

LaGrange School District 105 South
LaGrange, Illinois

Annual Financial Report

Year Ended June 30, 2019

LaGrange School District 105 South

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

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(Concluded)

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
LaGrange School District 105 South
LaGrange, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of LaGrange School District 105 South (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

(Continued)

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 72 through 75, the other postemployment benefits data on pages 76 through 78, budgetary comparison schedules, and notes to the required supplementary information on pages 79 through 99, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents, the supplementary financial information and other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

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

We also 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 thereon dated January 8, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund and the Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2018 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 2018 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Debt Service Fund and the Fire Prevention and Safety Fund have 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 the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund and the Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

The Other Supplementary Information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

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

Certified Public Accountants

Deerfield, Illinois
November 12, 2019

LaGrange School District 105 South

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2019

The discussion and analysis of LaGrange School District 105 South's (the District) financial performance provides an overall review of the District's financial activities, for the year ended June 30, 2019. The management of the District encourages readers to consider the information presented herein in conjunction with the 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 (the "MD&A").

Financial Highlights

- Overall governmental funds revenue was \$31,809,181, \$375,204 less than the overall governmental funds expenditures of \$32,184,385.
- Property tax revenue, as a percentage of total revenue (excluding on-behalf payments) was 80.3%. Property taxes remain a primary and stable source of funding.
- The District had \$36,201,639 in expenses, including state retirement contributions related to governmental activities, of which \$10,040,800 were offset by program specific charges or grants.
- Net position of the District decreased by \$135,055 or 1.3%.

Current economic conditions have impacted the District's financial position. However, the impact is partially mitigated because a large majority of the District's funding is from local property taxes, which by design are very stable.

In fiscal year 2019, the District continued to complete facility upgrades to enhance the learning and community environment. The upgrades included: power upgrades throughout the School District and other improvements throughout the District. Also, the District continued alignment of curriculum with Common Core Standards, and the District continued the Summer Connect Program.

Overview of the Financial Statements

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

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

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

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

**LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019**

Overview of the Financial Statements (Continued)

Government-wide financial statements

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

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

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

Fund financial statements

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

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

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

The District maintains six individual governmental funds – General (includes Educational, Tort Immunity and Judgment, and Working Cash Accounts), Operations and Maintenance, Debt Service, Transportation, Municipal Retirement / Social Security, and Fire Prevention and Safety. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for all funds. All the District's funds are considered to be major funds.

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

Overview of the Financial Statements (Continued)

Fund financial statements (Continued)

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

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, which includes the notes to the financial statements, this report also presents certain required supplementary information concerning budgetary comparison schedules, the District's pension data related to the Illinois Municipal Retirement Fund (IMRF) and Teachers' Retirement System (TRS), the District's data on the Teachers' Health Insurance Security (THIS) and Retiree Health Plan (RHP) other postemployment benefits, and notes to the required supplementary information.

Government-Wide Financial Analysis

Net position decreased \$135,055 or 1.3% in 2019. Summaries of the net position components and the current year change in net position are presented in the Government-wide Financial Statements. Property taxes accounted for most of the District's revenue (excluding on-behalf payments), contributing 80.3%. Property tax revenue remained stable, primarily from an increase in the CPI and the District's equalized assessed valuation. The remainder of the District's revenue came from state and federal aid, fees charged for services, and miscellaneous sources. As noted in the Financial Statements, the District's expenses are predominately related to student instruction and support services.

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

Government-Wide Financial Analysis (Continued)

Table 1 Condensed Statement of Net Position <i>(in millions of dollars)</i>		
	<u>2019</u>	<u>2018</u>
Current and other assets	\$27.3	\$27.2
Capital assets	<u>36.7</u>	<u>37.5</u>
Total assets	<u>64.0</u>	<u>64.7</u>
Deferred outflow of resources	<u>3.5</u>	<u>2.9</u>
Long-term liabilities	40.8	42.5
Other liabilities	<u>1.1</u>	<u>1.1</u>
Total liabilities	<u>41.9</u>	<u>43.6</u>
Deferred inflow of resources	<u>15.5</u>	<u>13.7</u>
Net position:		
Net investment in capital assets	14.7	13.9
Restricted	7.1	6.0
Unrestricted	<u>(11.6)</u>	<u>(9.6)</u>
Total net position	<u>\$10.2</u>	<u>\$10.3</u>

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

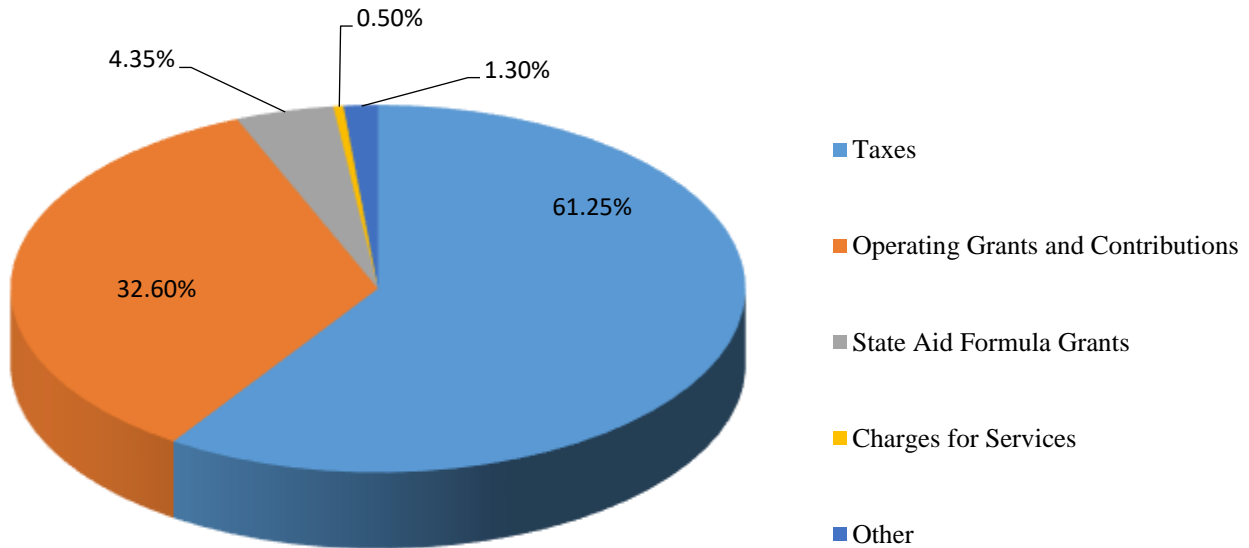
Government-Wide Financial Analysis (Continued)

Table 2 Changes in Net Position <i>(in millions of dollars)</i>		
	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$0.2	\$0.2
Operating grants and contributions	11.8	12.3
General revenues:		
Taxes	22.1	21.2
State aid – formula grants	1.6	1.5
Other	<u>0.4</u>	<u>0.5</u>
Total revenues	<u>36.1</u>	<u>35.7</u>
Expenses:		
Instruction	24.8	25.8
Support services	9.2	9.1
Community services	0.1	0.1
Nonprogrammed charges – excluding special education	0.8	0.5
Other	<u>1.3</u>	<u>1.3</u>
Total expenses	<u>36.2</u>	<u>36.8</u>
Decrease in net position	<u>\$(0.1)</u>	<u>\$(1.1)</u>

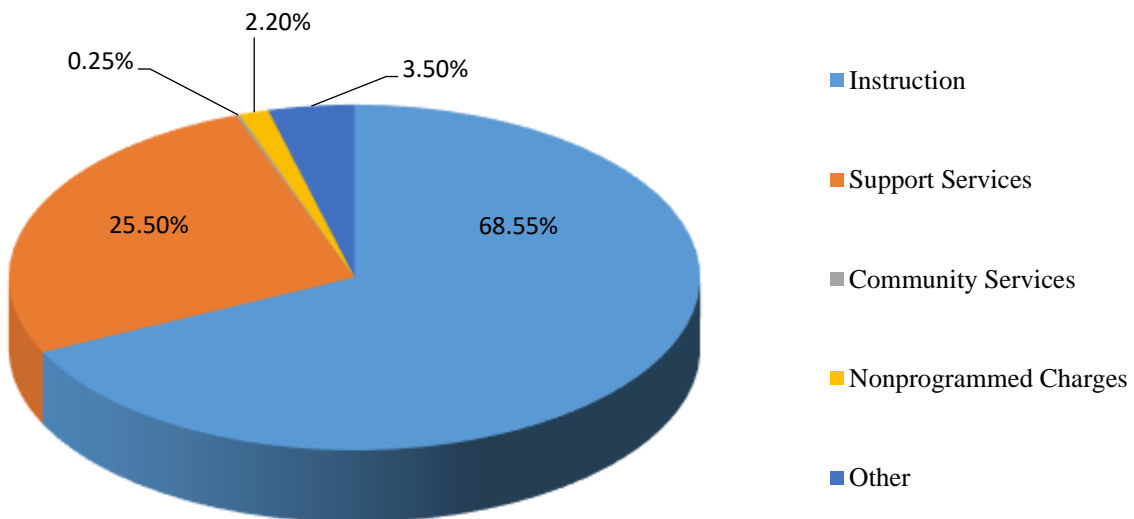
**LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019**

Government-Wide Financial Analysis (Continued)

Government-Wide Revenues by Source



Government-Wide Expenses by Function



**LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019**

Financial Analysis of the District's Funds

The financial performance of the District's funds, as a whole, is reflected in the governmental funds statement of revenues, expenditures, and change in fund balances. Total revenue in the governmental funds was \$31,809,181, compared to \$35,731,617 in the prior year, a decrease of \$3,922,436. Total expenditures in the governmental funds were \$32,184,385, compared to \$36,806,625 in the prior year, a decrease of \$4,622,240. The decrease in revenue and expenditures is due mainly to a reduction in State of Illinois on behalf retirement contributions. Expenditures exceed revenues by \$375,204 for the current fiscal year. As a result, the fund balances in the governmental funds decreased from \$16,954,494 in the prior year to \$16,579,290, as of June 30, 2019.

General Fund Budgetary Highlights

The General Fund, for the purpose of this analysis, is comprised of the Educational Account, the principal operating fund of the District, the Tort Immunity and Judgment Account, and the Working Cash Account.

The District's final budget anticipated that expenditures exceed revenues by \$662,985 in the General Fund, before other financing uses. The actual results for the year show expenditures over revenues by \$426,687. Revenues received were \$4,592,304 less than anticipated and expenditures were \$4,828,602 less than anticipated, due mainly to a reduction in State of Illinois on behalf retirement contributions.

Capital Asset and Debt Administration

Capital assets

By the end of 2019, the District had compiled a total investment of \$51,844,387 (\$36,736,284 net of accumulated depreciation) in a broad range of capital assets, including land, land improvements, buildings, and equipment. Total depreciation expense for the year was \$963,184. Additional details regarding capital assets can be found in Note E of the notes to the financial statements.

Table 3		
Capital Assets (net of depreciation)		
<i>(in millions of dollars)</i>		
	<u>2018</u>	<u>2018</u>
Land	\$0.8	\$0.8
Depreciable buildings, property, and equipment	<u>35.9</u>	<u>36.7</u>
Total	<u>\$36.7</u>	<u>\$37.5</u>

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

Capital Asset and Debt Administration (Continued)

Long-term liabilities

At year-end, the District had \$40,762,997 in alternate revenue bonds and other long-term liabilities outstanding. More detailed information regarding long-term liabilities can be found in Note F of the notes to the financial statements.

Table 4 presents a summary of changes in long-term liabilities for the year ended June 30, 2019.

Table 4 Outstanding Long-Term Liabilities <i>(in millions of dollars)</i>		
	<u>2019</u>	<u>2018</u>
Alternate revenue bonds	\$22.1	\$23.6
Other long term liabilities	<u>18.7</u>	<u>18.9</u>
Total	<u>\$40.8</u>	<u>\$42.5</u>

Factors Bearing on the District's Future

The District's staff remains stable. Labor agreements are in effect through 2020 for the District 105 Cook County Teacher's Association and the District 105 Educational Support Personnel entered into a new agreement in 2017 that is in effect until 2020.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the District's Superintendent at (708) 482-2700.

BASIC FINANCIAL STATEMENTS

LaGrange School District 105 South
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2019

ASSETS

Cash and investments	\$ 15,974,268
Receivables (net of allowance for uncollectibles):	
Property taxes	10,745,288
Replacement taxes	192,009
Intergovernmental	384,649
Prepaid items	10,153
Capital assets:	
Land	801,000
Depreciable buildings, property, and equipment, net	<u>35,935,284</u>
Total assets	<u>64,042,651</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	2,750,793
Deferred outflows related to other postemployment benefits	<u>770,652</u>
Total deferred outflows	<u>3,521,445</u>

LIABILITIES

Accounts payable	491,136
Salaries and wages payable	25,143
Interest payable	559,837
Unearned revenue	21,735
Long-term liabilities:	
Due within one year	1,605,001
Due after one year	<u>39,157,996</u>
Total liabilities	<u>41,860,848</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	2,801,485
Deferred inflows related to other postemployment benefits	2,541,188
Property taxes levied for a future period	<u>10,189,063</u>
Total deferred inflows	<u>15,531,736</u>

NET POSITION

Net investment in capital assets	14,656,284
Restricted For:	
Operations and maintenance	2,726,265
Debt service	2,131,091
Student transportation	898,782
Retirement benefits	544,943
Capital projects	318,816
Tort immunity	443,846
Unrestricted	<u>(11,548,515)</u>
Total net position	<u>\$ 10,171,512</u>

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 9,163,826	\$ 55,397	\$ 418,709	\$ (8,689,720)
Special programs	3,704,239	-	269,476	(3,434,763)
Other instructional programs	1,907,968	-	449,936	(1,458,032)
State retirement contributions	10,040,800	-	10,040,800	-
Support services:				
Pupils	1,293,045	-	10,819	(1,282,226)
Instructional staff	1,605,641	-	55,384	(1,550,257)
General administration	878,812	-	-	(878,812)
School administration	1,354,339	-	-	(1,354,339)
Business	851,912	82,795	228,426	(540,691)
Transportation	934,462	-	310,642	(623,820)
Operations and maintenance	2,059,098	56,624	-	(2,002,474)
Central	251,802	-	-	(251,802)
Community services	91,609	-	-	(91,609)
Nonprogrammed charges -				
excluding special education	799,386	-	-	(799,386)
Interest and fees	1,264,700	-	-	(1,264,700)
Total governmental activities	<u>\$ 36,201,639</u>	<u>\$ 194,816</u>	<u>\$ 11,784,192</u>	<u>\$ (24,222,631)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				\$ 16,427,088
Real estate taxes, levied for specific purposes				4,464,369
Personal property replacement taxes				1,200,101
State aid-formula grants				1,553,266
Investment earnings				405,094
Miscellaneous				37,658
Total general revenues				<u>24,087,576</u>
Change in net position				(135,055)
Net position, beginning of year, as restated				<u>10,306,567</u>
Net position, end of year				\$ 10,171,512

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South

Governmental Funds

BALANCE SHEET

June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 9,113,359	\$ 2,486,380	\$ 842,763	\$ 527,591
Investments				
Receivables (net of allowance for uncollectibles):				
Property taxes	8,651,435	1,651,361	-	334,942
Replacement taxes	-	192,009	-	-
Intergovernmental	307,775	-	76,874	-
Prepaid items	<u>8,490</u>	<u>1,663</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 18,081,059</u>	<u>\$ 4,331,413</u>	<u>\$ 919,637</u>	<u>\$ 862,533</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 443,414	\$ 26,867	\$ 20,855	\$ -
Salaries and wages payable	12,744	12,399	-	-
Unearned revenue	<u>21,735</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>477,893</u>	<u>39,266</u>	<u>20,855</u>	<u>-</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>8,203,610</u>	<u>1,565,882</u>	<u>-</u>	<u>317,590</u>
Total deferred inflows	<u>8,203,610</u>	<u>1,565,882</u>	<u>-</u>	<u>317,590</u>
FUND BALANCES				
Nonspendable	8,490	1,663	-	-
Restricted	443,846	2,724,602	398,782	544,943
Assigned	2,460,000	-	500,000	-
Unassigned	<u>6,487,220</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>9,399,556</u>	<u>2,726,265</u>	<u>898,782</u>	<u>544,943</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 18,081,059</u>	<u>\$ 4,331,413</u>	<u>\$ 919,637</u>	<u>\$ 862,533</u>

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
\$ 2,690,928	\$ 313,247	\$ 15,974,268
-	107,550	10,745,288
-	-	192,009
-	-	384,649
-	-	10,153
<u>\$ 2,690,928</u>	<u>\$ 420,797</u>	<u>\$ 27,306,367</u>
\$ -	\$ -	\$ 491,136
-	-	25,143
-	-	21,735
-	-	538,014
-	101,981	10,189,063
-	101,981	10,189,063
-	-	10,153
2,690,928	318,816	7,121,917
-	-	2,960,000
-	-	6,487,220
<u>2,690,928</u>	<u>318,816</u>	<u>16,579,290</u>
<u>\$ 2,690,928</u>	<u>\$ 420,797</u>	<u>\$ 27,306,367</u>

LaGrange School District 105 South
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2019

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

Total fund balances - total governmental funds	\$ 16,579,290
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Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	36,736,284
--	------------

Deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:

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

IMRF pension	\$ 1,216,762	
TRS pension	(1,267,454)	
RHP OPEB	24,688	
THIS OPEB	<u>(1,795,224)</u>	(1,821,228)

Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, accordingly, is not recognized in the governmental funds balance sheet.	(559,837)
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Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.	<u>(40,762,997)</u>
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Net position - governmental activities	<u><u>\$ 10,171,512</u></u>
--	-----------------------------

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 16,642,451	\$ 3,120,339	\$ 292,697	\$ 632,586
Replacement taxes	172,346	1,008,255	-	19,500
State aid	7,583,520	-	310,642	-
Federal aid	763,299	-	-	-
Interest	264,714	69,410	31,158	12,109
Other	<u>174,100</u>	<u>56,874</u>	<u>-</u>	<u>-</u>
Total revenues	<u>25,600,430</u>	<u>4,254,878</u>	<u>634,497</u>	<u>664,195</u>
Expenditures				
Current:				
Instruction:				
Regular programs	7,996,242	-	-	109,796
Special programs	2,920,329	-	-	154,567
Other instructional programs	1,822,765	-	-	31,643
State retirement contributions	5,783,397	-	-	-
Support services:				
Pupils	1,212,833	-	-	36,582
Instructional staff	1,487,399	-	-	73,056
General administration	856,495	-	-	13,022
School administration	1,180,073	-	-	51,151
Business	717,880	39,500	-	57,012
Transportation	12,766	-	919,412	2,284
Operations and maintenance	9,243	1,669,225	-	109,830
Central	240,851	-	-	2,647
Community services	85,319	-	-	4,406
Nonprogrammed charges	1,343,542	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>357,983</u>	<u>53,353</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>26,027,117</u>	<u>1,762,078</u>	<u>919,412</u>	<u>645,996</u>
Excess (deficiency) of revenues over expenditures	(426,687)	2,492,800	(284,915)	18,199
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>(883,119)</u>	<u>(1,595,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(883,119)</u>	<u>(1,595,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,309,806)	897,800	(284,915)	18,199
Fund balance, beginning of year	<u>10,709,362</u>	<u>1,828,465</u>	<u>1,183,697</u>	<u>526,744</u>
Fund balance, end of year	<u>\$ 9,399,556</u>	<u>\$ 2,726,265</u>	<u>\$ 898,782</u>	<u>\$ 544,943</u>

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
\$ -	\$ 203,384	\$ 20,891,457
-	-	1,200,101
-	-	7,894,162
424,094	-	1,187,393
22,604	5,099	405,094
-	-	230,974
<u>446,698</u>	<u>208,483</u>	<u>31,809,181</u>
-	-	8,106,038
-	-	3,074,896
-	-	1,854,408
-	-	5,783,397
-	-	1,249,415
-	-	1,560,455
-	-	869,517
-	-	1,231,224
-	6,585	820,977
-	-	934,462
-	-	1,788,298
-	-	243,498
-	-	89,725
-	-	1,343,542
1,525,000	-	1,525,000
1,298,197	-	1,298,197
-	-	411,336
<u>2,823,197</u>	<u>6,585</u>	<u>32,184,385</u>
(2,376,499)	201,898	(375,204)
2,478,119	-	2,478,119
-	-	(2,478,119)
<u>2,478,119</u>	<u>-</u>	<u>-</u>
101,620	201,898	(375,204)
<u>2,589,308</u>	<u>116,918</u>	<u>16,954,494</u>
<u>\$ 2,690,928</u>	<u>\$ 318,816</u>	<u>\$ 16,579,290</u>

LaGrange School District 105 South

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds \$ (375,204)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds net capital outlay in the current period. (722,245)

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

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

IMRF pension	1,646,173
TRS pension	(1,545,676)
RHP OPEB	5,690
THIS OPEB	(905,757)

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 33,497

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. 1,728,467

Change in net position of governmental activities \$ (135,055)

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South
Agency Fund
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2019

	Fiduciary Fund
<hr/>	
ASSETS	
Cash	\$ 14,345
	<hr/>
LIABILITIES	
Due to student groups and employees	\$ 14,345
	<hr/>

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of LaGrange School District 105 South (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

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

1. Reporting Entity

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

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

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

2. Fund Accounting

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

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

3. Government-Wide and Fund Financial Statements

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

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

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

a. General Fund

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds

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

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

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

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

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

c. Debt Service Fund

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is transfers from other funds.

d. Capital Projects Fund

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

e. Fiduciary Funds

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

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

Convenience Accounts - account for assets that are normally maintained by a local education agency, as a convenience, for its faculty, staff, etc.

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

5. Deferred Outflows / Deferred Inflows

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

6. Budgetary Data

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Deposits and Investments

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

8. Personal Property Replacement Taxes

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

9. Prepaid Items

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

10. Capital Assets

Capital assets, which include land, buildings, land improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	50 - 90
Land improvements	20
Equipment	5 - 40

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Compensated Absences

Employees receive a specified number of vacation days per year depending on the years of service, in accordance with the agreement between the Board of Education and the District. Vacations are usually taken within the same year. If an employee's vacation balance at year-end is greater than the annual allotment of vacation days allowed per the District's vacation policy, then the employee forfeits the excess days and there is no compensation for these days. Non-certified 12-month custodians and office staff may carry over 5 and 7 vacation days, respectively. Principals and directors may not carry a vacation balance from one year to the next. Only benefits considered to be vested are disclosed in these statements. The compensated absences are considered long-term and are accounted for as a long-term liability in the government-wide statements. The compensated absences liability includes any salary-related payments.

Employees receive a specified number of sick days per year depending on the years of service, in accordance with the agreement between the Board of Education and the District. The unused portion is accumulated and carried forward but does not vest. Employee sick leave is recognized when taken. Upon termination, employees do not receive any sick leave pay.

12. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension and OPEB plans and additions to/deductions from the pension and OPEB plans' fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan, with the exception of on behalf payments to the Teachers' Retirement System by the State. The on-behalf payments to the Teachers' Retirement System by the State were calculated based upon the contractually required contributions to the pension plan as opposed to the actual contributions made. 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. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts and losses on refunding of bonds are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Long-Term Obligations (Continued)

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

14. Restricted Net Position

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

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

15. 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.

16. Fund Balance

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance (Continued)

- b. *Restricted* - refers to amounts that are subject to outside restrictions, such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service and capital projects funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balances at June 30, 2019.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education has not formally delegated this authority as of June 30, 2019. During fiscal year 2016, the Board approved the assignment of \$4,500,000 from the fund balance of the General Fund (\$4,000,000 in the Educational Account and \$500,000 in the Working Cash Account), and \$500,000 from the fund balance of the Transportation Fund, for the future retirement of the District's Series 2010B and 2010C General Obligation Alternate Revenue Bonds. The assigned fund balance in the General Fund was reduced to \$2,460,000 at June 30, 2019 by transfers from the General Fund (Educational Account) to the Debt Service Fund for \$590,000 in fiscal year 2016 and \$1,450,000 in fiscal year 2017.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance (Continued)

The nonspendable fund balance in the General Fund and Operations and Maintenance Fund consist of \$8,490 and \$1,663, respectively, for prepaid items. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

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

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

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

Alternate revenue bonds	\$ (22,080,000)
IMRF net pension liability	(2,287,120)
TRS net pension liability	(1,402,611)
RHP total other postemployment benefit liability	(696,759)
THIS net other postemployment benefit liability	(14,286,506)
Compensated absences	<u>(10,001)</u>
	<u>\$ (40,762,997)</u>

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of net position. 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:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

(Continued)

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

Capital outlay	\$ 241,227
Depreciation expense	(963,184)
Loss on disposal	<u>(288)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u><u>\$ (722,245)</u></u>

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

Principal repayments - alternate revenue bonds	\$ 1,525,000
IMRF pension liability, net	(1,783,740)
TRS pension liability, net	1,727,162
RHP other postemployment benefit liability, net	60,875
THIS other postemployment benefit liability, net	199,594
Compensated absences	<u>(424)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u><u>\$ 1,728,467</u></u>

NOTE C - DEPOSITS AND INVESTMENTS

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

The Illinois Compiled Statutes require the District to utilize the services of the Lyons Township School Treasurer (the Treasurer). As such, the Treasurer is the lawful custodian of school funds. The Treasurer is appointed by the School Trustees, an independently elected body, to serve the school districts in the township. The investment policies are established by the Treasurer, as prescribed by the Illinois School Code. The Treasurer is the direct recipient of property taxes, replacement taxes, and most state and federal aid, and disburses school funds upon lawful order to the School Board. The Treasurer invests excess funds at his discretion.

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

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

The weighted-average maturity of all pooled marketable investments held by the Treasurer was 5.75 years, at June 30, 2019. The Treasurer also holds money market type investments and deposits with financial institutions, including certificates of deposit. As of the same date, the fair value of all investments held by the Treasurer's office was \$200,606,078, and the fair value of the District's proportionate share of the pool was 7.823%. Further information about cash and investments held at the Treasurer's office, and Treasurer's office operations, is available from the Treasurer's financial statements.

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

2. Cash and Investments in the Custody of the District

Deposits of the student activity accounts, convenience accounts, and imprest funds consist of deposits with financial institutions. At June 30, 2019, the carrying value of the cash and investments held in custody of the District was \$20,345, all of which was deposited with financial institutions.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

Custodial Credit Risk - With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2019, the District had no uninsured cash balances.

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on November 26, 2018. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date), in any year, is liable for taxes of that year.

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

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2018 tax levy was \$618,793,240.

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

The portion of the 2018 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days are reflected as property taxes levied for a future period (deferred inflow of resources).

NOTE E - 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, not being depreciated				
Land	\$ 801,000	\$ -	\$ -	\$ 801,000
Total capital assets, not being depreciated	801,000	-	-	801,000
Capital assets, being depreciated				
Land improvements	1,831,679	-	-	1,831,679
Buildings	43,013,562	40,092	-	43,053,654
Equipment	6,444,430	201,135	487,511	6,158,054
Total capital assets, being depreciated	51,289,671	241,227	487,511	51,043,387

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE E - CAPITAL ASSETS (Continued)

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Less accumulated depreciation for:				
Land improvements	893,950	90,420	-	984,370
Buildings	9,172,706	560,888	-	9,733,594
Equipment	4,565,486	311,876	487,223	4,390,139
Total accumulated depreciation	14,632,142	963,184	487,223	15,108,103
Total capital assets, being depreciated, net	36,657,529	(721,957)	288	35,935,284
Governmental activities capital assets, net	\$ 37,458,529	\$ (721,957)	\$ 288	\$ 36,736,284

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

Governmental activities	
General government	
Regular programs	\$ 819,004
School administration	87,574
Operations and maintenance	56,606
Total depreciation from governmental activities	\$ 963,184

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE F - LONG-TERM LIABILITIES

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

	Balance July 1, 2018		Increases		Decreases		Balance June 30, 2019		Due within one year
Alternate revenue									
bonds	\$ 23,605,000	\$	-	\$	1,525,000	\$	22,080,000	\$	1,595,000
IMRF net pension									
liability	503,380		1,831,122		47,382		2,287,120		-
TRS net pension									
liability	3,129,773		51,321		1,778,483		1,402,611		-
RHP total other post-									
employment benefit									
liability	757,634		61,261		122,136		696,759		-
THIS net other post-									
employment benefit									
liability	14,486,100		818,643		1,018,237		14,286,506		-
Compensated absences	9,577		34,895		34,471		10,001		10,001
Total long-term									
liabilities - governmental									
activities	\$ 42,491,464	\$	2,797,242	\$	4,525,709	\$	40,762,997	\$	1,605,001

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE F - LONG-TERM LIABILITIES (Continued)

1. Alternate Revenue Bonds

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

	<u>Bonds Payable</u> <u>July 1, 2018</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Bonds Payable</u> <u>June 30, 2019</u>
Series 2010B General Obligation Alternate Revenue Bonds Interest at 4.652% to 5.862%, maturing January 15, 2030	\$ 20,890,000	\$ -	\$ 1,355,000	\$ 19,535,000
Series 2010C General Obligation Alternate Revenue Bonds Interest at 5.911% to 6.775%, maturing January 15, 2030	<u>2,715,000</u>	<u>-</u>	<u>170,000</u>	<u>2,545,000</u>
Total	<u>\$ 23,605,000</u>	<u>\$ -</u>	<u>\$ 1,525,000</u>	<u>\$ 22,080,000</u>

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

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,595,000	\$ 1,221,464	\$ 2,816,464
2021	1,685,000	1,143,642	2,828,642
2022	1,815,000	1,059,872	2,874,872
2023	1,875,000	968,028	2,843,028
2024	1,935,000	870,626	2,805,626
2025-2029	10,775,000	2,650,984	13,425,984
2030	<u>2,400,000</u>	<u>143,290</u>	<u>2,543,290</u>
	<u>\$ 22,080,000</u>	<u>\$ 8,057,906</u>	<u>\$ 30,137,906</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE F - LONG-TERM LIABILITIES (Continued)

1. **Alternate Revenue Bonds** (Continued)

The obligations for the alternate revenue bonds will be repaid from the Debt Service Fund through Build America Bond credits and transfers from the District's operating funds. The District has pledged future operating fund property tax revenues, along with the Build America Bond credits, net of specific operating expenses, to repay the bonds. Proceeds from the bonds provided financing for the District's capital improvement program to its buildings and facilities, in prior years. Annual principal and interest payments on the bonds are expected to require \$27,484,676 of net revenues.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$42,696,734, which is all fully available.

NOTE G - OPERATING LEASES

The District had a noncancelable operating lease for additional space to accommodate its educational programs, with monthly base rent of \$3,060, which expired in July 2019. The District also had operating leases for office copiers with monthly lease payments of \$3,825, which terminated on June 30, 2019. Subsequent to year end on July 1, 2019 the District entered into new operating leases for office copiers. Lease payments of \$8,777 are paid monthly through June 2022. At June 30, 2019, future minimum lease payments for these leases were as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Total</u>
2020	\$ 105,324
2021	105,324
2022	<u>105,324</u>
Total	\$ <u><u>315,972</u></u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE H - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pool: the Collective Liability Insurance Cooperative (CLIC). The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provide that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pool. Complete financial statements for CLIC can be obtained from its Treasurer, 624 Kenilworth, Grayslake, Illinois 60030.

The District is also a member of the Lyons Township Elementary School Districts' Employee Benefit Cooperative (LTESDEBC) for employee health and dental insurance. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Subsequent to year end the LTESDEBC dissolved, and the District will be responsible for its insurance independently.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE I - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions

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

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

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$9,023,939 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$5,621,586 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019, were \$75,686 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

Federal and Special Trust Fund Contributions (Continued)

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher. As the District has a sizable amount of employees paid from federal and special trusts this change in allocation methodology due to a change in the Pension law at July 1, 2017, significantly lowered the District's proportionate share of net pension liability.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$110,096 were paid from federal and special trust funds that required employer contributions of \$10,844.

Early Retirement Cost Contributions

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$1,099 for sick leave days granted in excess of the normal annual allotment.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

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

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

District's proportionate share of the net pension liability	\$ 1,402,611
State's proportionate share of the net pension liability associated with the District	<u>96,084,721</u>
Total	<u><u>\$ 97,487,332</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0017994916 percent, which was a decrease of 0.0022971689 percent from its proportion measured at June 30, 2017.

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

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue	\$ 9,023,939	\$ 5,621,585
and expense/expenditure		
District TRS pension expense (benefit)	<u>(112,866)</u>	<u>75,686</u>
Total TRS expense/expenditure	<u><u>\$ 8,911,073</u></u>	<u><u>\$ 5,697,271</u></u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,190	\$ 306
Net difference between projected and actual earnings on pension plan investments	-	4,295
Changes of assumptions	61,518	39,753
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>770,939</u>	<u>2,159,433</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>860,647</u>	<u>2,203,787</u>
District contributions subsequent to the measurement date	<u>75,686</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 936,333</u></u>	<u><u>\$ 2,203,787</u></u>

The District reported \$75,686 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

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

Year ended June 30,	Net Deferred Inflows of Resources
2020	\$ 163,204
2021	199,287
2022	498,277
2023	342,570
2024	<u>139,802</u>
Total	<u>\$ 1,343,140</u>

Actuarial Assumptions

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities. large cap	15.0 %	6.7 %
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real Return	4.0	1.8
Absolute Return	14.0	3.9
Private equity	15.0	10.2
	<u>100.0 %</u>	

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

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

Discount Rate

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

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

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

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

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ <u>1,720,170</u>	\$ <u>1,402,611</u>	\$ <u>1,146,880</u>

TRS Fiduciary Net Position

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

Benefits Provided (Continued)

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

Retirees and beneficiaries currently receiving benefits	95
Inactive plan members entitled to but not yet receiving benefits	240
Active plan members	<u>93</u>
Total	<u><u>428</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2018 was 11.47%. For the fiscal year ended June 30, 2019 the District contributed \$277,211 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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.
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:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return (Continued)	Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
	Domestic equity	37%	(6.08%)
	International equities	18%	(14.16%)
	Fixed income	28%	(0.28%)
	Real estate	9%	8.36%
	Alternative investments	7%	4.75% - 12.40%
	Cash equivalents	1%	2.50%
	Total	100%	

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%.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

Changes in Net Pension Liability

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 11,731,079	\$ 11,227,699	\$ 503,380
Changes for the year:			
Service cost	271,760	-	271,760
Interest on the total pension liability	867,084	-	867,084
Difference between expected and actual experience of the total pension liability	343,981	-	343,981
Changes of assumptions	348,297	-	348,297
Contributions - employer	-	315,553	(315,553)
Contributions - employees	-	127,491	(127,491)
Net investment income	-	(618,988)	618,988
Benefit payments, including refunds of employee contributions	(611,676)	(611,676)	-
Other (net transfer)	-	223,326	(223,326)
Net changes	<u>1,219,446</u>	<u>(564,294)</u>	<u>1,783,740</u>
Balances at December 31, 2018	<u>\$ 12,950,525</u>	<u>\$ 10,663,405</u>	<u>\$ 2,287,120</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 than the current rate:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability	\$ 3,853,008	\$ 2,287,120	\$ 984,904

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

For the year ended June 30, 2019, the District recognized pension expense of \$414,754. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 176,699	\$ -
Change of assumptions	178,917	-
Net difference between projected and actual earnings on pension plan investments	1,320,565	597,698
Total deferred amounts to be recognized in pension expense in the future periods	1,676,181	597,698
Pension contributions made subsequent to the measurement date	138,279	-
Total deferred amounts related to pensions	\$ 1,814,460	\$ 597,698

The District reported \$138,279 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2020.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

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

Year ending June 30,		Net Deferred Outflows of Resources
2020	\$	569,853
2021		122,617
2022		93,389
2023		292,624
2024		-
Thereafter		-
Total	\$	<u><u>1,078,483</u></u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 75,686	\$ 138,279	\$ 213,965
Experience	28,190	176,699	204,889
Assumptions	61,518	178,917	240,435
Proportionate share	770,939	-	770,939
Investments	-	1,320,565	1,320,565
	<u>\$ 936,333</u>	<u>\$ 1,814,460</u>	<u>\$ 2,750,793</u>
Net pension liability	<u>\$ 1,402,611</u>	<u>\$ 2,287,120</u>	<u>\$ 3,689,731</u>
Pension expense	<u>\$ 8,911,073</u>	<u>\$ 414,754</u>	<u>\$ 9,325,827</u>
Deferred inflows of resources:			
Experience	\$ 306	\$ -	\$ 306
Earnings	4,295	-	4,295
Assumptions	39,753	-	39,753
Proportionate share	2,159,433	-	2,159,433
Investments	-	597,698	597,698
	<u>\$ 2,203,787</u>	<u>\$ 597,698</u>	<u>\$ 2,801,485</u>

4. Social Security/Medicare

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

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

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

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

Benefits Provided

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2019. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2019, the District recognized revenue and expenses of \$1,016,861 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$161,811 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$120,053 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 measurement date.

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

District's proportionate share of the net OPEB liability	\$ 14,286,506
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>19,183,697</u>
Total	<u><u>\$ 33,470,203</u></u>

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

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.054227 percent, which was a decrease of 0.001597 percent from its proportion measured as of June 30, 2017.

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

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 1,016,861	\$ 161,811
District OPEB pension expense	<u>818,643</u>	<u>120,053</u>
Total OPEB expense/expenditure	<u><u>\$ 1,835,504</u></u>	<u><u>\$ 281,864</u></u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 51,260
Change of assumptions	-	2,080,355
Net difference between projected and actual earnings on OPEB plan investments	-	438
Changes in proportion and differences between District contributions and proportionate share of contributions	625,911	409,135
Total deferred amounts to be recognized in OPEB expense in future periods	625,911	2,541,188
District contributions subsequent to the measurement date	120,053	-
Total deferred amounts related to OPEB	\$ 745,964	\$ 2,541,188

The District reported \$120,053 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2020	\$ 318,045
2021	318,045
2022	318,045
2023	318,006
2024	317,925
Thereafter	<u>325,211</u>
Total	\$ <u><u>1,915,277</u></u>

Actuarial Assumptions

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Actuarial Assumptions (Continued)

Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Trend Rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Discount Rate

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

Investment Return

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

Money-Weighted Rate of Return

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
District's proportionate share of the net OPEB liability \$	\$ 17,177,889	\$ 14,286,506	\$ 12,004,004

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

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

	1% Decrease *	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability	\$ 11,584,043	\$ 14,286,506	\$ 17,927,372

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP)

Plan Description

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

Benefits Provided

The plan provides the ability for retirees and their eligible spouses and dependents to access the District's group health insurance plan during retirement, on a pay-all basis, provided they are on the group health insurance plan at the time of retirement. Retirees are responsible to contribute a premium toward the cost of their insurance, which is determined by the Board.

Employees Covered by Benefit Terms

As of June 30, 2018 (most recent information available) the following employees were covered by the benefit terms:

Active employees	142
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	<u>12</u>
Total	<u><u>154</u></u>

Contributions

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing an HMO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to postemployment benefits.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of that July 1, 2017 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	3.00%
Discount rate	2.79%
Salary rate increase	4.00%
Healthcare inflation rate	6.50% initial 4.50% ultimate
Fiscal year the ultimate rate is reached	2028
Mortality rates	
IMRF employees and retirees	Same rates as IMRF net pension liability valuation as of December 31, 2017.
TRS employees and retirees	Same rates as TRS net pension liability valuation as of June 30, 2017.
Election at retirement	15% of future retirees are assumed to elect medical coverage at retirement.
Marital status	30% of employees electing coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

Change in Assumptions

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Discount Rate

The District does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.79% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2019.

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

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	\$ 757,634	\$ -	\$ 757,634
Changes for the year:			
Service cost	32,211	-	32,211
Interest on the total OPEB liability	20,758	-	20,758
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	7,582	-	7,582
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(122,136)	-	(122,136)
Other changes	710	-	710
Net changes	<u>(60,875)</u>	<u>-</u>	<u>(60,875)</u>
Balances at June 30, 2019	<u>\$ 696,759</u>	<u>\$ -</u>	<u>\$ 696,759</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 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	1% Higher (3.79%)
Total OPEB liability	\$ 738,437	\$ 696,759	\$ 658,067

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

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

	1% Lower (3.50%-5.50%)	Current Healthcare Rate	1% Higher (5.50%-7.50%)
Total OPEB liability	\$ 638,822	\$ 696,759	\$ 766,078

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

For the year ended June 30, 2019 the District recognized OPEB expense of \$55,572. At June 30, 2019, the District reported deferred outflows of resources related to OPEB from the following sources:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Change of assumptions	\$ 24,688	\$ -
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ 24,688	\$ -

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

Year Ended June 30,	Net Deferred Outflows of Resources
2020	\$ 2,603
2021	2,603
2022	2,603
2023	2,603
2024	2,603
Thereafter	11,673
Total	\$ 24,688

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

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

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 120,053	\$ -	\$ 120,053
Assumptions	-	24,688	24,688
Proportionate share	<u>625,911</u>	<u>-</u>	<u>625,911</u>
	<u>\$ 745,964</u>	<u>\$ 24,688</u>	<u>\$ 770,652</u>
OPEB liability	<u>\$ 14,286,506</u>	<u>\$ 696,759</u>	<u>\$ 14,983,265</u>
OPEB expense	<u>\$ 1,835,504</u>	<u>\$ 55,572</u>	<u>\$ 1,891,076</u>
Deferred inflows of resources:			
Assumptions	\$ 2,080,355	-	\$ 2,080,355
Experience	51,260	-	51,260
Investments	438	-	438
Proportionate share	<u>409,135</u>	<u>-</u>	<u>409,135</u>
	<u>\$ 2,541,188</u>	<u>\$ -</u>	<u>\$ 2,541,188</u>

NOTE K - INTERFUND TRANSFERS

The District transferred \$883,119 from the General Fund (Educational Account) to the Debt Service Fund, and \$1,595,000 from the Operations and Maintenance Fund to the Debt Service Fund, during the year ended June 30, 2019. The amounts transferred are to be used for principal and interest payments on alternate revenue bonds in fiscal year 2020.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE L - JOINT AGREEMENTS

The District is a member of the LaGrange Area Department of Special Education (LADSE), a joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pools stated in Note H. The District believes that, because it does not control the selection of the governing authority, and because control over employment of management personnel, operations, scope of public service, and special financing relationships is exercised by the joint agreement governing board, it is not included as a component unit of the District.

NOTE M - CONTINGENCIES

1. Litigation

The District is not involved in any significant litigation. With regard to other pending matters, the eventual outcome and related liability, if any, are not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

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

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 12, 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 position/balance sheet date, other than the items disclosed in Note G and Note H, that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

LaGrange School District 105 South
MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 Illinois Municipal Retirement Fund
Five Most Recent Fiscal Years

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 271,760	\$ 256,743	\$ 290,572	\$ 274,423	\$ 303,975
Interest on the total pension liability	867,084	844,786	808,401	759,480	698,856
Difference between expected and actual experience of the total pension liability	343,981	157,810	(58,231)	123,936	(130,446)
Assumption changes	348,297	(377,441)	(26,592)	12,896	442,542
Benefit payments and refunds	(611,676)	(572,514)	(509,329)	(513,142)	(443,482)
Net change in total pension liability	1,219,446	309,384	504,821	657,593	871,445
Total pension liability, beginning	11,731,079	11,421,695	10,916,874	10,259,281	9,387,836
Total pension liability, ending	\$ <u>12,950,525</u>	\$ <u>11,731,079</u>	\$ <u>11,421,695</u>	\$ <u>10,916,874</u>	\$ <u>10,259,281</u>
Plan fiduciary net position					
Contributions, employer	\$ 315,553	\$ 283,047	\$ 278,236	\$ 280,600	\$ 381,925
Contributions, employee	127,491	118,201	109,400	116,256	110,738
Net investment income	(618,988)	1,722,704	642,017	46,128	531,577
Benefit payments, including refunds of employee contributions	(611,676)	(572,514)	(509,329)	(513,142)	(443,482)
Other (net transfer)	223,326	(193,194)	86,399	49,246	13,094
Net change in plan fiduciary net position	(564,294)	1,358,244	606,723	(20,912)	593,852
Plan fiduciary net position, beginning	11,227,699	9,869,455	9,262,732	9,283,644	8,689,792
Plan fiduciary net position, ending	\$ <u>10,663,405</u>	\$ <u>11,227,699</u>	\$ <u>9,869,455</u>	\$ <u>9,262,732</u>	\$ <u>9,283,644</u>
Net pension liability	\$ <u>2,287,120</u>	\$ <u>503,380</u>	\$ <u>1,552,240</u>	\$ <u>1,654,142</u>	\$ <u>975,637</u>
Plan fiduciary net position as a percentage of the total pension liability	82.34	95.71 %	86.41 %	84.85 %	90.49 %
Covered Valuation Payroll	\$ 2,751,121	\$ 2,543,105	\$ 2,425,777	\$ 2,498,661	\$ 2,460,919
Net pension liability as a percentage of covered valuation payroll	83.13 %	19.79 %	63.99 %	66.20 %	39.65 %

Note 1: Actuarial valuations are as of December 31, which is six months prior to the end of the fiscal year.

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

LaGrange School District 105 South
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Five Most Recent Fiscal Years

<u>Year</u>		<u>Actuarially Determined Contribution</u>		<u>Actual Contribution</u>		<u>Contribution Deficiency (Excess)</u>		<u>Covered Valuation Payroll</u>		<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2019	\$	315,554	* \$	315,553	\$	1	\$	2,751,121		11.47 %
2018		283,048		283,047		1		2,543,105		11.13
2017		278,237		278,236		1		2,425,777		11.47
2016		280,600		280,600		-		2,498,661		11.23
2015		381,935		381,925		10		2,460,919		15.52

* Estimated based on contribution rate of 11.47% and covered valuation payroll of \$2,751,121 (most recent information available).

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

LaGrange School District 105 South
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Five Most Recent Fiscal Years

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>	
District's proportion of the net pension liability	0.0017994916	%	0.0040966605	%	0.0059608771	%	0.0033094794	%	0.0030389132	%
District's proportionate share of the net pension liability	\$	1,402,611	\$	3,129,773	\$	4,705,281	\$	2,168,042	\$	1,849,430
State's proportionate share share of the net pension liability associated with the District	\$	<u>96,084,721</u>		<u>94,832,811</u>		<u>84,643,629</u>		<u>86,830,076</u>		<u>68,014,429</u>
Total	\$	<u><u>97,487,332</u></u>	\$	<u><u>97,962,584</u></u>	\$	<u><u>89,348,910</u></u>	\$	<u><u>88,998,118</u></u>	\$	<u><u>69,863,859</u></u>
District's covered- employee payroll	\$	12,785,711	\$	12,841,213	\$	12,275,711	\$	11,809,031	\$	10,987,230
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		10.97 %		24.37 %		38.33 %		18.36 %		16.83 %
Plan fiduciary net position as a percentage of the total pension liability		40.00 %		39.30 %		36.40 %		41.50 %		43.00 %

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

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

LaGrange School District 105 South
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 74,157	\$ 128,941	\$ 153,300	\$ 124,461	\$ 104,583
Contributions in relation to the contractually required contribution	<u>74,767</u>	<u>168,781</u>	<u>230,847</u>	<u>115,964</u>	<u>108,427</u>
Contribution deficiency (excess)	\$ <u>(610)</u>	\$ <u>(39,840)</u>	\$ <u>(77,547)</u>	\$ <u>8,497</u>	\$ <u>(3,844)</u>
District's covered-employee payroll	\$ 13,049,286	\$ 12,785,711	\$ 12,841,213	\$ 12,275,711	\$ 11,809,031
Contributions as a percentage of covered-employee payroll	0.57 %	1.32 %	1.80 %	0.94 %	0.92 %

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

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

LaGrange School District 105 South

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

Retiree Health Plan

Two Most Recent Fiscal Years

	2019	2018
Total OPEB liability		
Service cost	\$ 32,211	\$ 30,364
Interest on the total OPEB liability	20,758	22,125
Changes of assumptions and other inputs	7,582	5,978
Benefit payments, including the implicit rate subsidy	(122,136)	(116,295)
Other changes	710	14,877
Net change in total OPEB liability	(60,875)	(42,951)
Total OPEB liability, beginning	757,634	800,585
Total OPEB liability, ending	\$ 696,759	\$ 757,634
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	\$ 696,759	\$ 757,634
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %
Covered Valuation Payroll	\$ 9,098,417	\$ 9,098,417
Net OPEB liability as a percentage of covered valuation payroll	7.66 %	8.33 %

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

LaGrange School District 105 South
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.054227 %	0.055824 %
District's proportionate share of the net OPEB liability	\$ 14,286,506	\$ 14,486,100
State's proportionate share of the net OPEB liability associated with the District	<u>19,183,697</u>	<u>19,023,849</u>
Total	\$ <u>33,470,203</u>	\$ <u>33,509,949</u>
District's covered-employee payroll	\$ 12,785,711	\$ 12,841,213
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	109.48%	112.81%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%

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

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

LaGrange School District 105 South
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 112,514	\$ 107,866
Contributions in relation to the contractually required contribution	<u>113,123</u>	<u>107,874</u>
Contribution excess	<u>\$ 609</u>	<u>\$ 8</u>
District's covered-employee payroll	\$ 13,049,286	\$ 12,785,711
Contributions as a percentage of covered-employee payroll	0.87%	0.84%

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

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

LaGrange School District 105 South
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$ 15,492,000	\$15,569,129	\$ 77,129	\$ 15,257,055
Special education levy	1,055,000	1,073,322	18,322	1,008,012
Corporate personal property replacement taxes	150,000	172,346	22,346	100,000
Interest on investments	205,000	264,714	59,714	193,395
Sales to pupils - lunch	92,000	78,465	(13,535)	85,493
Sales to pupils - a la carte	8,000	4,330	(3,670)	4,910
Rentals - regular textbook	60,000	55,397	(4,603)	54,911
Rentals - adult/continuing education textbook	-	165	165	-
Refund of prior years' expenditures	20,000	-	(20,000)	8,647
Payment from other districts	500	-	(500)	-
Other	40,000	35,743	(4,257)	44,999
Total local sources	17,122,500	17,253,611	131,111	16,757,422
State sources				
Evidenced Based Funding	1,553,000	1,553,266	266	1,551,607
Special Education - Private Facility Tuition	256,100	119,477	(136,623)	144,910
Special Education - Funding for Children Requiring Sp Ed Services	99,000	-	(99,000)	-
Special Education - Personnel	180,000	-	(180,000)	-
Special Education - Summer School	3,324	-	(3,324)	-
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	200,000	-	(200,000)	13,155
State Free Lunch and Breakfast	4,500	3,761	(739)	2,499
Early Childhood - Block Grant	154,000	122,119	(31,881)	176,423
Other state sources	10,000	1,500	(8,500)	-
On Behalf Payments to TRS from the State	9,712,810	5,783,397	(3,929,413)	-
Total state sources	12,172,734	7,583,520	(4,589,214)	1,888,594

(Continued)

LaGrange School District 105 South
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Federal sources				
National School Lunch Program	\$ 240,000	\$ 201,099	\$ (38,901)	\$ 211,024
Special Breakfast Program	35,000	23,566	(11,434)	25,218
Title I - Low Income	290,000	245,252	(44,748)	234,278
Title I - Other	-	39,295	39,295	-
Title IV A - Student Support and Academic Enrich.	10,000	22,862	12,862	10,000
Federal - Special Education - Pre-School Flow Through	1,000	-	(1,000)	1,325
Federal - Special Education				
- I.D.E.A. - Flow Through	12,500	8,409	(4,091)	12,367
Federal - Special Education				
- I.D.E.A. - Room and Board	3,000	30,263	27,263	2,948
Title III - Language Inst. Program -				
Limited Eng (LIPLEP)	37,000	25,842	(11,158)	42,422
Title II - Teacher Quality	49,000	55,384	6,384	48,204
Medicaid Matching Funds -				
Administrative Outreach	120,000	31,985	(88,015)	52,910
Medicaid Matching Funds -				
Fee-For-Service-Program	100,000	79,342	(20,658)	100,473
Other federal sources	-	-	-	4,999
Total federal sources	<u>897,500</u>	<u>763,299</u>	<u>(134,201)</u>	<u>746,168</u>
Total revenues	<u>30,192,734</u>	<u>25,600,430</u>	<u>(4,592,304)</u>	<u>19,392,184</u>
Expenditures				
Instruction				
Regular programs				
Salaries	6,232,720	6,269,410	(36,690)	5,980,145
Employee benefits	1,267,334	1,394,052	(126,718)	1,116,266
On-behalf payments to TRS from the state	9,712,810	5,783,397	3,929,413	-
Purchased services	17,950	3,804	14,146	9,807
Supplies and materials	363,746	328,885	34,861	301,848
Other objects	4,400	91	4,309	1,791
Non-capitalized equipment	<u>3,400</u>	<u>-</u>	<u>3,400</u>	<u>3,155</u>
Total	<u>17,602,360</u>	<u>13,779,639</u>	<u>3,822,721</u>	<u>7,413,012</u>

(Continued)

LaGrange School District 105 South
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Pre-K programs				
Salaries	\$ 119,500	\$ 111,244	\$ 8,256	\$ 108,632
Employee benefits	27,706	9,315	18,391	15,160
Purchased services	2,750	2,383	367	1,567
Supplies and materials	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>2,000</u>
Total	<u>151,456</u>	<u>124,442</u>	<u>27,014</u>	<u>127,359</u>
Special education programs				
Salaries	1,847,862	1,726,181	121,681	1,810,620
Employee benefits	202,075	200,648	1,427	190,180
Purchased services	11,000	9,209	1,791	4,948
Supplies and materials	32,361	18,278	14,083	22,541
Capital outlay	13,000	4,364	8,636	644
Other objects	6,900	6,045	855	5,843
Non-capitalized equipment	<u>9,000</u>	<u>1,770</u>	<u>7,230</u>	<u>2,725</u>
Total	<u>2,122,198</u>	<u>1,966,495</u>	<u>155,703</u>	<u>2,037,501</u>
Special education programs pre-K				
Salaries	161,280	107,189	54,091	134,868
Employee benefits	17,250	17,912	(662)	17,132
Supplies and materials	1,000	2,011	(1,011)	812
Other objects	<u>34,418</u>	<u>30,531</u>	<u>3,887</u>	<u>32,887</u>
Total	<u>213,948</u>	<u>157,643</u>	<u>56,305</u>	<u>185,699</u>
Remedial and Supplemental programs K-12				
Salaries	367,600	378,629	(11,029)	356,582
Employee benefits	80,487	73,469	7,018	75,339
Supplies and materials	<u>2,600</u>	<u>980</u>	<u>1,620</u>	<u>1,888</u>
Total	<u>450,687</u>	<u>453,078</u>	<u>(2,391)</u>	<u>433,809</u>

(Continued)

LaGrange School District 105 South

General Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Interscholastic programs				
Salaries	\$ 268,899	\$ 266,475	\$ 2,424	\$ 257,975
Employee benefits	19,555	19,780	(225)	18,600
Purchased services	26,000	11,494	14,506	11,137
Supplies and materials	15,200	10,303	4,897	12,288
Other objects	6,000	-	6,000	-
Non-capitalized equipment	10,000	3,297	6,703	4,777
Total	345,654	311,349	34,305	304,777
Summer school programs				
Salaries	105,000	132,976	(27,976)	97,116
Employee benefits	1,500	1,388	112	1,002
Purchased services	15,000	-	15,000	274
Supplies and materials	-	10,060	(10,060)	10,373
Other objects	-	642	(642)	358
Total	121,500	145,066	(23,566)	109,123
Gifted programs				
Salaries	411,900	416,675	(4,775)	394,698
Employee benefits	50,915	64,113	(13,198)	57,503
Purchased services	3,000	2,128	872	1,640
Supplies and materials	5,000	2,462	2,538	4,073
Other objects	750	288	462	750
Total	471,565	485,666	(14,101)	458,664
Bilingual programs				
Salaries	643,300	603,456	39,844	637,584
Employee benefits	121,685	119,047	2,638	112,211
Purchased services	27,000	23,085	3,915	20,749
Supplies and materials	17,350	10,051	7,299	14,888
Other objects	1,200	310	890	664
Total	810,535	755,949	54,586	786,096

(Continued)

LaGrange School District 105 South

General Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Special education programs K-12 - private tuition	\$ 287,000	\$ 347,477	\$ (60,477)	\$ 455,827
Truants alternative/optional education programs - private tuition	20,000	293	19,707	2,327
Total instruction	22,596,903	18,527,097	4,069,806	12,314,194
Support services				
Pupils				
Attendance and social work services				
Salaries	474,315	462,400	11,915	464,462
Employee benefits	61,055	60,184	871	56,245
Purchased services	200	-	200	-
Supplies and materials	1,150	846	304	797
Total	536,720	523,430	13,290	521,504
Guidance services				
Salaries	100	-	100	-
Employee benefits	300	-	300	-
Total	400	-	400	-
Health services				
Salaries	180,245	228,755	(48,510)	195,236
Employee benefits	10,085	7,906	2,179	7,182
Purchased services	300	-	300	-
Supplies and materials	6,000	2,877	3,123	4,813
Other objects	700	85	615	145
Non-capitalized equipment	500	381	119	228
Total	197,830	240,004	(42,174)	207,604
Speech pathology and audiology services				
Salaries	385,840	384,504	1,336	372,744
Employee benefits	58,785	58,600	185	58,823
Purchased services	250	-	250	181
Supplies and materials	2,450	723	1,727	1,196
Total	447,325	443,827	3,498	432,944

(Continued)

LaGrange School District 105 South

General Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Other support services - pupils				
Salaries	\$ 6,000	\$ -	\$ 6,000	\$ -
Supplies and materials	-	5,572	(5,572)	4,429
Total	6,000	5,572	428	4,429
Total pupils	1,188,275	1,212,833	(24,558)	1,166,481
Instructional staff				
Improvement of instruction services				
Salaries	38,160	2,886	35,274	38,099
Employee benefits	1,060	340	720	530
Purchased services	281,495	261,680	19,815	268,588
Supplies and materials	17,500	17,287	213	16,293
Total	338,215	282,193	56,022	323,510
Educational media services				
Salaries	741,211	757,260	(16,049)	741,413
Employee benefits	95,928	98,460	(2,532)	94,129
Purchased services	157,700	134,642	23,058	211,493
Supplies and materials	218,850	174,115	44,735	173,026
Capital outlay	420,710	353,619	67,091	555,496
Total	1,634,399	1,518,096	116,303	1,775,557
Assessment and testing				
Purchased services	50,000	40,729	9,271	37,153
Total	50,000	40,729	9,271	37,153
Total instructional staff	2,022,614	1,841,018	181,596	2,136,220

(Continued)

LaGrange School District 105 South
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
General administration				
Board of education services				
Salaries	\$ 1,000	\$ -	\$ 1,000	\$ -
Employee benefits	200	-	200	-
Purchased services	401,000	366,214	34,786	216,495
Supplies and materials	3,000	2,982	18	1,449
Other objects	32,000	32,715	(715)	30,268
Total	437,200	401,911	35,289	248,212
Executive administration services				
Salaries	246,350	232,150	14,200	258,087
Employee benefits	50,295	44,636	5,659	43,682
Purchased services	5,800	899	4,901	4,657
Supplies and materials	1,850	1,338	512	1,570
Other objects	13,000	11,429	1,571	9,817
Total	317,295	290,452	26,843	317,813
Tort immunity services				
Purchased services	204,701	164,132	40,569	170,637
Total	204,701	164,132	40,569	170,637
Total general administration	959,196	856,495	102,701	736,662
School administration				
Office of the principal services				
Salaries	948,295	926,739	21,556	941,004
Employee benefits	216,425	214,160	2,265	208,748
Purchased services	31,080	27,172	3,908	9,657
Supplies and materials	8,680	6,754	1,926	5,840
Other objects	8,000	5,248	2,752	6,107
Total	1,212,480	1,180,073	32,407	1,171,356
Total school administration	1,212,480	1,180,073	32,407	1,171,356

(Continued)

LaGrange School District 105 South
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Fiscal services				
Salaries	\$ 380,025	\$ 152,593	\$ 227,432	\$ 355,813
Employee benefits	60,545	29,764	30,781	58,931
Purchased services	32,000	8,480	23,520	16,173
Supplies and materials	23,600	11,388	12,212	7,952
Other objects	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total	<u>497,170</u>	<u>202,225</u>	<u>294,945</u>	<u>438,869</u>
Operation and maintenance of plant services				
Purchased services	35,000	3,743	31,257	6,640
Supplies and materials	5,500	5,500	-	2,200
Capital outlay	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>13,862</u>
Total	<u>75,500</u>	<u>9,243</u>	<u>66,257</u>	<u>22,702</u>
Pupil transportation services				
Salaries	<u>18,300</u>	<u>12,766</u>	<u>5,534</u>	<u>12,994</u>
Total	<u>18,300</u>	<u>12,766</u>	<u>5,534</u>	<u>12,994</u>
Food services				
Salaries	251,200	243,870	7,330	253,243
Employee benefits	2,490	623	1,867	562
Supplies and materials	<u>311,300</u>	<u>223,057</u>	<u>88,243</u>	<u>228,169</u>
Total	<u>564,990</u>	<u>467,550</u>	<u>97,440</u>	<u>481,974</u>
Total business	<u>1,155,960</u>	<u>739,889</u>	<u>416,071</u>	<u>956,539</u>

(Continued)

LaGrange School District 105 South
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Central				
Direction of central support services				
Salaries	\$ 48,700	\$ 48,634	\$ 66	\$ 46,635
Employee benefits	12,105	11,703	402	11,016
Other objects	-	75	(75)	-
Total	<u>60,805</u>	<u>60,412</u>	<u>393</u>	<u>57,651</u>
Planning, research, development and evaluation services				
Salaries	85,380	139,139	(53,759)	81,950
Employee benefits	21,065	34,006	(12,941)	19,083
Purchased services	1,000	1,000	-	1,000
Supplies and materials	1,000	1,000	-	1,071
Other objects	<u>7,900</u>	<u>5,294</u>	<u>2,606</u>	<u>8,087</u>
Total	<u>116,345</u>	<u>180,439</u>	<u>(64,094)</u>	<u>111,191</u>
Total support services	<u>6,715,675</u>	<u>6,071,159</u>	<u>644,516</u>	<u>6,336,100</u>
Community services				
Salaries	30,410	43,468	(13,058)	27,742
Employee benefits	1,055	126	929	617
Purchased services	43,525	27,446	16,079	24,221
Supplies and materials	<u>12,440</u>	<u>14,279</u>	<u>(1,839)</u>	<u>8,548</u>
Total	<u>87,430</u>	<u>85,319</u>	<u>2,111</u>	<u>61,128</u>
Payments for special education programs				
Purchased services	<u>764,252</u>	<u>544,156</u>	<u>220,096</u>	<u>525,290</u>
Total	<u>764,252</u>	<u>544,156</u>	<u>220,096</u>	<u>525,290</u>
Payments for special education programs - tuition				
Other objects	<u>691,459</u>	<u>799,386</u>	<u>(107,927)</u>	<u>557,945</u>
Total payments to other districts and other government units	<u>1,455,711</u>	<u>1,343,542</u>	<u>112,169</u>	<u>1,083,235</u>

(Continued)

LaGrange School District 105 South
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Total expenditures	<u>\$ 30,855,719</u>	<u>\$ 26,027,117</u>	<u>\$ 4,828,602</u>	<u>\$ 19,794,657</u>
Deficiency of revenues over expenditures	<u>(662,985)</u>	<u>(426,687)</u>	<u>236,298</u>	<u>(402,473)</u>
Other financing uses				
Transfer to Debt Service Fund for interest on revenue bonds	<u>(883,119)</u>	<u>(883,119)</u>	<u>-</u>	<u>(918,682)</u>
Total other financing uses	<u>(883,119)</u>	<u>(883,119)</u>	<u>-</u>	<u>(918,682)</u>
Net change to fund balance	<u>\$ (1,546,104)</u>	<u>(1,309,806)</u>	<u>\$ 236,298</u>	<u>(1,321,155)</u>
Fund balance, beginning of year		<u>10,709,362</u>		<u>12,030,517</u>
Fund balance, end of year		<u>\$ 9,399,556</u>		<u>\$ 10,709,362</u>

(Concluded)

LaGrange School District 105 South
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$ 3,275,000	\$ 3,120,339	\$ (154,661)	\$ 2,856,829
Corporate personal property replacement taxes	1,000,000	1,008,255	8,255	939,454
Interest on investments	40,000	69,410	29,410	35,821
Rentals	13,340	56,624	43,284	13,340
Refund of prior years' expenditures	10,000	-	(10,000)	88,380
Other	<u>175,000</u>	<u>250</u>	<u>(174,750)</u>	<u>118,623</u>
Total local sources	<u>4,513,340</u>	<u>4,254,878</u>	<u>(258,462)</u>	<u>4,052,447</u>
Total revenues	<u>4,513,340</u>	<u>4,254,878</u>	<u>(258,462)</u>	<u>4,052,447</u>
Expenditures				
Support services				
Direction of business support services				
Purchased services	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Facilities acquisition and construction services				
Purchased services	111,000	39,500	71,500	61,854
Capital outlay	<u>320,000</u>	<u>29,720</u>	<u>290,280</u>	<u>691</u>
Total	431,000	69,220	361,780	62,545

(Continued)

LaGrange School District 105 South
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Operation and maintenance of plant services				
Salaries	\$ 711,735	\$ 625,744	\$ 85,991	\$ 689,894
Employee benefits	180,555	131,338	49,217	159,593
Purchased services	668,000	608,381	59,619	541,171
Supplies and materials	376,000	302,403	73,597	303,729
Capital outlay	82,850	23,633	59,217	50,197
Non-capitalized equipment	<u>5,000</u>	<u>1,359</u>	<u>3,641</u>	<u>-</u>
 Total	<u>2,024,140</u>	<u>1,692,858</u>	<u>331,282</u>	<u>1,744,584</u>
 Total support services	<u>2,455,640</u>	<u>1,762,078</u>	<u>693,562</u>	<u>1,807,129</u>
 Total expenditures	<u>2,455,640</u>	<u>1,762,078</u>	<u>693,562</u>	<u>1,807,129</u>
 Excess of revenues over expenditures	<u>2,057,700</u>	<u>2,492,800</u>	<u>435,100</u>	<u>2,245,318</u>
 Other financing uses				
Transfer to Debt Service Fund for principal on revenue bonds	<u>(1,595,000)</u>	<u>(1,595,000)</u>	<u>-</u>	<u>(1,525,000)</u>
 Total other financing uses	<u>(1,595,000)</u>	<u>(1,595,000)</u>	<u>-</u>	<u>(1,525,000)</u>
 Net change in fund balance	<u>\$ 462,700</u>	897,800	<u>\$ 435,100</u>	720,318
 Fund balance, beginning of year		<u>1,828,465</u>		<u>1,108,147</u>
 Fund balance, end of year		<u>\$ 2,726,265</u>		<u>\$ 1,828,465</u>

(Concluded)

LaGrange School District 105 South
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
General levy	\$ 965,000	\$ 292,697	\$ (672,303)	\$ 311,213
Interest on investments	25,000	31,158	6,158	22,608
Refund of prior years' expenditures	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>
Total local sources	<u>991,000</u>	<u>323,855</u>	<u>(667,145)</u>	<u>333,821</u>
State sources				
Transportation - Regular/Vocational	79,000	5,924	(73,076)	6,622
Transportation - Special Education	<u>460,000</u>	<u>304,718</u>	<u>(155,282)</u>	<u>220,021</u>
Total state sources	<u>539,000</u>	<u>310,642</u>	<u>(228,358)</u>	<u>226,643</u>
Total revenues	<u>1,530,000</u>	<u>634,497</u>	<u>(895,503)</u>	<u>560,464</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	<u>1,122,234</u>	<u>919,412</u>	<u>202,822</u>	<u>951,057</u>
Total support services	<u>1,122,234</u>	<u>919,412</u>	<u>202,822</u>	<u>951,057</u>
Total expenditures	<u>1,122,234</u>	<u>919,412</u>	<u>202,822</u>	<u>951,057</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 407,766</u>	<u>(284,915)</u>	<u>\$ (692,681)</u>	<u>(390,593)</u>
Fund balance, beginning of year		<u>1,183,697</u>		<u>1,574,290</u>
Fund balance, end of year		<u>\$ 898,782</u>		<u>\$ 1,183,697</u>

LaGrange School District 105 South
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$ 310,000	\$ 323,912	\$ 13,912	\$ 306,401
Social security/Medicare only levy	280,000	308,674	28,674	276,817
Corporate personal property replacement taxes	39,000	19,500	(19,500)	39,000
Interest on investments	<u>10,500</u>	<u>12,109</u>	<u>1,609</u>	<u>9,066</u>
Total local sources	<u>639,500</u>	<u>664,195</u>	<u>24,695</u>	<u>631,284</u>
Total revenues	<u>639,500</u>	<u>664,195</u>	<u>24,695</u>	<u>631,284</u>
Expenditures				
Instruction				
Regular programs	118,298	109,796	8,502	107,327
Pre-K programs	2,660	1,694	966	1,706
Special education programs	184,116	147,774	36,342	175,725
Special education programs pre-K	4,500	1,619	2,881	1,927
Remedial and supplemental programs K-12	5,578	5,174	404	4,843
Interscholastic programs	5,960	4,307	1,653	4,212
Summer school programs	7,716	8,774	(1,058)	5,899
Gifted programs	6,100	5,696	404	5,524
Bilingual programs	<u>12,900</u>	<u>11,172</u>	<u>1,728</u>	<u>11,660</u>
Total instruction	347,828	296,006	51,822	318,823

(Continued)

LaGrange School District 105 South
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services	\$ 7,836	\$ 6,531	\$ 1,305	\$ 6,568
Guidance services	100	-	100	-
Health services	24,188	24,956	(768)	20,277
Speech pathology and audiology services	<u>5,500</u>	<u>5,095</u>	<u>405</u>	<u>5,104</u>
Total pupils	<u>37,624</u>	<u>36,582</u>	<u>1,042</u>	<u>31,949</u>
Instructional staff				
Improvement of instruction services	1,485	605	880	893
Educational media services	80,996	72,451	8,545	75,597
Assessment and testing	<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>
Total instructional staff	<u>82,681</u>	<u>73,056</u>	<u>9,625</u>	<u>76,490</u>
General administration				
Board of education services	1,156	-	1,156	-
Executive administration services	<u>13,884</u>	<u>13,022</u>	<u>862</u>	<u>12,836</u>
Total general administration	<u>15,040</u>	<u>13,022</u>	<u>2,018</u>	<u>12,836</u>
School administration				
Office of the principal services	<u>58,900</u>	<u>51,151</u>	<u>7,749</u>	<u>52,764</u>
Total school administration	<u>58,900</u>	<u>51,151</u>	<u>7,749</u>	<u>52,764</u>

(Continued)

LaGrange School District 105 South
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Fiscal services	\$ 34,980	\$ 27,736	\$ 7,244	\$ 33,551
Operation and maintenance of plant services	139,717	109,830	29,887	126,164
Pupil transportation services	3,550	2,284	1,266	2,446
Food services	<u>35,278</u>	<u>29,276</u>	<u>6,002</u>	<u>30,863</u>
Total business	<u>213,525</u>	<u>169,126</u>	<u>44,399</u>	<u>193,024</u>
Central				
Direction of central support services	756	684	72	657
Planning, research, development and evaluation services	<u>1,300</u>	<u>1,963</u>	<u>(663)</u>	<u>1,154</u>
Total central	<u>2,056</u>	<u>2,647</u>	<u>(591)</u>	<u>1,811</u>
Total support services	<u>409,826</u>	<u>345,584</u>	<u>64,242</u>	<u>368,874</u>
Community services	<u>4,900</u>	<u>4,406</u>	<u>494</u>	<u>4,289</u>
Total expenditures	<u>762,554</u>	<u>645,996</u>	<u>116,558</u>	<u>691,986</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (123,054)</u>	<u>18,199</u>	<u>\$ 141,253</u>	<u>(60,702)</u>
Fund balance, beginning of year		<u>526,744</u>		<u>587,446</u>
Fund balance, end of year		<u>\$ 544,943</u>		<u>\$ 526,744</u>

(Concluded)

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December of each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements were originally adopted by the Board of Education on September 24, 2018.
- g) All budgets lapse at the end of the fiscal year.

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

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

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

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

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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

Valuation Date:

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

Methods and Assumptions Used to Determine the 2018 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational 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.

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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

Other Information:

Notes There were no benefit changes during the year.

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

Change in Assumptions:

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

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

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

Valuation Date:

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

Methods and Assumptions Used to Determine the 2018 Contribution Rate:

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

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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

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

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

Change in Assumptions:

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

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

Valuation Date:

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

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	11.12 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 Valuation Report. No Early Retirement Rates assumed.
Election at Retirement	15% of future retirees will elect medical coverage at retirement.
Mortality rates	
IMRF employees and retirees	Same rates as IMRF net pension liability valuation as of December 31, 2017.
TRS employees and retirees	Same rates as TRS net pension liability valuation as of June 30, 2017.
Healthcare Cost Trend Rates	6.50, Initial 4.50, Ultimate

Change in Assumptions:

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.

SUPPLEMENTARY FINANCIAL INFORMATION

LaGrange School District 105 South

General Fund

COMBINING BALANCE SHEETJune 30, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 6,554,271	\$ 439,334	\$ 2,119,754	\$ 9,113,359
Receivables (net of allowance for uncollectibles):				
Property taxes	8,538,992	112,443	-	8,651,435
Intergovernmental	307,775	-	-	307,775
Prepaid items	8,490	-	-	8,490
Total assets	<u>\$ 15,409,528</u>	<u>\$ 551,777</u>	<u>\$ 2,119,754</u>	<u>\$ 18,081,059</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 442,098	\$ 1,316	\$ -	\$ 443,414
Salaries and wages payable	12,744	-	-	12,744
Unearned revenue	21,735	-	-	21,735
Total liabilities	<u>476,577</u>	<u>1,316</u>	<u>-</u>	<u>477,893</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>8,096,995</u>	<u>106,615</u>	<u>-</u>	<u>8,203,610</u>
Total deferred inflows	<u>8,096,995</u>	<u>106,615</u>	<u>-</u>	<u>8,203,610</u>
FUND BALANCES				
Nonspendable	8,490	-	-	8,490
Restricted	-	443,846	-	443,846
Assigned	1,960,000	-	500,000	2,460,000
Unassigned	4,867,466	-	1,619,754	6,487,220
Total fund balance	<u>6,835,956</u>	<u>443,846</u>	<u>2,119,754</u>	<u>9,399,556</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 15,409,528</u>	<u>\$ 551,777</u>	<u>\$ 2,119,754</u>	<u>\$ 18,081,059</u>

LaGrange School District 105 South

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 16,347,594	\$ 215,363	\$ 79,494	\$ 16,642,451
Replacement taxes	172,346	-	-	172,346
State aid	7,583,520	-	-	7,583,520
Federal aid	763,299	-	-	763,299
Interest	212,077	7,358	45,279	264,714
Other	174,100	-	-	174,100
Total revenues	25,252,936	222,721	124,773	25,600,430
Expenditures				
Current:				
Instruction:				
Regular programs	7,996,242	-	-	7,996,242
Special programs	2,920,329	-	-	2,920,329
Other instructional programs	1,822,765	-	-	1,822,765
State retirement contributions	5,783,397	-	-	5,783,397
Support services:				
Pupils	1,212,833	-	-	1,212,833
Instructional staff	1,487,399	-	-	1,487,399
General administration	692,363	164,132	-	856,495
School administration	1,180,073	-	-	1,180,073
Business	717,880	-	-	717,880
Transportation	12,766	-	-	12,766
Operations and maintenance	9,243	-	-	9,243
Central	240,851	-	-	240,851
Community services	85,319	-	-	85,319
Nonprogrammed charges	1,343,542	-	-	1,343,542
Capital outlay	357,983	-	-	357,983
Total expenditures	25,862,985	164,132	-	26,027,117

(Continued)

LaGrange School District 105 South

General Fund

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

For the Year Ended June 30, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Excess (deficiency) of revenues over expenditures	<u>\$ (610,049)</u>	<u>\$ 58,589</u>	<u>\$ 124,773</u>	<u>\$ (426,687)</u>
Other financing uses				
Transfers out	<u>(883,119)</u>	<u>-</u>	<u>-</u>	<u>(883,119)</u>
Total other financing uses	<u>(883,119)</u>	<u>-</u>	<u>-</u>	<u>(883,119)</u>
Net change in fund balance	(1,493,168)	58,589	124,773	(1,309,806)
Fund balance, beginning of year	<u>8,329,124</u>	<u>385,257</u>	<u>1,994,981</u>	<u>10,709,362</u>
Fund balance, end of year	<u>\$ 6,835,956</u>	<u>\$ 443,846</u>	<u>\$ 2,119,754</u>	<u>\$ 9,399,556</u>

(Concluded)

LaGrange School District 105 South

Debt Service Fund

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

For the Year Ended June 30, 2019

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

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ 15,000	\$ 22,604	\$ 7,604	\$ 13,479
Total local sources	15,000	22,604	7,604	13,479
Federal sources				
Build America Bonds Interest Reimbursement	338,345	424,094	85,749.00	222,737
Total federal sources	338,345	424,094	85,749	222,737
Total revenues	353,345	446,698	93,353	236,216
Expenditures				
Debt service				
Debt services - interest				
Bonds and other - interest	1,294,546	1,294,547	(1)	1,362,726
Principal payments on long-term debt	1,525,000	1,525,000	-	1,450,000
Other debt service				
Purchased services	-	3,650	(3,650)	3,400
Other objects	7,000	-	7,000	-
Total	7,000	3,650	3,350	3,400
Total debt service	2,826,546	2,823,197	3,349	2,816,126
Total expenditures	2,826,546	2,823,197	3,349	2,816,126
Deficiency of revenues over expenditures	(2,473,201)	(2,376,499)	96,702	(2,579,910)

(Continued)

LaGrange School District 105 South

Debt Service Fund

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

For the Year Ended June 30, 2019

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

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Other financing sources				
Transfer to pay for principal on revenue bonds	\$ 1,595,000	\$ 1,595,000	\$ -	\$ 1,525,000
Transfer to pay for interest on revenue bonds	<u>883,119</u>	<u>883,119</u>	<u>-</u>	<u>918,682</u>
Total other financing sources	<u>2,478,119</u>	<u>2,478,119</u>	<u>-</u>	<u>2,443,682</u>
Net change in fund balance	<u>\$ 4,918</u>	101,620	<u>\$ 96,702</u>	(136,228)
Fund balance, beginning of year		<u>2,589,308</u>		<u>2,725,536</u>
Fund balance, end of year		<u>\$ 2,690,928</u>		<u>\$2,589,308</u>

(Concluded)

LaGrange School District 105 South
Fire Prevention and Safety Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 199,000	\$ 203,384	\$ 4,384	\$ 114,656
Interest on investments	<u>200</u>	<u>5,099</u>	<u>4,899</u>	<u>790</u>
Total local sources	<u>199,200</u>	<u>208,483</u>	<u>9,283</u>	<u>115,446</u>
Total revenues	<u>199,200</u>	<u>208,483</u>	<u>9,283</u>	<u>115,446</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	<u>10,000</u>	<u>6,585</u>	<u>3,415</u>	<u>2,094</u>
Total support services	<u>10,000</u>	<u>6,585</u>	<u>3,415</u>	<u>2,094</u>
Total expenditures	<u>10,000</u>	<u>6,585</u>	<u>3,415</u>	<u>2,094</u>
Excess of revenues over expenditures	<u>\$ 189,200</u>	<u>201,898</u>	<u>\$ 12,698</u>	<u>113,352</u>
Fund balance, beginning of year		<u>116,918</u>		<u>3,566</u>
Fund balance, end of year		<u>\$ 318,816</u>		<u>\$ 116,918</u>

LaGrange School District 105 South
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Assets				
Cash	\$ 20,434	\$ 44,983	\$ 51,072	\$ 14,345
Liabilities				
Due to:				
Student Council	\$ 6,131	\$ 3,648	\$ 5,089	\$ 4,690
Library Fines	2,213	306	465	2,054
Class Gift	483	-	-	483
Special Field Trip	(1,123)	13,148	14,116	(2,091)
Cap and Gown	(1,220)	3,374	-	2,154
Yearbook	(146)	2,781	3,541	(906)
Pepsi Fund	966	177	606	537
Student Benevolent Fund	76	54	-	130
Misc. Transfer Account	395	4,512	4,713	194
Social Fund	367	728	727	368
PTO Gifts	1,766	-	1,562	204
PE Uniforms	426	5,485	5,787	124
Nurse (School District Fund	517	-	-	517
PBIS	351	1,558	1,538	371
EMM Club	341	2,758	2,302	797
Wrestling Team	1,442	854	-	2,296
Green Team	2,548	1,150	1,131	2,567
Athletic Department	3,320	2,657	5,781	196
EPI	1,449	-	1,449	-
BPC (JPed)	80	-	20	60
Bank Imaging Fees	(570)	-	219	(789)
District Social Work	622	368	582	408
GWMS Lunch	-	1,425	1,444	(19)
Total liabilities	\$ 20,434	\$ 44,983	\$ 51,072	\$ 14,345

OTHER SUPPLEMENTARY INFORMATION
(Unaudited)

LaGrange School District 105 South
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST FIVE TAX LEVY YEARS

	2018	2017	2016	2015	2014
Assessed valuation	\$ <u>618,793,240</u>	\$ <u>640,214,283</u>	\$ <u>556,914,501</u>	\$ <u>533,430,040</u>	\$ <u>553,137,903</u>
Rates Extended					
Educational	2.6530	2.4133	2.8912	2.7720	2.5917
Tort Immunity	0.0375	0.0338	0.0366	0.0370	0.0357
Special Education	0.1873	0.1692	0.1829	0.1805	0.1741
Operations and Maintenance	0.5493	0.4830	0.5296	0.5500	0.5500
Transportation	0.0000	0.1012	0.0000	0.1805	0.1741
Municipal Retirement	0.0558	0.0517	0.0565	0.0628	0.0605
Social Security	0.0558	0.0465	0.0507	0.0492	0.0474
Working Cash	0.0000	0.0276	0.0000	0.0337	0.0325
Fire Prevention and Safety	<u>0.0358</u>	<u>0.0322</u>	<u>0.0017</u>	<u>0.0017</u>	<u>0.0016</u>
Total rates extended	<u>3.5745</u>	<u>3.3585</u>	<u>3.7492</u>	<u>3.8674</u>	<u>3.6676</u>
Levies Extended					
Educational	\$ 16,416,870	\$ 15,450,000	\$ 16,101,538	\$ 14,786,592	\$ 14,335,830
Tort Immunity	231,750	216,300	203,730	197,418	197,418
Special Education	1,158,750	1,083,560	1,018,648	963,013	963,013
Operations and Maintenance	3,399,000	3,092,017	2,949,250	2,933,865	3,042,258
Transportation	1	648,117	1	963,013	963,013
Municipal Retirement	345,000	331,136	314,825	334,834	334,834
Social Security	345,000	297,513	282,409	262,374	262,374
Working Cash	1	176,875	1	179,963	179,963
Fire Prevention and Safety	<u>221,450</u>	<u>206,000</u>	<u>9,620</u>	<u>9,028</u>	<u>9,028</u>
Total levies extended	<u>\$ 22,117,822</u>	<u>\$ 21,501,518</u>	<u>\$ 20,880,022</u>	<u>\$ 20,630,100</u>	<u>\$ 20,287,731</u>

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

LaGrange School District 105 South
OPERATING COSTS AND TUITION CHARGE
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>1,269.70</u>	<u>1,273.30</u>
Operating costs:		
Educational	\$ 20,079,588	\$ 19,624,020
Operations and Maintenance	1,762,078	1,807,129
Debt Service	2,823,197	2,816,126
Transportation	919,412	951,057
Municipal Retirement/Social Security	645,996	691,986
Tort Immunity	<u>164,132</u>	<u>170,637</u>
Subtotal	<u>26,394,403</u>	<u>26,060,955</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	347,770	458,154
Pre-K programs	285,398	316,664
Summer school	153,840	115,022
Capital outlay	411,336	620,890
Debt principal retired	1,525,000	1,450,000
Non-capitalized equipment	6,807	10,885
Community services	89,725	65,417
Payments to other districts and gov't units	<u>1,343,542</u>	<u>1,083,235</u>
Subtotal	<u>4,163,418</u>	<u>4,120,267</u>
Operating costs	<u>\$ 22,230,985</u>	<u>\$ 21,940,688</u>
Operating costs per pupil - based on ADA	<u>\$ 17,509</u>	<u>\$ 17,231</u>
Tuition Charge		
Operating costs	\$ 22,230,985	\$ 21,940,688
Less - revenues from specific programs, such as special education or lunch programs	<u>2,477,041</u>	<u>2,172,680</u>
Net operating costs	19,753,944	19,768,008
Depreciation allowance	<u>963,865</u>	<u>984,695</u>
Allowance tuition costs	<u>\$ 20,717,809</u>	<u>\$ 20,752,703</u>
Tuition charge per pupil - based on ADA	<u>\$ 16,317</u>	<u>\$ 16,298</u>

LaGrange School District 105 South
SCHEDULE OF GENERAL OBLIGATION ALTERNATE REVENUE BONDS
June 30, 2019

Maturity as follows				
for the Year				
	<u>Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2010B General				
Obligation Alternate Revenue				
Bonds dated January 25, 2010				
(Interest at 4.652% to 5.862%				
due on January 15 and July 15;				
Principal due January 15)				
2020	\$	1,420,000	\$	1,055,822
2021		1,495,000		988,344
2022		1,610,000		915,806
2023		1,660,000		836,080
2024		1,715,000		751,386
2025		1,775,000		661,314
2026		1,835,000		566,316
2027		1,900,000		464,620
2028		1,970,000		356,092
2029		2,040,000		243,566
2030		<u>2,115,000</u>		<u>123,982</u>
Total	\$	<u>19,535,000</u>	\$	<u>6,963,328</u>

(Continued)

LaGrange School District 105 South
SCHEDULE OF GENERAL OBLIGATION ALTERNATE REVENUE BONDS
June 30, 2019

Maturity as follows				
for the Year				
	Ended June 30	Principal	Interest	Total
Series 2010C General				
Obligation Alternate Revenue				
Bonds dated December 29, 2010				
(Interest at 5.911% to 6.775%				
due on January 15 and July 15;				
Principal due January 15)				
2020	\$	175,000	\$	165,642
2021		190,000		155,298
2022		205,000		144,066
2023		215,000		131,948
2024		220,000		119,240
2025		230,000		104,336
2026		240,000		88,752
2027		250,000		72,492
2028		260,000		55,556
2029		275,000		37,940
2030		285,000		19,308
Total	\$	2,545,000	\$	1,094,578
	\$	22,080,000	\$	8,057,906
				30,137,906

(Concluded)

LaGrange School District 105 South
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2019

Assessed valuation (2018)	<u>\$ 618,793,240</u>
Debt limit:	
6.9% of assessed valuation	\$ 42,696,734
Debt outstanding	<u>-</u>
Legal debt margin	<u>\$ 42,696,734</u>