Lyons Township School Treasurer
Township 38 North, Range 12 East
Cook County, Illinois

Financial Statements

Year Ended June 30, 2019

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FINANCIAL SECTION

MILLER COOPER & Co., Ltd
ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Lyons Township School Treasurer
LaGrange, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, major fund and the aggregate remaining fund information of Lyons Township School Treasurer (the Treasurer), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Treasurer's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(Continued)

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Opinion

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

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 7, the Illinois Municipal Retirement Fund pension data on pages 48 through 49, the other postemployment benefits and related retiree health plan data on page 50, and the notes to the required supplementary information on pages 51 through 53, 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.

The Treasurer has not presented the General Fund budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not modified for this missing information.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
October 11, 2019

The discussion and analysis of the Lyons Township School Treasurer's (the Lyons Township Treasurer's Office) financial performance provides an overall review of the Treasurer's financial activities, for the year ended June 30, 2019. The management of the Lyons Township Treasurer's Office encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Lyons Township Treasurer's Office financial performance. Certain comparative information between the current year and prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A).

Financial Highlights

- In total, the net deficit decreased by $4,316. This represents a .20% decrease in the deficit position from 2018.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

The Statement of Net Deficit presents information on all of the Lyons Township Treasurer's Office assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position (deficit). Over time, increases or decreases in net deficit may serve as a useful indicator of whether the financial position of the Lyons Township Treasurer's Office is improving or deteriorating.

The Statement of Activities presents information showing how the Lyons Township Treasurer's Office net deficit changed during the fiscal year being reported. All changes in net deficit are reported when revenue is recognized and expenses are incurred.

The government-wide financial statements present the functions of the Lyons Township Treasurer's Office that are principally supported by fees received from school districts for investing and other business services performed. The Lyons Township Treasurer's Office has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges.

Fund financial statements

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

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

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

The Lyons Township Treasurer's Office maintains one individual governmental fund – General (Distributive) Fund. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund deficit for the General (Distributive) Fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Lyons Township Treasurer's Office. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Lyons Township Treasurer's Office own programs. The accounting used for fiduciary (agency) funds is on the accrual basis of accounting.

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Lyons Township School Treasurer's status with the Illinois Municipal Retirement Fund and Other Postemployment Benefits – Retiree Health Plan.

Government-Wide Financial Analysis

The Lyons Township Treasurer's Office net deficit decreased .20% to $2,154,724.

Table 1
Condensed Statement of Net Deficit

	2019	***2018***
Current and other assets	$ 1,335,131	$ 1,323,665
Capital assets	80,627	96,814
Total assets	1,415,758	1,420,479
Deferred outflows related to pensions and other postemployment benefits	340,753	116,606
Current liabilities	3,368,622	3,264,808
Long-term liabilities	358,871	164,533
Total liabilities	3,727,493	3,429,341
Deferred inflows related to pensions and other postemployment benefits	183,742	266,784
Net position (deficit):		
Investment in capital assets	80,627	96,814
Unrestricted	(2,235,351)	(2,255,854)
Total net deficit	$ (2,154,724)	$ (2,159,040)

Table 2
Changes in Net Deficit

	2019	***2018***
Revenues:		
Program revenues:		
Pro-rata billing	$1,578,284	$1,299,564
Total revenues	1,578,284	1,299,564
Expenses:		
Treasurer's office Services	1,573,968	1,341,578
Total expenses	1,573,968	1,341,578
Change in net deficit	$ 4,316	$ (42,014)

Financial Analysis of the Lyons Township Treasurer's Office Funds

As the Lyons Township Treasurer's Office completed the year, the government-wide (annual operational activities) net deficit was $2,154,724. Annual operational revenues are generated from the pro-rata billing which are based on the prior year's (FY18) operational expenditures. The governmental fund expenses are based on the current year (FY19) operational expenditures. In FY19 the government-wide deficit decreased by $4,316 due to timely pro-rata payments.

The collective financial position of the Lyons Township School Treasurer is reflected in its governmental funds. The governmental fund's fund deficit increased to $3,314,276 from the prior year deficit of $3,184,230. Uncollected pro-rata revenue has continued to affect the governmental fund's fund deficit.

Financial Analysis of the Lyons Township Treasurer's Office Funds (Continued)

The Agency fund undistributed investment activity, which includes the unrealized gains/losses on investments, current year activity and prior year undistributed income decreased to $1,759,539 in FY19 from $3,279,559 in FY18 mainly due to changes in market value of the investment portfolio. Governmental Accounting Standards Board Statement No. 72 Statement addresses the accounting and financial reporting related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement will adjust based on investment portfolio and market factors.

Factors Bearing on Future

The Lyons Township School Treasurer has strived for continuous improvements. The following factors could bear on the future financial position:

- As of July 1, 2019, the Lyons Township Elementary School Districts' Employee Benefit Cooperative (LTESDEBC) dissolved and will cease to be a member district of the Lyons Township Treasurer's Office after fiscal year 2021 per the LTESDEBC Bylaws. LTESDEBC's share of FY18 pro-rata billing was 1.77%. LTESDEBC's share of assets was 0.1% based on the 2019 audit.
- The TTO is actively pursuing collection of unpaid pro-rata payments, recovery of over-paid interest income distribution and recovery of audit costs from Lyons Township High School District 204 (LTHS) through litigation. Pending those outcomes the fund balance is expected to be decreased or eliminated.
- Per Illinois Public Act 100-0921 signed in to law August 2018, Lyons Township High School District 204 may withdraw from the Lyons Township School Treasurer after July 1, 2019. Lyons Township High School District 204's share of FY18 pro-rata billing was 19.98%. Lyons Township High School District 204's share of assets was 20.3% based on the 2019 audit.
- The total FY19 pro-rata bill (FY19 operational revenues) will be based on the FY19 expenditures of $1,625,774 (cash basis).

Requests for Information

This financial report is designed to provide the Lyons Township Treasurer's Office citizens, taxpayers, and creditors with a general overview of the Lyons Township Treasurer's Office finances and to demonstrate the accountability of the Lyons Township Treasurer's Office. If you have questions about this report, or need additional financial information, contact Mr. Kenneth T. Getty at:

Lyons Township School Treasurer
22 Calendar Court, Suite D
LaGrange, IL 60525

BASIC FINANCIAL STATEMENTS

Lyons Township School Treasurer

STATEMENT OF NET DEFICIT

June 30, 2019

		Governmental Activities (Distributive) Fund
ASSETS		
Cash	$	250
Accounts receivable:		
Pro-rata billings and other receivables (net of allowance for doubtful accounts of $3,678,230)		1,246,785
Prepaid expenses		88,096
Capital assets, net of accumulated depreciation		80,627
Total assets		1,415,758
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions		340,574
Deferred outflows related to other postemployment benefits		179
Total deferred outflows		340,753
LIABILITIES		
Accounts payable		113,659
Accrued salaries		10,651
Advances from Township Districts		3,244,312
Noncurrent liabilities:		
Due within one year		12,443
Due after one year		346,428
Total liabilities		3,727,493
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		173,680
Deferred inflows related to other postemployment benefits		10,062
Total deferred inflows		183,742
NET DEFICIT		
Investment in capital assets		80,627
Unrestricted		(2,235,351)
Total net deficit	$	(2,154,724)

The accompanying notes are an integral part of this statement.

Lyons Township School Treasurer
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Programs	Expenses	Program Revenues	Net Revenues and Change in Net Deficit
Governmental activities			
Treasurer's office services	$ 1,573,968	$ 1,578,284	$ 4,316
Net deficit - beginning of year			(2,159,040)
Net deficit - end of year			$ (2,154,724)

The accompanying notes are an integral part of this statement.

Lyons Township School Treasurer

Governmental Fund
BALANCE SHEET
June 30, 2019

		General (Distributive) Fund
ASSETS		
Cash	$	250
Accounts receivable		
Pro-rata billings and other receivables (net of allowance for doubtful accounts of $3,678,230)		1,246,785
Prepaid items		88,096
Total assets	$	1,335,131
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	$	113,659
Accrued salaries		10,651
Unearned revenue		1,280,785
Advances from township districts		3,244,312
Total liabilities		4,649,407
Fund Deficit		
Nonspendable for prepaid items		88,096
Unassigned		(3,402,372)
Total fund deficit		(3,314,276)
Total liabilities and fund deficit	$	1,335,131

The accompanying notes are an integral part of this statement.

Lyons Township School Treasurer

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND TO THE STATEMENT OF NET DEFICIT

June 30, 2019

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

Total fund deficit - governmental fund			$	(3,314,276)
Net capital assets used in governmental activities and included in the statement of net deficit do not require the expenditure of financial resources and, therefore, are not reported in the governmental fund balance sheet.				80,627
Deferred outflows and inflows of resources related to IMRF pension and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental fund:				
Deferred outflows of resources related to IMRF pension and other postemployment benefits	$	325,174		
Deferred outflows of 2019 employer contributions related to IMRF pension		15,579		340,753
Deferred inflows of resources related to IMRF pension and other postemployment benefits				(183,742)
Pro-rata billings revenue that is deferred in the fund financial statements, because it is not available, is recognized as revenue in the government-wide financial statements.				1,280,785
Long-term liabilities included in the statement of net deficit are not due and payable in the current period and, accordingly, are not reported in the governmental fund balance sheet.				(358,871)
Net deficit - governmental activities			$	(2,154,724)

The accompanying notes are an integral part of this statement.

Lyons Township School Treasurer

Governmental Fund

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND DEFICIT

For the Year Ended June 30, 2019

	General (Distributive) Fund
Revenues	
Pro-rata billings	$ 1,470,471
Expenditures	
Salaries	494,231
Benefits	216,375
Purchased services	870,431
Supplies and materials	7,644
Capital outlay	8,781
Other objects	3,055
Total expenditures	1,600,517
Net change in fund deficit	(130,046)
Fund deficit	
Beginning of year	(3,184,230)
End of year	$ (3,314,276)

The accompanying notes are an integral part of this statement.

Lyons Township School Treasurer

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND DEFICIT OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

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

Net change in fund deficit - governmental fund	$	(130,046)
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.		(16,187)
Changes in deferred outflows and inflows of resources related to IMRF pension and other postemployment benefits are reported only in the statement of activities:		
Deferred outflows and inflows of resources related to IMRF pension		308,610
Deferred outflows and inflows related to other postemployment benefits		(1,421)
Pro-rata billings revenue not collected within 60 days after year end is considered unavailable and is deferred in the government fund. These amounts are considered earned, however, and recognized as revenue in the government-wide statements.		107,813
In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources that are used.		(264,453)
Change in net deficit - governmental activities	$	4,316

The accompanying notes are an integral part of this statement.

Lyons Township School Treasurer

Agency Fund
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2019

Assets		
Pooled cash and investments	$	201,136,618
Restricted cash (See Note O)		1,500,296
Advances to Township School Treasurer		3,244,312
Total assets	$	205,881,226
Liabilities		
Due to Township Districts:		
Cook County School District 101	$	9,757,941
Elementary School District 102		10,147,726
Lyons Elementary School District 103		12,769,741
Cook County School District 104		12,566,491
Cook County School District 105		15,968,369
LaGrange Highlands School District 106		12,854,938
Pleasantdale School District 107		14,212,436
Cook County School District 108		6,192,598
Indian Springs School District 109		30,864,644
Lyons Township High School District 204		41,805,422
Argo Community High School District 217		29,913,185
LaGrange Area Department of Special Education		3,741,426
Lyons Township Elementary School Districts' Employee Benefit Cooperative		1,138,770
Cook County Intermediate Service Center #2 (West 40)		2,188,000
Undistributed investment activity - See Note C		1,759,539
Total liabilities	$	205,881,226

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of the reporting entity and the Treasurer's significant accounting policies:

1. Reporting Entity

   As required by State Statue, the Lyons Township School Treasurer oversees the treasury functions of eleven school districts, two educational cooperatives and a medical self-insurance cooperative (collectively, the Township Districts) through the activities of the assistant school treasurer at each Township District. In this capacity, funds received by the Treasurer from various sources are distributed to the Township Districts on a current basis to meet operating needs. Excess funds are invested by the Treasurer, per the Investment Policy. The Treasurer and each Township District are located within the Township of Lyons in Cook County, Illinois.

2. Fund Accounting

   The accounts of the Treasurer are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities, fund balances, revenues, and expenditures. The Treasurer maintains individual funds as required. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are kept by the Treasurer:

   a. General (Distributive) Fund

      The General (Distributive) Fund is the operating fund of the Treasurer. This fund is used for the administrative aspects of the Treasurer's operations. The revenue consists primarily of pro-rata billings to Township Districts.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

b. Fiduciary Fund

The Agency Fund is a fiduciary fund, custodial in nature. It is used to account for cash and investments maintained by the Treasurer, in an agency capacity, for the benefit of the Township Districts.

3. Fund Balance

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

a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria include items that are not expected to be converted to cash such as prepaid items.

b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or are imposed by law through enabling legislation. As of June 30, 2019, the Treasurer had no restricted fund balances.

c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Treasurer's highest level of decision-making authority (the Board of Trustees). The Board of Trustees commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the Board removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. As of June 30, 2019, the Treasurer had no committed fund balances.

d. *Assigned* - refers to amounts that are constrained by the Treasurer's intent to be used for a specific purpose, but are neither restricted or committed. Authority to assign fund balance has not been delegated by the Board of Trustees. As of June 30, 2019, the Treasurer had no assigned fund balances.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Balance (Continued)

   e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General (Distributive) Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net deficit and the statement of activities) report information on all of the nonfiduciary activities of the Treasurer. The Treasurer's operating activities are considered "governmental activities". The Treasurer has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. The Treasurer's expenses are those that are clearly identifiable with a specific function. Program revenues include charges to Township Districts who use or directly benefit from the goods, services, or privileges provided by a given function.

Separate financial statements are provided for the governmental fund and fiduciary fund. The fiduciary fund is excluded from the government-wide financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

A Governmental fund is used to account for the Treasurer's general governmental activities. Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. The Treasurer considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net deficit may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2019, the Treasurer has deferred outflows of resources related to the IMRF pension and other postemployment benefits. In addition to liabilities, the Treasurer may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2019, the Treasurer reported deferred inflows of resources related to the IMRF pension and other postemployment benefits.

7. Investments

State statutes and the Treasurer's investment policy authorize the Treasurer to invest in obligations listed in Note F. Investments are stated at fair value, cost, amortized cost or net asset value (NAV), as disclosed in the related notes. No amortization is made to interest income for discounted federal securities. Gains and losses on the sale of investments are recorded as interest income at the date of sale or maturity. Investments held in the Fiduciary (Agency) Fund are stated at fair value.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Fair Value Measurements

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Treasurer has the ability to access.
Level 2	Inputs to the valuation methodology include the following: * Quoted prices for similar assets or liabilities in active markets; * Quoted prices for identical or similar assets or liabilities in inactive markets; * Inputs other than quoted prices that are observable for the asset or liability; * Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the Treasurer's investments measured at fair value. There have been no changes in the methodologies used at June 30, 2019 and June 30, 2018.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Fair Value Measurements (Continued)

Municipal Bonds *:* Valued at the closing price of similar instruments with comparable durations reported on the inactive market on which the individual securities are traded.

U.S. Treasury Securities and Debt Securities: Valued at the closing price of similar instruments with comparable durations reported on the inactive market on which the individual securities are traded.

Corporate Bonds *:* Valued at the closing price of similar instruments with comparable durations reported on the active market on which the individual securities are traded.

Negotiable Certificates of Deposit *:* Valued at the closing price of similar instruments with comparable durations reported on the inactive market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Treasurer believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

9. Accumulated Unpaid Vacation and Sick Pay

On July 1, 2016, the Lyons Township Treasurer's Office implemented a single Paid Time-Off (PTO) policy, in place of vacation time, sick leave, or personal time. Full-Time Employees are entitled to be compensated PTO based on the completed years of service. Every PTO day equals the standard eight (8) hour work day and are awarded on a pro rata basis. Employees who separate from employment will be deducted unearned PTO days or paid for any accrued and unused PTO days on the employee's final paycheck. Accrued and unused PTO days cannot be carried forward into the next fiscal year, and are forfeited.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Accumulated Unpaid Vacation and Sick Pay (Continued)

Unused, accrued vacation days earned prior to July 1, 2013 went into a separate accrued vacation time bank. Employees may still use these days as vacation days, subject to prior approval from the Treasurer. Any vacation days accrued prior to July 1, 2013 will be paid out to the employee upon his or her separation from employment. All unused, accrued vacation days earned prior to July 1, 2013 are accrued when incurred in the government-wide financial statement. A liability is reported in the General (Distributive) Fund only to the extent that the earned and untaken vacation will be paid with the expendable available resources. At June 30, 2019, accumulated unpaid vacation pay was $32,573.

Unused, accrued sick days earned prior to July 1, 2016 are tracked in a separate accrued sick time bank. Employees may still use these days as sick days, subject to prior approval from the Treasurer. No liability is provided in the financial statements for accumulated unpaid sick leave as sick leave days are forfeited if not used.

10. Capital Assets

Capital assets, which consists entirely of equipment, are reported in the government-wide financial statements. Capital assets are defined by the Treasurer as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Assets	Years
Equipment	8 - 15

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Long-Term Obligations

In the government-wide financial statements, all long-term obligations to be paid from government resources are reported as liabilities in the statement of net deficit.

12. Illinois Municipal Retirement Fund Pension and Other Postemployment Benefits

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

13. Unearned Revenue

The Treasurer reports unearned revenue on its governmental fund balance sheet. Unearned revenues arise from pro-rata billings to Township Districts which do not meet the Treasurer's revenue recognition criteria for availability as defined in Note A-5. At the end of the current fiscal year, the unearned revenue reported in the General (Distributive) Fund was $1,280,785.

14. Use of Estimates

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

NOTE B - TRANSACTIONS WITH TOWNSHIP DISTRICTS

The Lyons Township School Treasurer collects both pro-rata billings and insurance premiums from Township Districts in accordance with state statute 105 ILCS 5/8-4. Billings are used to pay for each Township District's pro rata share of Township Treasurer's expenditures.

Pro rata billings for the fiscal year ended June 30, 2019, are not calculated and billed until the following fiscal year. Prior year billings were billed in a similar manner. The amounts not collected within sixty days of year-end are considered unearned in the governmental fund financial statements until the following year. While collection is expected within one year, some amounts remain outstanding from certain Township Districts for prior fiscal years. The amount owed to the Treasurer's Office at June 30, 2019 for these billings is $119,764 which relates to all billing periods through June 30, 2019; of this amount, none were collected within the sixty day recognition period and recognized as revenue in the General (Distributive) fund.

Also included in the pro-rata billings receivable is the estimated amount for the pro-rata billings for the fiscal year ended June 30, 2019. The entire amount of $1,600,517, less amounts totaling $34,000 already billed and collected from the Cooperative as of June 30, 2019, will be billed in fiscal year 2020. Based on prior history, $1,246,785 is expected to be collected within one year.

Accounts receivable include costs for a Township District's prior year audits of $511,069. The entire amount is fully reserved by an allowance for doubtful accounts. See Note N for additional information.

Detail of the accounts receivable are as follows:

Township District	Amount
Unbilled pro-rata receivable to all Township Districts (net of allowance)	$ 1,246,785
Lyons Township High School District 204	3,678,230
Total pro-rata and other receivables	4,925,015
Less: Allowance for doubtful accounts	(3,678,230)
Total pro-rata billings and other receivables	$ 1,246,785

NOTE C - UNDISTRIBUTED INVESTMENT ACTIVITY

At June 30, 2019, the balance in the undistributed investment activity account within the agency fund was $1,759,539. The balance consists of prior year undistributed income, current year activity and the unrealized gain (loss) on the investment portfolio at June 30, 2019. The amount of the unrealized gain (loss) will fluctuate each year and the amount of the unrealized gain (loss) is not available to be distributed to each Township District.

NOTE D - DEFICIT FUND BALANCE

The General (Distributive) Fund has a deficit balance of $3,314,276 as of June 30, 2019. This deficit is anticipated to be funded by future receipts from Township Districts.

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

1. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Deficit

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

Compensated absences	$	(32,573)
Health insurance premiums payable		(7,546)
Lease incentive obligation		(15,102)
IMRF net pension liability		(267,595)
RHP total other postemployment benefit liability		(36,055)
Net adjustment to increase fund deficit - total governmental funds to arrive at net deficit of governmental activities	$	(358,871)

NOTE E - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

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

Capital outlay	$	8,781
Depreciation expense		(24,968)
Net adjustment to decrease net change in fund deficit - total governmental fund to arrive at change in net deficit of governmental activities	$	(16,187)

Another element of that reconciliation states that "In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources that are used." The details of this difference are as follows:

Compensated absences, net	$	2,966
Health insurance premiums payable		17,521
Lease incentive obligation		4,897
IMRF pension (asset) liability, net		(337,710)
RHP total other postemployment benefit liability, net		47,873
Net adjustment to decrease net change in fund deficit - total governmental fund to arrive at change in net deficit of governmental activities	$	(264,453)

NOTE F - DEPOSITS AND INVESTMENTS

The Treasurer is the legal custodian of all Township Districts' cash and investments. Accounting records are maintained to separate the common cash and investment accounts by individual Township District. Cash and investments are recorded at cost and the realized gains, realized losses and investment income are allocated on a pro-rata basis to the Township Districts. No unrealized gains and losses are allocated to the Township Districts. Cash deposits, investments, and the underlying collateral are held in the name of the Treasurer.

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

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

	Governmental	Fiduciary	Total
Cash and investments	$ 250	$ 202,636,914	$ 202,637,164

For disclosure purposes, this amount is segregated into the following components, at June 30, 2019:

Cash on hand	$ 250
Deposits with financial institutions*	58,656,012
Illinois Funds	442
Other Investments	143,980,460
Total	$ 202,637,164

*Deposits with financial institutions include amounts held in demand accounts, savings accounts and non-negotiable certificates of deposit; custodial credit risk is applicable to these holdings. Carrying value approximates fair value due to the short term nature of these deposits.

NOTE F - DEPOSITS AND INVESTMENTS (Continued)

Deposits with financial institutions include certain non-negotiable certificates of deposit in the amount of $1,500,296, which are reported as restricted cash in the Statement of Fiduciary Assets and Liabilities. See Note O.

Interest Rate Risk
The Treasurer's investment policy seeks to ensure preservation of capital in the Treasurer's overall portfolio. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles. The investment portfolio is required to provide sufficient liquidity to pay Treasurer obligations as they come due, considering maturity and marketability. The investment portfolio is also required to be diversified as to maturities and investments, as appropriate to the nature, purpose, and amount of funds. The Treasurer will also consider investments in local financial institutions, recognizing their contribution to the community's economic development.

At June 30, 2019, other investments consisted of the following fixed income holdings:

		Investment Maturity			
Investment Type	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
Debt Securities					
Freddie Mac	$ 4,083,366	$ -	$ 867,809	$ 2,120,916	$ 1,094,641
FHLMC	17,715,869	95,476	10,196,770	6,037,385	1,386,238
FNMA	69,614,182	4,647,356	27,056,736	16,471,549	21,438,541
FFCB	1,003,670	-	1,003,670	-	-
GNMA	4,843,548	-	-	-	4,843,548
Corporate Bonds	3,089,377	498,168	2,591,209	-	-
Municipal Bonds	38,822,611	7,853,882	23,250,692	7,718,037	-
US Treasury Bonds	1,529,762	-	1,039,644	490,118	-
Negotiable Certificates of Deposit	3,278,075	1,004,257	2,273,818	-	-
	$ 143,980,460	$ 14,099,139	$ 68,280,348	$ 32,838,005	$ 28,762,968

NOTE F - DEPOSITS AND INVESTMENTS (Continued)

The following investment is measured at net asset value (NAV):

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Illinois Funds	$ 442	n/a	Daily	1 day

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The Treasurer's investment policy further minimizes credit risk by limiting the investments to the safest types of securities and/or financial institutions; pre-qualifying the financial institutions, brokers, intermediaries, and advisors with which the Treasurer will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized. The Treasurer's investments in negotiable certificates of deposit are unrated.

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

NOTE F - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk (Continued)

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

Investment	Moody's Investor Service	Standard & Poor's
Freddie Mac - U.S. Agency explicitly guaranteed	Aaa	Not available
Federal Home Loan Mortgage Corporation (FHLMC) - U.S. Agency explicitly guaranteed	Aaa	Not available
Federal National Mortgage Association (FNMA) - U.S. Agency explicitly guaranteed	Aaa	Not available
Federal Farm Credit Banks (FFCB) - US Agency implicitly guaranteed	Aaa	Not available
Government National Mortgage Association (GNMA) - U.S. Agency explicitly guaranteed	Not available	Not available
Corporate Bonds	A2 - A3	A-2
Municipal Bonds *	Aaa - A1	AAA - A
US Treasury Bonds	Aaa	Not available

* Credit risk ratings were not available for certain Municipal bonds

Concentration of Credit Risk

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

NOTE F - DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Treasurer's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2019, the bank balance of the Treasurer's deposits with financial institutions totaled $70,516,329, all of which was insured or collateralized at June 30, 2019.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Treasurer's investments are held by their agent and in the Treasurer's name. At June 30, 2019, there were no investments exposed to custodial credit risk.

Fair Value Measurement of Investments

The Treasurer categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Treasurer has the following recurring fair value measurements as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Debt Securities				
Freddie Mac	$ -	$ 4,083,366	$ -	$ 4,083,366
FHLMC	-	17,715,869	-	17,715,869
FNMA	-	69,614,182	-	69,614,182
FFCB	-	1,003,670	-	1,003,670
GNMA	-	4,843,548	-	4,843,548
Corporate Bonds	3,089,377	-	-	3,089,377
Municipal Bonds	-	38,822,611	-	38,822,611
US Treasury Bonds	-	1,529,762	-	1,529,762
Negotiable Certificates of Deposit	-	3,278,075	-	3,278,075
Investments, at fair value	$ 3,089,377	$ 140,891,083	$ -	$ 143,980,460

NOTE G - CAPITAL ASSETS

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

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, being depreciated				
Equipment	$ 248,936	$ 8,781	$ 1,651	$ 256,066
Total capital assets, being depreciated	248,936	8,781	1,651	256,066
Less accumulated depreciation for:				
Equipment	152,122	24,968	1,651	175,439
Total accumulated depreciation	152,122	24,968	1,651	175,439
Governmental activities capital assets, net	$ 96,814	$ (16,187)	$ -	$ 80,627

NOTE H - LONG-TERM LIABILITIES

The long-term liabilities activity for the Treasurer during the year ended June 30, 2019 were as follows:

Governmental Activities	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Compensated absences	$ 35,539	$ -	$ 2,966	$ 32,573
Health insurance premiums payable	25,067	-	17,521	7,546
Lease incentive obligation (See Note I)	19,999	-	4,897	15,102
IMRF net pension liability*	-	360,941	93,346	267,595
RHP total other postemployment benefit liability	83,928	2,214	50,087	36,055
Total long-term liabilities - governmental activities	$ 164,533	$ 363,155	$ 168,817	$ 358,871

	Due Within One Year
Health insurance premiums payable	$ 7,546
Lease incentive obligation	4,897
	$ 12,443

The obligations for accrued compensated absences and health insurance premiums payable will be repaid from the General (Distributive) Fund.

* In 2018, the IMRF plan fiduciary net position exceeded the total pension liability resulting in a net pension asset of $70,115 (Note K).

NOTE I - OPERATING LEASES AND LEASE INCENTIVE OBLIGATION

The Treasurer leases its office space and equipment under non-cancelable operating leases with various maturities through 2023. Total costs for such leases were $181,184 for the year ended June 30, 2019. At June 30, 2019, future minimum lease payments for these leases are as follows:

Year Ending June 30	Total
2020	$ 54,659
2021	11,616
2022	11,616
2023	968
Total	$ 78,859

During the year ended June 30, 2018, the Treasurer entered into an equipment operating lease agreement with a vendor, which included a lease incentive payment to reimburse the Company for terminating a previous lease agreement with a different vendor. The reimbursed amounts are amortized over the current lease term and the amortization is included as a reduction of rental expense over the life of the lease.

	2019
Lease incentive obligation, beginning of year	$ 19,999
Lease incentive obligation amortization	(4,897)
Lease incentive obligation, end of year	15,102
Lease incentive obligation, current portion	4,897
Lease incentive obligation, net of current portion	$ 10,205

NOTE J - RISK MANAGEMENT

The Treasurer is exposed to various risks of loss related to torts; workers' compensation claims; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Treasurer has purchased insurance from private insurance companies for general liability, workers' compensation, and other coverages to mitigate these risks. Premiums have been recorded as expenditures in the general fund. There have been no significant reductions in insurance coverage during 2019 compared to prior years. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

The Treasurer is a member of the Lyons Township Elementary School Districts' Employee Benefit Cooperative (LTESDEBC), a health insurance cooperative that provides medical, dental and life insurance coverage to the employees of the Treasurer. The Township Districts of LTESDEBC make payments to the Cooperative which is used to pay the insurance provider for medical and dental coverage. The Treasurer believes that because it does not control the selection of the governing authority, and because of the control over operations, scope of public service, and special financing relationships exercised by the governing board, LTESDEBC is not included as a component unit of the Treasurer. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. Complete financial statements for LTESDEBC can be obtained from the Chairperson. As of July 1, 2019, the Lyons Township Elementary School Districts' Employee Benefit Cooperative was dissolved and the Treasurer now obtains insurance through a commercial third-party insurance provider.

NOTE K - PENSION LIABILITY - ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

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

NOTE K - PENSION LIABILITY - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Benefits Provided

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

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

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

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	16
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	6
Total	27

NOTE K - PENSION LIABILITY - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Contributions

As set by statute, the Treasurer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Treasurer's annual required contribution rate for calendar year 2018 was 8.46%. For the fiscal year ended June 30, 2019, the Treasurer contributed $30,801 to the plan. The Treasurer 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 Treasurer's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

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

NOTE K - PENSION LIABILITY - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Actuarial Assumptions (Continued)

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

NOTE K - PENSION LIABILITY - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Actuarial Assumptions (Continued)

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

Single Discount Rate

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

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

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

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

NOTE K - PENSION LIABILITY - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Changes in Net Pension Liability

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability(Asset) (A) - (B)
Balances at December 31, 2017	$ 1,937,155	$ 2,007,270	$ (70,115)
Changes for the year:			
Service cost	35,742	-	35,742
Interest on the total pension liability	141,959	-	141,959
Difference between expected and actual experience of the total pension liability	57,792	-	57,792
Changes of assumptions	58,187	-	58,187
Contributions - employer	-	32,397	(32,397)
Contributions - employees	-	17,233	(17,233)
Net investment income	-	(137,376)	137,376
Benefit payments, including refunds of employee contributions	(124,476)	(124,476)	-
Other (net transfer)	-	43,716	(43,716)
Net changes	169,204	(168,506)	337,710
Balances at December 31, 2018	$ 2,106,359	$ 1,838,764	$ 267,595

NOTE K - PENSION LIABILITY - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

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 than the current rate:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability	$ 528,132	$ 267,595	$ 48,636

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Illinois Municipal Retirement Fund Pension

For the year ended June 30, 2019, the Treasurer recognized pension expense of $59,900. At June 30, 2019, the Treasurer reported deferred outflows of resources and deferred inflows of resources related to the IMRF pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	$ 35,083	$ 6,077
Change of assumptions	35,323	15,005
Net difference between projected and actual earnings on pension plan investments	254,589	152,598
Total deferred amounts to be recognized in pension expense in the future periods	324,995	173,680
Pension contributions made subsequent to the measurement date	15,579	-
Total deferred amounts related to pensions	$ 340,574	$ 173,680

NOTE K - PENSION LIABILITY - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Illinois Municipal Retirement Fund Pension (Continued)

The Treasurer reported $15,579 as deferred outflows of resources related to pensions resulting from Treasurer contributions subsequent to the measurement date which will be recognized as an addition to the net pension liability in the reporting year ended June 30, 2020. Amounts reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Net Deferred Outflows of Resources
2020	$ 52,898
2021	28,055
2022	13,012
2023	57,350
2024	-
Thereafter	-
Total	$ 151,315

NOTE L - SOCIAL SECURITY/MEDICARE

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

NOTE M - OTHER POSTEMPLOYMENT BENEFITS - RETIREE HEALTH PLAN

Plan Description

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

Benefits Provided

The plan provides the ability for retirees and their spouses to access the Treasurer's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement and have applied for the basic hospital plan as required by 215 ILCS 5/367j, relating to municipal employees' continuance privilege until age sixty-five (65). Retirees are responsible to contribute 100% of the premium toward the cost of their insurance, which is determined by the Administrator. All life insurance coverage terminates on the final day of employment.

The Treasurer provides free healthcare for a limited time period to one retiree based on an individual separation agreement.

Employees Covered by Benefit Terms

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

Active employees	7
Inactive employees entitled to but not yet receiving benefits	0
Inactive employees currently receiving benefits	3
Total	10

NOTE M - OTHER POSTEMPLOYMENT BENEFITS - RETIREE HEALTH PLAN (Continued)

Contributions

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the Treasurer. Premiums for the plan are set by the Administrator. Currently, the Treasurer contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2019, the Treasurer contributed $17,521 toward the cost of the postemployment benefits for retirees, which was 4% of covered payroll.

Total OPEB Liability

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

Actuarial valuation date	July 1, 2017
Measurement date	June 29, 2018
Actuarial cost method	Entry Age Normal (Alternative Measurement Method)
Actuarial assumptions:	
Inflation rate	3.00%
Discount rate	2.79%
Salary rate increase	4.00%
Healthcare inflation rate	6.50% initial 4.50% ultimate (ultimate rate reached in 2028)

Ad-hoc benefit changes including ad-hoc COLAs.

Mortality rates	RP-2014 Combined Annuitant Mortality Table for males and females. The Mortality Table reflects recent rates developed by the Society of Actuaries.

Election at Retirement: 10% of active IMRF employees are assumed to elect coverage continuation at retirement.

NOTE M - OTHER POSTEMPLOYMENT BENEFITS - RETIREE HEALTH PLAN (Continued)

Total OPEB Liability (Continued)

Marital Status: 20% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assume to be three years older than females.

Discount Rate

The Treasurer does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.79% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2019.

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2018	$ 83,928	$ -	$ 83,928
Changes for the year:			
Service cost	309	-	309
Interest on the total OPEB liability	1,800	-	1,800
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	105	-	105
Contributions - employer	-	-	-
Contributions - employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(47,053)	-	(47,053)
Other changes	(3,034)	-	(3,034)
Net changes	(47,873)	-	(47,873)
Balances at June 30, 2019	$ 36,055	$ -	$ 36,055

NOTE M - OTHER POSTEMPLOYMENT BENEFITS - RETIREE HEALTH PLAN (Continued)

Changes in the Total OPEB Liability (Continued)

In 2019, changes in assumptions related to the discount rate were made (2.98% to 2.79%), which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2019.

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

The following presents the plan's total OPEB 1iability, calculated using a Single Discount Rate of 2.79%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (1.79%)	Current Discount Rate (2.79%)	1% Higher (3.79%)
Total OPEB liability	$ 36,625	$ 36,055	$ 35,510

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

The following presents the plan's net OPEB 1iability, calculated using a Healthcare Trend Rate range of 6.50%-4.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower (3.50% - 5.50%)	Current Healthcare Rate (4.50% - 6.50%)	1% Higher (5.50% - 7.50%)
Total OPEB liability	$ 35,375	$ 36,055	$ 36,793

NOTE M - OTHER POSTEMPLOYMENT BENEFITS - RETIREE HEALTH PLAN (Continued)

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

For the year ended June 30, 2019 the Treasurer recognized OPEB expense of $601. At June 30, 2019, the Treasurer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	$ -	$ -
Change of assumptions	179	10,062
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total deferred amounts to be recognized in OPEB expense in the future periods	$ 179	$ 10,062

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

Year Ended June 30,	Net Deferred Inflows of Resources
2020	$ 1,507
2021	1,507
2022	1,507
2023	1,507
2024	1,507
Thereafter	2,348
Total	$ 9,883

NOTE N - LITIGATION

On October 15, 2013, the Lyons Township School Treasurer filed litigation against one of its Township Districts (Lyons Township High School District 204). The claim is pursuing uncollected pro-rata billings, unreimbursed audit costs, and interest income allocations for a total of approximately $4,700,000. On June 29, 2018, the Lyons Township School Treasurer filed additional litigation against Lyons Township High School District 204. The second claim pursued additional uncollected pro-rata billings for fiscal years 2014 and beyond, for a total of approximately $643,000. As of October 11, 2019, the date these financial statements were available to be issued, legal action has continued but the outcome of the litigation is not determinable. The amount for the uncollected pro-rata billings and unreimbursed audit costs have been reported on the Statement of Net Deficit and the Governmental Fund Balance Sheet as an accounts receivable with the entire amount fully reserved by an allowance for doubtful accounts.

NOTE O - RESTRICTED CASH

A Township District has a line of credit from a bank for approximately $1,500,000 for its operations. The collateral for the line of credit is provided by the Treasurer on behalf of the Township District. The Treasurer executed approximately $1,500,000 of non-negotiable certificates of deposit, which earn 1.80% interest, as the collateral.

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 11, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of net deficit date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Lyons Township School Treasurer

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION (ASSET) LIABILITY
AND RELATED RATIOS
Illinois Municipal Retirement Fund (IMRF)
Five Most Recent Fiscal Years

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$ 35,742	$ 33,883	$ 30,542	$ 49,307	$ 52,146
Interest on the total pension liability	141,959	144,210	128,202	174,722	180,410
Difference between expected and actual experience of total pension liability	57,792	(23,607)	177,700	(732,476)	(253,535)
Assumption changes	58,187	(58,299)	-	(8,158)	77,015
Benefit payments and refunds	(124,476)	(129,788)	(119,567)	(93,957)	(180,772)
Net change in total pension liability	169,204	(33,601)	216,877	(610,562)	(124,736)
Total pension liability, beginning	1,937,155	1,970,756	1,753,879	2,364,441	2,489,177
Total pension liability, ending	$ 2,106,359	$ 1,937,155	$ 1,970,756	$ 1,753,879	$ 2,364,441
Plan fiduciary net position					
Contributions, employer	$ 32,397	$ 33,092	$ 101,157	$ 64,311	$ 36,449
Contributions, employee	17,233	16,657	16,008	21,624	4,302
Net investment income	(137,376)	351,757	172,717	9,825	118,742
Benefit payments, including refunds of employee contributions	(124,476)	(129,788)	(119,567)	(93,957)	(180,772)
Other (net transfer)	43,716	(77,030)	(18,488)	(310,038)	(26,335)
Net change in plan fiduciary net position	(168,506)	194,688	151,827	(308,235)	(47,614)
Plan fiduciary net position, beginning	2,007,270	1,812,582	1,660,755	1,968,990	2,016,604
Plan fiduciary net position, ending	$ 1,838,764	$ 2,007,270	$ 1,812,582	$ 1,660,755	$ 1,968,990
Net pension liability (asset)	$ 267,595	$ (70,115)	$ 158,174	$ 93,124	$ 395,451
Plan fiduciary net position as a percentage of the total pension liability	87.30 %	103.62 %	91.97 %	94.69 %	83.28 %
Covered Valuation Payroll	$ 393,705	$ 370,163	$ 351,246	$ 399,695	$ 423,552
Net pension liability (asset) as a percentage of covered valuation payroll	67.97 %	(18.94) %	45.03 %	23.30 %	93.37 %

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

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

Lyons Township School Treasurer

MULTIYEAR SCHEDULE OF CONTRIBUTIONS
Illinois Municipal Retirement Fund (IMRF)
Five Most Recent Fiscal Years

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2019	$ 69,686 *	$ 32,397	$ 37,289	$ 393,705	8.23 %
2018	33,093	33,092	1	370,163	8.94
2017	60,730	101,157	(40,427)	351,246	28.80
2016	64,311	64,311	-	399,695	16.09
2015	105,276	36,449	68,827	423,522	8.61

* Estimated based on contribution rate of 17.70% and covered valuation payroll of $393,705.

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

Lyons Township School Treasurer

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

Retiree Health Plan

Two Most Recent Fiscal Years

	2019	2018
Total OPEB liability		
Service cost	$ 309	$ 312
Interest on the total OPEB liability	1,800	3,421
Difference between expected and actual experience of the total OPEB liability	-	-
Changes of assumptions and other inputs	105	114
Benefit payments, including the implicit rate subsidy	(47,053)	(49,978)
Other changes	(3,034)	(9,721)
Net change in total OPEB liability	(47,873)	(55,852)
Total OPEB liability, beginning	83,928	139,780
Total OPEB liability, ending	$ 36,055	$ 83,928
Plan fiduciary net position		
Contributions, employer	$ -	$ -
Contributions, employee	-	-
Net investment income	-	-
Benefit payments, including refunds of employee contributions	-	-
Other (net transfer)	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position, beginning		
Plan fiduciary net position, ending	$ -	$ -
Net OPEB liability	$ 36,055	$ 83,928
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %
Covered Valuation Payroll	$ 402,967	$ 402,967
Net OPEB liability as a percentage of covered valuation payroll	20.83 %	20.83 %

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

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

Valuation Date:

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

Methods and Assumptions Used to Determine the 2018 Contribution Rate:

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

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

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

Other Information:

Notes	There were no benefit changes during the year.

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

Change in Assumption:

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

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

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

Valuation Date:

Valuation Date	July 1, 2017
Measurement Date	June 29, 2018
Fiscal Year End	June 30, 2019

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	6.51 years
Municipal Bond Index	2.79%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%
Retirement Rates	IMRF Employees: Rates from the December 31, 2017 IMRF Actuarial
Election at Retirement	10% of IMRF employees will elect continuation of medical coverage at retirement.
Mortality	RP-2014 Combined Annuitant Mortality Table for males and females.
Healthcare Cost Trend Rates	6.50%, Initial 4.50%, Ultimate

Change in Assumtpion:

The Discount Rate was changed from 2.98% used in the Fiscal Year 2018 valuation to 2.79%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2019.