,075,429	16,478	12,021	-1.94%	1,072	15.37	92%
2016	192,452,524	16,684	11,535	2.92%	1,175	14.20	93%
2015	185,907,294	16,892	11,006	3.52%	1,162	14.54	93%
2014	180,782,470	16,732	10,805	2.83%	1,214	13.78	95%
2013	179,149,901	16,600	10,792	0.91%	1,190	13.95	96%
2012	168,309,701	16,152	10,420	6.44%	1,178	13.71	94%
2011	161,101,143	16,328	9,867	4.47%	1,158	14.10	94%
2010	164,331,777	16,548	9,931	-1.97%	1,224	13.52	92%

Sources: Nonfinancial information provided by the District's personnel department.

(1) Illinois Report Card

Note: Enrollment based on start-of-year census. Teaching staff are full-time equivalents for the year as a whole. Attendance is a yearly average. Operating expenses consists of the General Fund (less on-behalf payments - State of Illinois), the Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, and the Tort Fund.

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60  
CAPITAL ASSETS BY FUNCTION  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Function	2019	2018	2017	2016
Instruction	\$ 90,699	\$ 10,999	\$ 4,968	\$ 66,815
Support services	6,468,291	5,180,123	6,855,083	4,220,529
Community services	-	-	-	-
Total	<u>\$ 6,558,990</u>	<u>\$ 5,191,122</u>	<u>\$ 6,860,051</u>	<u>\$ 4,287,344</u>

TABLE 17

Fiscal Years					
2015	2014	2013	2012	2011	2010
\$ 5,620	\$ 17,087	\$ 58,921	\$ 39,473	\$ 399,118	\$ 849,531
2,680,373	13,918,362	31,003,225	3,330,931	4,253,467	4,649,231
-	-	-	-	845	8,835
<u>\$ 2,685,993</u>	<u>\$ 13,935,449</u>	<u>\$ 31,062,146</u>	<u>\$ 3,370,404</u>	<u>\$ 4,653,430</u>	<u>\$ 5,507,597</u>

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