

LaGrange School District 105 South
LaGrange, Illinois

Annual Financial Report

Year Ended June 30, 2017

LaGrange School District 105 South
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017

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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, 2017, and the related notes to the financial statements, which collectively comprise LaGrange School District 105 South'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 LaGrange School District 105 South, as of June 30, 2017, 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.

Emphasis of a Matter

As discussed in Note N to the audited financial statements, net position and capital assets as of July 1, 2016 has been restated as a result of an adjustment due to a capital asset inventory performed by a third party. Our opinion is not modified with respect to this matter.

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 57 through 60, and budgetary comparison schedules and notes to the required supplementary information on pages 61 through 80 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, 2017 was conducted for the purpose of forming opinions on the financial statements that collectively comprise LaGrange School District 105 South'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.

(Continued)

Other Information (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2017 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2017 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, 2017 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of LaGrange School District 105 South, as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated November 14, 2016, 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 LaGrange School District 105 South'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, 2016 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 2016 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 2016 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, 2016.

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 December 14, 2017 on our consideration of LaGrange School District 105 South'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 LaGrange School District 105 South's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
December 14, 2017

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

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, 2017. 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 \$35,657,604, \$1,176,214 more than the overall governmental funds expenditures of \$34,481,390.
- Property tax revenue, as a percentage of total revenue has decreased slightly from the prior year to 59.3%. Property taxes remain a primary and stable source of funding.
- The District had \$34,608,334 in expenses related to governmental activities, of which \$12,558,390 were offset by program specific charges or grants.
- Net position of the District increased by \$1,054,265 or 4.1%.

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 2017, the District continued to complete facility upgrades to enhance the learning and community environment. The upgrades included: roof restoration at a portion of Seventh Avenue School 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, 2017**

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, 2017

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 and Teachers' Retirement System, and notes to the required supplementary information.

Government-Wide Financial Analysis

Net position increased \$1,054,265 or 4.1% in 2017. Summaries of the net position components and the current year change in net position are presented in Tables 1 and 2. Property taxes accounted for most of the District's revenue, contributing 59.3%. Property tax revenue increased 1.9%, 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 on Table 2, 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, 2017

Government-Wide Financial Analysis (Continued)

Table 1 Condensed Statement of Net Position <i>(in millions of dollars)</i>		
	<u>2017</u>	<u>2016*</u>
Current and other assets	\$ 27.9	\$ 27.4
Capital assets	<u>37.7</u>	<u>39.2</u>
Total assets	<u>65.6</u>	<u>66.6</u>
Deferred outflow of resources	<u>2.8</u>	<u>1.3</u>
Long-term liabilities	31.3	30.2
Other liabilities	<u>1.0</u>	<u>1.8</u>
Total liabilities	<u>32.3</u>	<u>32.0</u>
Deferred inflow of resources	<u>9.6</u>	<u>9.6</u>
Net position:		
Net investment in capital assets	12.7	12.9
Restricted	5.7	5.0
Unrestricted	<u>8.1</u>	<u>8.4</u>
Total net position	<u>\$ 26.5</u>	<u>\$ 26.3</u>

* – Amounts presented are as originally reported.

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Government-Wide Financial Analysis (Continued)

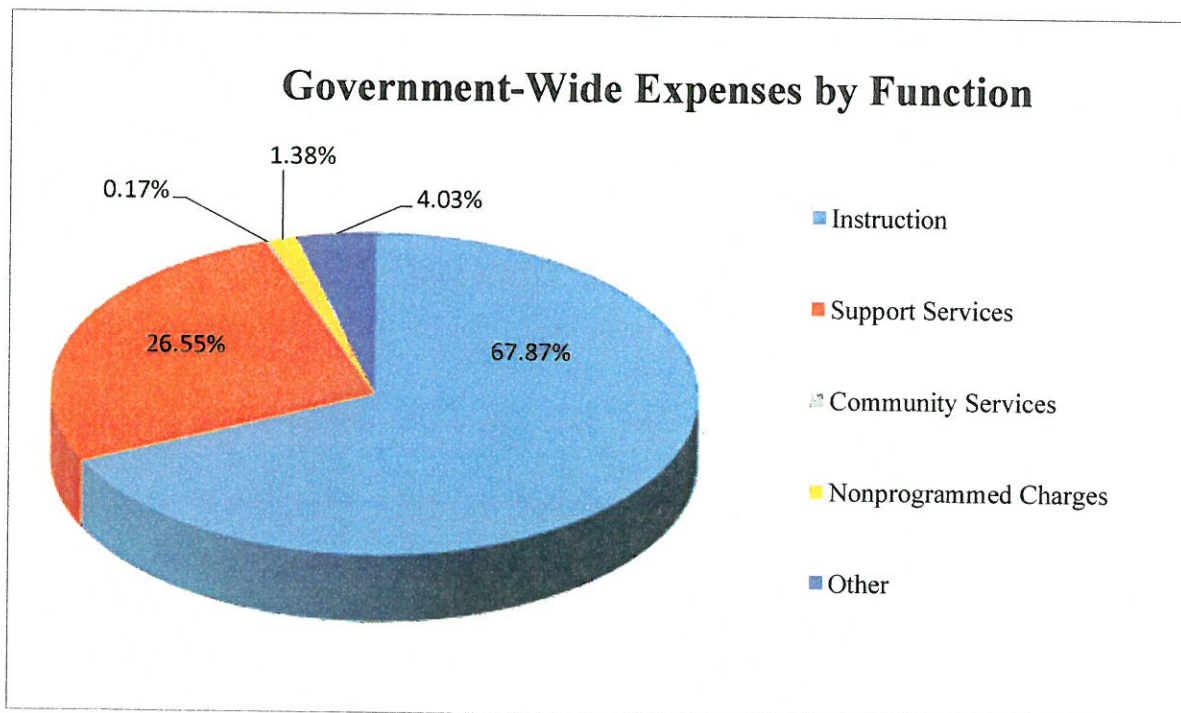
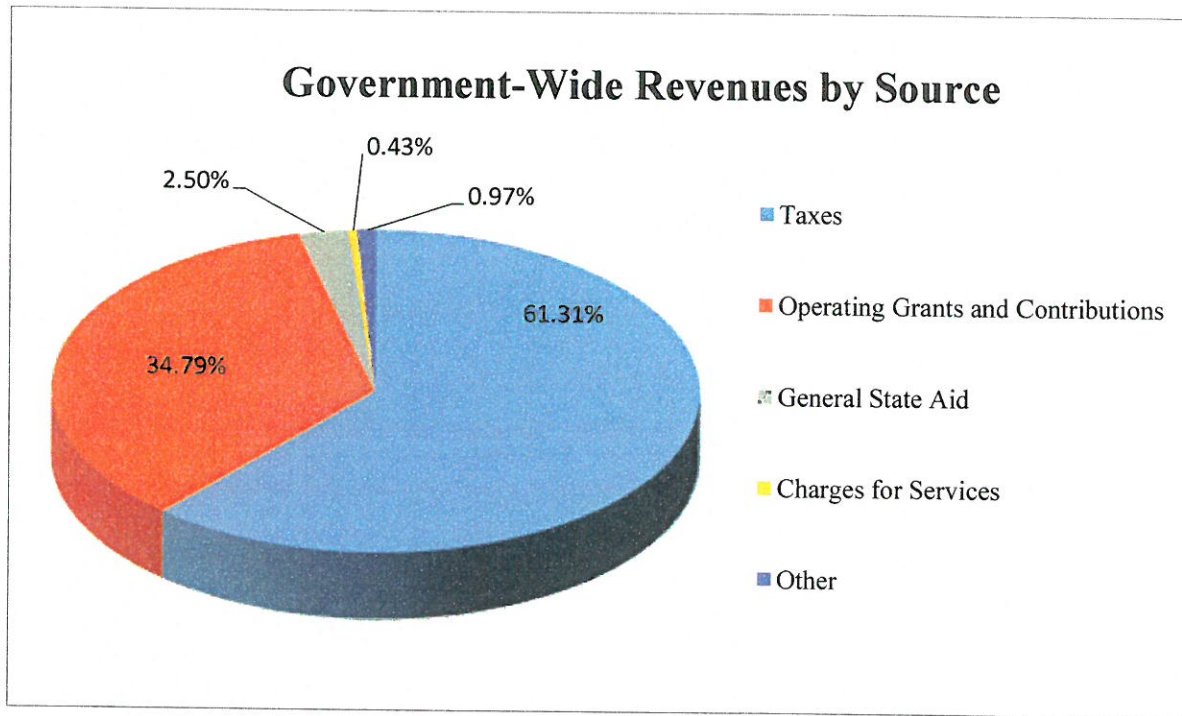
Table 2 Changes in Net Position <i>(in millions of dollars)</i>		
	<u>2017</u>	<u>2016*</u>
Revenues:		
Program revenues:		
Charges for services	\$ 0.2	\$ 0.2
Operating grants and contributions	12.4	9.6
General revenues:		
Taxes	21.9	21.0
State aid – formula grants	0.9	0.7
Other	<u>0.3</u>	<u>0.3</u>
Total revenues	<u>35.7</u>	<u>31.8</u>
Expenses:		
Instruction	23.5	20.9
Support services	9.1	9.0
Community services	0.1	0.1
Nonprogrammed charges	0.5	0.6
Other	<u>1.4</u>	<u>1.4</u>
Total expenses	<u>34.6</u>	<u>32.0</u>
Increase (decrease) in net position	<u>\$ 1.1</u>	<u>\$ (0.2)</u>

* – Amounts presented are as originally reported.

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**LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Government-Wide Financial Analysis (Continued)



LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

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 \$35,657,604, compared to \$31,835,925 in the prior year, an increase of \$3,821,679. Total expenditures in the governmental funds were \$34,481,390 compared to \$32,397,283 in the prior year, an increase of \$2,084,107. Revenues exceed expenditures by \$1,176,214 for the current fiscal year. As a result, the fund balances in the governmental funds increased from \$16,853,288 in the prior year to \$18,029,502, as of June 30, 2017.

The increase of 7.0% in the fund balance from the prior year is mainly a result of the District monitoring the finances and at the same time meeting the students' educational needs.

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. Over the course of the year, the District amended the annual operating budget to include additional revenue received and additional expenditures incurred.

The District's final budget anticipated that revenues exceed expenditures by \$284,638 in the General Fund, before other financing uses. The actual results for the year show revenues over expenditures by \$1,881,600. Revenues received were \$5,579,475 more than anticipated and expenditures were \$4,382,513 more than anticipated.

Capital Asset and Debt Administration

Capital assets

By the end of 2017, the District had compiled a total investment of \$51,399,577 (\$37,751,041, net of accumulated depreciation) in a broad range of capital assets, including land, land improvements, buildings, equipment, and construction in progress. Total depreciation expense for the year was \$959,106. 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>2017</u>	<u>2016</u>
Land	\$ 0.8	\$ 0.8
Construction in progress	0.1	0.2
Depreciable buildings, property, and equipment	<u>36.8</u>	<u>38.2</u>
Total	<u>\$ 37.7</u>	<u>\$ 39.2</u>

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Capital Asset and Debt Administration (Continued)

Long-term liabilities

At year-end, the District had \$31,318,765 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, 2017.

Table 4		
Outstanding Long-Term Liabilities		
<i>(in millions of dollars)</i>		
	<u>2017</u>	<u>2016</u>
Alternate revenue bonds	\$ 25.0	\$ 26.3
Other long term liabilities	<u>6.3</u>	<u>3.9</u>
Total	<u>\$ 31.3</u>	<u>\$ 30.2</u>

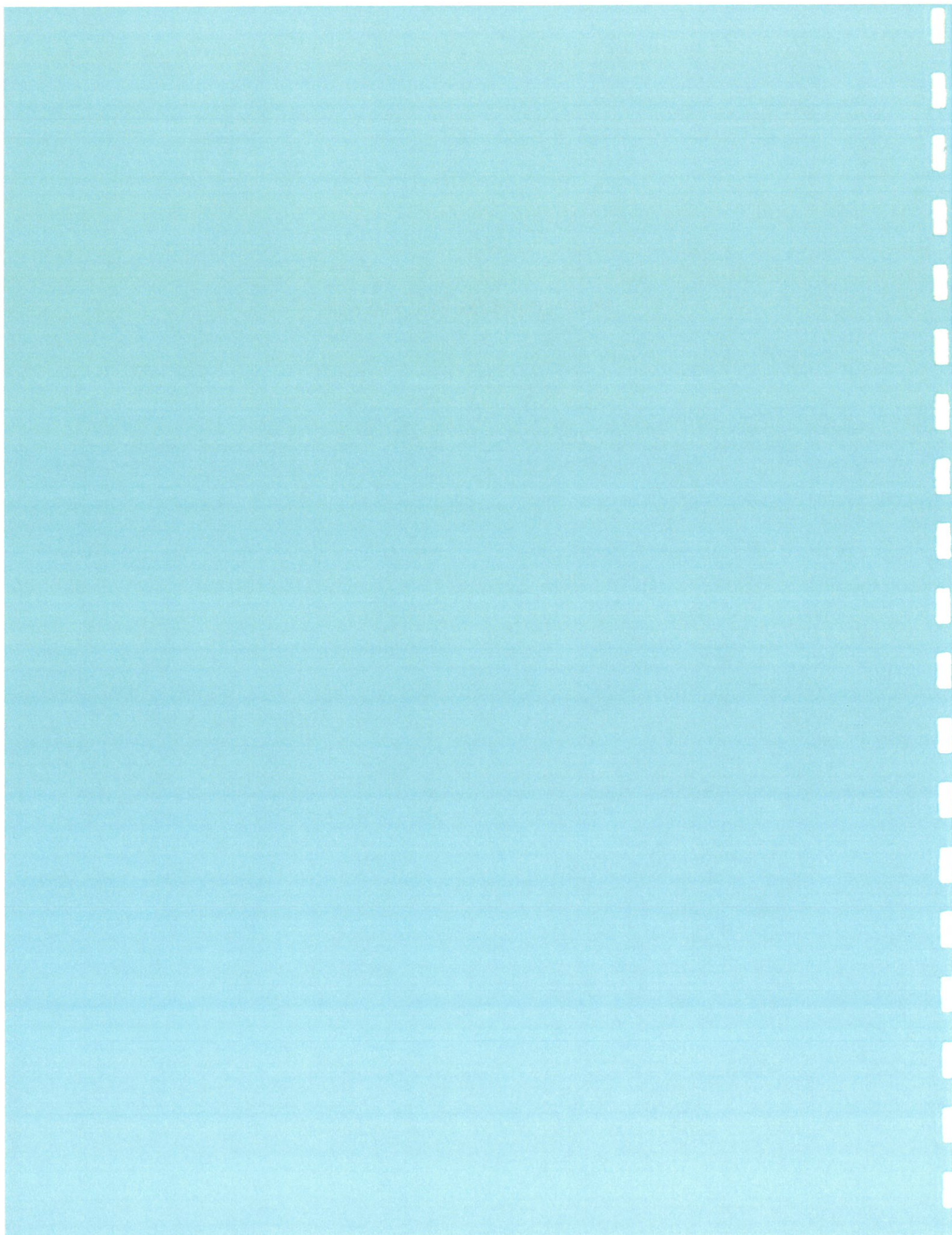
Factors Bearing on the District's Future

The District's staff remains stable. Labor agreements are in effect through 2018 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, 2017

ASSETS

Cash and investments	\$ 16,616,405
Receivables (net of allowance for uncollectibles):	
Property taxes	10,157,054
Replacement taxes	207,008
Intergovernmental	803,494
Prepaid items	69,237
Capital assets:	
Land	801,000
Construction in progress	113,570
Depreciable buildings, property, and equipment, net	<u>36,836,471</u>
Total assets	<u>65,604,239</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	<u>2,856,110</u>
Total deferred outflows	<u>2,856,110</u>

LIABILITIES

Accounts payable	329,397
Salaries and wages payable	33,759
Payroll deductions payable	22,408
Interest payable	624,583
Long-term liabilities:	
Due within one year	1,456,244
Due after one year	<u>29,862,521</u>
Total liabilities	<u>32,328,912</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	157,255
Property taxes levied for a future period	<u>9,438,132</u>
Total deferred inflows	<u>9,595,387</u>

NET POSITION

Net investment in capital assets	12,696,041
Restricted For:	
Operations and maintenance	1,108,147
Debt service	2,100,953
Student transportation	1,574,290
Retirement benefits	587,446
Capital projects	3,566
Tort immunity	353,053
Unrestricted	<u>8,112,554</u>
Total net position	<u>\$ 26,536,050</u>

The accompanying notes are an integral part of this statement.

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LaGrange School District 105 South

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 8,613,112	\$ 49,050	\$ 478,167	\$ (8,085,895)
Special programs	3,289,111	-	857,270	(2,431,841)
Other instructional programs	1,868,563	-	784,222	(1,084,341)
State retirement contributions	9,712,810	-	9,712,810	-
Support services:				
Pupils	1,191,081	-	-	(1,191,081)
Instructional staff	1,721,897	-	23,263	(1,698,634)
General administration	832,090	-	-	(832,090)
School administration	1,308,869	-	-	(1,308,869)
Business	1,090,343	89,829	251,287	(749,227)
Transportation	841,881	-	297,745	(544,136)
Operations and maintenance	2,025,700	14,747	-	(2,010,953)
Central	174,287	-	-	(174,287)
Community services	60,171	-	-	(60,171)
Nonprogrammed charges - excluding special education	478,258	-	-	(478,258)
Interest	1,395,166	-	-	(1,395,166)
Total governmental activities	<u>\$ 34,603,339</u>	<u>\$ 153,626</u>	<u>\$ 12,404,764</u>	<u>(22,044,949)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				16,289,085
Real estate taxes, levied for specific purposes				4,111,769
Personal property replacement taxes				1,460,977
State aid-formula grants				890,678
Investment earnings				230,508
Miscellaneous				116,197
Total general revenues				<u>23,099,214</u>
Change in net position				1,054,265
Net position, beginning of year, as restated (see Note N)				<u>25,481,785</u>
Net position, end of year				\$ 26,536,050

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South

Governmental Funds

BALANCE SHEET

June 30, 2017

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 10,929,202	\$ 944,175	\$ 1,447,375	\$ 566,882
Receivables (net of allowance for uncollectibles):				
Property taxes	8,427,105	1,434,559	1	290,632
Replacement taxes	-	207,008	-	-
Intergovernmental	654,307	-	149,187	-
Prepaid items	<u>55,710</u>	<u>13,527</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 20,066,324</u>	<u>\$ 2,599,269</u>	<u>\$ 1,596,563</u>	<u>\$ 857,514</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 164,208	\$ 142,917	\$ 22,272	\$ -
Salaries and wages payable	18,768	14,991	-	-
Payroll deductions payable	<u>22,207</u>	<u>201</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>205,183</u>	<u>158,109</u>	<u>22,272</u>	<u>-</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>7,830,624</u>	<u>1,333,013</u>	<u>1</u>	<u>270,068</u>
Total deferred inflows	<u>7,830,624</u>	<u>1,333,013</u>	<u>1</u>	<u>270,068</u>
FUND BALANCES				
Nonspendable	55,710	13,527	-	-
Restricted	353,053	1,094,620	1,074,290	587,446
Assigned	2,460,000	-	500,000	-
Unassigned	<u>9,161,754</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>12,030,517</u>	<u>1,108,147</u>	<u>1,574,290</u>	<u>587,446</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 20,066,324</u>	<u>\$ 2,599,269</u>	<u>\$ 1,596,563</u>	<u>\$ 857,514</u>

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
\$ 2,725,536	\$ 3,235	\$ 16,616,405
-	4,757	10,157,054
-	-	207,008
-	-	803,494
-	-	69,237
<u>\$ 2,725,536</u>	<u>\$ 7,992</u>	<u>\$ 27,853,198</u>
\$ -	\$ -	\$ 329,397
-	-	33,759
-	-	22,408
-	-	385,564
-	4,426	9,438,132
-	4,426	9,438,132
-	-	69,237
2,725,536	3,566	5,838,511
-	-	2,960,000
-	-	9,161,754
<u>2,725,536</u>	<u>3,566</u>	<u>18,029,502</u>
<u>\$ 2,725,536</u>	<u>\$ 7,992</u>	<u>\$ 27,853,198</u>

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LaGrange School District 105 South
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2017

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

Total fund balances - governmental funds	\$ 18,029,502
--	---------------

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.	37,751,041
--	------------

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	2,582,138	
Deferred outflows of 2017 employer contributions related to pensions	<u>273,972</u>	2,856,110
Deferred inflows of resources related to pensions		(157,255)

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.	(624,583)
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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>(31,318,765)</u>
---	---------------------

Net position - governmental activities	<u>\$ 26,536,050</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 (DEFICIT)

For the Year Ended June 30, 2017

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 16,486,447	\$ 2,890,511	\$ 427,969	\$ 586,798
Replacement taxes	1,051,841	393,436	-	15,700
State aid	11,558,399	-	297,745	-
Federal aid	766,077	-	-	-
Interest	168,761	17,538	22,452	7,439
Other	162,358	107,465	-	-
Total revenues	30,193,883	3,408,950	748,166	609,937
Expenditures				
Current:				
Instruction:				
Regular programs	7,391,409	-	-	101,532
Special programs	2,630,400	-	-	118,607
Other instructional programs	1,767,480	-	-	31,647
State retirement contributions	9,712,810	-	-	-
Support services:				
Pupils	1,108,611	-	-	30,184
Instructional staff	1,520,542	-	-	72,446
General administration	807,112	-	-	12,446
School administration	1,126,634	-	-	52,504
Business	844,655	49,170	-	59,279
Transportation	14,288	-	825,145	2,448
Operations and maintenance	38,109	1,740,923	-	123,426
Central	161,554	-	-	1,750
Community services	53,279	-	-	4,365
Nonprogrammed charges	928,012	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	207,388	221,154	-	-
Total expenditures	28,312,283	2,011,247	825,145	610,634
Excess (deficiency) of revenues over expenditures	1,881,600	1,397,703	(76,979)	(697)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,450,000)	(668,089)	-	-
Total other financing sources (uses)	(1,450,000)	(668,089)	-	-
Net change in fund balance	431,600	729,614	(76,979)	(697)
Fund balance (deficit), beginning of year	11,598,917	378,533	1,651,269	588,143
Fund balance, end of year	\$ 12,030,517	\$ 1,108,147	\$ 1,574,290	\$ 587,446

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
\$ -	\$ 9,129	\$ 20,400,854
-	-	1,460,977
-	-	11,856,144
673,221	-	1,439,298
14,249	69	230,508
-	-	269,823
<u>687,470</u>	<u>9,198</u>	<u>35,657,604</u>
-	-	7,492,941
-	-	2,749,007
-	-	1,799,127
-	-	9,712,810
-	-	1,138,795
-	-	1,592,988
-	-	819,558
-	-	1,179,138
-	5,129	958,233
-	-	841,881
-	-	1,902,458
-	-	163,304
-	-	57,644
-	-	928,012
1,297,260	-	1,297,260
1,419,692	-	1,419,692
-	-	428,542
<u>2,716,952</u>	<u>5,129</u>	<u>34,481,390</u>
(2,029,482)	4,069	1,176,214
2,118,089	-	2,118,089
-	-	(2,118,089)
<u>2,118,089</u>	<u>-</u>	<u>-</u>
88,607	4,069	1,176,214
<u>2,636,929</u>	<u>(503)</u>	<u>16,853,288</u>
<u>\$ 2,725,536</u>	<u>\$ 3,566</u>	<u>\$ 18,029,502</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, 2017

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

Net change in fund balances - total governmental funds	\$ 1,176,214
--	--------------

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.	(698,351)
--	-----------

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

Deferred outflows and inflows of resources related to IMRF pension	(280,863)
Deferred outflows and inflows of resources related to TRS pension	1,969,714

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.	24,526
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds.	<u>(1,136,975)</u>
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Change in net position of governmental activities	<u><u>\$ 1,054,265</u></u>
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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, 2017

	Fiduciary Fund
<hr/>	
ASSETS	
Cash	\$ 18,493
	<hr/>
LIABILITIES	
Due to student groups and employees	\$ 18,493
	<hr/>

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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.

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and intergovernmental revenues.

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. 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.

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. **Special Revenue Funds** (Continued)

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 or transfers from other funds.

e. **Fiduciary Fund**

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

e. Fiduciary Fund (Continued)

The *Student Activity Fund* - is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for the activity funds, they are not local education activity funds. This fund accounts 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. It accounts for activities such as student yearbook, student clubs, and council.

The fiduciary funds also include a *Convenience Fund*, which accounts for assets held by the District on behalf of instructional and administrative personnel for various purposes including social activities.

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.

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 future periods. At June 30, 2017, the District reported deferred outflows of resources related to pensions. 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 future reporting periods. At June 30, 2017, the District reported deferred inflows of resources related to pension 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.

7. Deposits and Investments

The Illinois Compiled Statutes require the District to utilize the custodial 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, construction in progress, 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.

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 - 30

Construction in progress is stated at cost and includes engineering, design, and legal costs incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and put in use.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension 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.

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.

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 and losses on refunding are reported as debt service expenditures.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
- 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, debt service funds, and capital projects funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At June 30, 2017, the District had no committed fund balances.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance (Continued)

- 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, 2017. 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 in fiscal year 2017 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 (Note K).
- 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.

Governmental fund balances reported on the fund financial statements at June 30, 2017 are as follows:

The nonspendable fund balance in the General Fund and Operations and Maintenance Fund consist of \$55,710 and \$13,527, respectively, for prepaid items. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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 – 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	\$ (25,055,000)
IMRF net pension liability	(1,552,240)
TRS net pension liability	(4,705,281)
Compensated absences	<u>(6,244)</u>
	<u>\$ (31,318,765)</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:

Capital outlay	\$ 260,755
Depreciation expense	<u>(959,106)</u>
Net adjustment to reduce net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (698,351)</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:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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)

Principal repayments	
Alternate revenue bonds	\$ 1,290,000
Capital lease	7,260
IMRF pension liability, net	101,902
TRS pension liability, net	(2,537,239)
Compensated absences	<u>1,102</u>
	<u>\$ (1,136,975)</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.

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

The Illinois Compiled Statutes require the District to utilize the investment 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 her discretion, subject to the legal restrictions.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Cash and Investments Under the Custody of the Township Treasurer (Continued)

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 monthly 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 7.69 years, at June 30, 2017. 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 \$163,965,897, and the fair value of the District's proportionate share of the pool was 9.094%. 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, convenience accounts, and imprest funds consist of deposits with financial institutions. At June 30, 2017, the carrying value of the cash and investments held in custody of the District was \$24,493, all of which was deposited with financial institutions.

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, 2017, the District had no uninsured cash balances.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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 December 12, 2016. 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. The District's annual property tax levy is subject to two statutory limitations; individual fund rate ceilings and the Property Tax Extension Limitation Law (PTELL).

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. One-third of the county is reassessed every year 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 2.8032 for 2016.

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 2016 tax levy was \$556,914,501.

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 approximately 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 2016 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).

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016 <u>As restated*</u>	Additions / Transfers	Deletions / Transfers	Balance June 30, 2017
Capital assets, not being depreciated				
Land	\$ 801,000	\$ -	\$ -	\$ 801,000
Construction in progress	<u>241,520</u>	<u>113,570</u>	<u>241,520</u>	<u>113,570</u>
 Total capital assets, not being depreciated	 <u>1,042,520</u>	 <u>113,570</u>	 <u>241,520</u>	 <u>914,570</u>
 Capital assets, being depreciated				
Land improvements	1,765,479	66,200	-	1,831,679
Buildings	42,662,537	237,455	-	42,899,992
Equipment	<u>5,668,286</u>	<u>85,050</u>	<u>-</u>	<u>5,753,336</u>
 Total capital assets, being depreciated	 <u>50,096,302</u>	 <u>388,705</u>	 <u>-</u>	 <u>50,485,007</u>
 Less accumulated depreciation for:				
Land improvements	719,053	84,477	-	803,530
Buildings	7,964,917	615,972	-	8,580,889
Equipment	<u>4,005,460</u>	<u>258,657</u>	<u>-</u>	<u>4,264,117</u>
 Total accumulated depreciation	 <u>12,689,430</u>	 <u>959,106</u>	 <u>-</u>	 <u>13,648,536</u>
 Total capital assets, being depreciated, net	 <u>37,406,872</u>	 <u>(570,401)</u>	 <u>-</u>	 <u>36,836,471</u>
Governmental activities capital assets, net	<u>\$ 38,449,392</u>	<u>\$ (456,831)</u>	<u>\$ 241,520</u>	<u>\$ 37,751,041</u>

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE E - CAPITAL ASSETS (Continued)

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

Governmental activities		
General government		
Regular programs	\$	815,538
School administration		87,202
Operations and maintenance		<u>56,366</u>
Total depreciation from governmental activities	\$	<u><u>959,106</u></u>

NOTE F - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2017:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Due within one year
Alternate revenue					
bonds	\$ 26,345,000	\$ -	\$ 1,290,000	\$ 25,055,000	\$ 1,450,000
Capital lease	7,260	-	7,260	-	-
IMRF net pension					
liability	1,654,142	1,014,150	1,116,052	1,552,240	-
TRS net pension					
liability	2,168,042	2,768,900	231,661	4,705,281	-
Compensated absences	<u>7,346</u>	<u>41,214</u>	<u>42,316</u>	<u>6,244</u>	<u>6,244</u>
Total long-term					
liabilities - governmental					
activities	<u>\$ 30,181,790</u>	<u>\$ 3,824,264</u>	<u>\$ 2,687,289</u>	<u>\$ 31,318,765</u>	<u>\$ 1,456,244</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE F - LONG-TERM LIABILITIES (Continued)

1. Alternate Revenue Bonds

The summary of activity in bonds payable for the year ended June 30, 2017 is as follows:

	<u>Bonds Payable</u> <u>July 1, 2016</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Bonds Payable</u> <u>June 30, 2017</u>
Series 2010B General Obligation Alternate Revenue Bonds Interest at 3.884% to 5.862%, maturing January 15, 2030	\$ 23,330,000	-	\$ 1,150,000	\$ 22,180,000
Series 2010C General Obligation Alternate Revenue Bonds Interest at 3.854% to 6.775%, maturing January 15, 2030	<u>3,015,000</u>	<u>-</u>	<u>140,000</u>	<u>2,875,000</u>
Total	<u>\$ 26,345,000</u>	<u>\$ -</u>	<u>\$ 1,290,000</u>	<u>\$ 25,055,000</u>

At June 30, 2017, 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>
2018	\$ 1,450,000	\$ 1,362,726	\$ 2,812,726
2019	1,525,000	1,294,546	2,819,546
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 - 2027	10,040,000	3,796,484	13,836,484
2028 - 2030	<u>6,945,000</u>	<u>836,444</u>	<u>7,781,444</u>
	<u>\$ 25,055,000</u>	<u>\$ 10,715,178</u>	<u>\$ 35,770,178</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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 \$35,770,178 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, 2017, the statutory debt limit for the District was \$38,427,101, of which \$13,372,101 is fully available.

2. Capital Lease

The District leased certain office equipment under a capital lease. The lease required monthly payments of \$3,658, through September 2016. The obligations for this lease were repaid from the Debt Service Fund, with funding provided by transfers from the Operations and Maintenance Fund.

NOTE G - OPERATING LEASES

The District has a noncancelable operating lease for additional space to accommodate its educational programs. The lease requires monthly base rents of \$2,806, increasing approximately 3% annually, and expires in July 2019. The District also has an operating lease for three office copiers. Lease payments of \$3,825 are paid monthly, commencing October 2016 and expires December 2019. At June 30, 2017, future minimum lease payments for these leases were as follows:

Year Ending June 30	Total
2018	\$ 81,740
2019	82,551
2020	<u>26,010</u>
Total	<u>\$ 190,301</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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 pools 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 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.

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

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 <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675.

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

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

Benefits Provided (Continued)

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

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, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). 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, 2017, 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 expenditures of \$9,568,988 in pension contributions from the state of Illinois.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

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

Contributions (Continued)

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, 2017, were \$74,479, and are deferred because they were paid after the June 30, 2016 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 a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$141,313 were paid from federal and special trust funds that required employer contributions of \$54,462. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

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 employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2017.

The District is also 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. 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, 2017, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$631 for sick leave days granted in excess of the normal annual allotment.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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, 2017, 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	\$ 4,705,281
State's proportionate share of the net pension liability associated with the District	<u>84,643,629</u>
Total	<u><u>\$ 89,348,910</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. 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, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was 0.0059608771 percent, which was an increase of 0.0026513977 percent from its proportion measured at June 30, 2015.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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)

For the year ended June 30, 2017, the District recognized pension expense of \$10,343,000 and revenue of \$9,568,988 for support provided by the state. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 34,791	\$ 3,191
Net difference between projected and actual earnings on pension plan investments	132,933	-
Changes of assumptions	404,113	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,509,235</u>	<u>104,753</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>2,081,072</u>	<u>107,944</u>
District contributions subsequent to the measurement date	<u>128,941</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 2,210,013</u></u>	<u><u>\$ 107,944</u></u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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)

The District reported \$128,941 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2018	\$ 442,585
2019	442,585
2020	527,898
2021	470,065
2022	<u>89,995</u>
	<u>\$ 1,973,128</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016 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

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.4 %	6.94 %
U.S. equities small/mid cap	3.6	8.09
International equities developed	14.4	7.46
Emerging market equities	3.6	10.15
U.S. bonds core	10.7	2.44
International debt developed	5.3	1.70
Real estate	15.0	5.44
Commodities (real return)	11.0	4.28
Hedge funds (absolute return)	8.0	4.16
Private equity	14.0	10.63
Total	100.0 %	

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

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

Discount Rate

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 percent. 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, 2016 was not 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. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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 6.83 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 (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate:

	<u>1% Decrease</u> <u>(5.83%)</u>	<u>Current</u> <u>Discount</u> <u>(6.83%)</u>	<u>1% Increase</u> <u>(7.83%)</u>
District's proportionate share of the net pension liability	\$ 5,754,749	\$ 4,705,281	\$ 3,848,143

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

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

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

2. Illinois Municipal Retirement Fund

Plan Description

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

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

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

Benefits Provided (Continued)

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

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	81
Inactive plan members entitled to but not yet receiving benefits	235
Active plan members	<u>88</u>
Total	<u><u>404</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 2016 was 11.47%. For the fiscal year ended June 30, 2017 the District contributed \$268,241 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Net Pension Liability

The District's net pension liability was measured as of December 31, 2016. 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, 2016:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation 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 projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale ME-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 FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65% - 7.35%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% 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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate (Continued)

- 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 plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

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, 2016:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 10,916,874	\$ 9,262,732	\$ 1,654,142
Changes for the year:			
Service cost	290,572	-	290,572
Interest on the total pension liability	808,401	-	808,401
Difference between expected and actual experience of the total pension liability	(58,231)	-	(58,231)
Changes of assumptions	(26,592)	-	(26,592)
Contributions - employer	-	278,236	(278,236)
Contributions - employees	-	109,400	(109,400)
Net investment income	-	642,017	(642,017)
Benefit payments, including refunds of employee contributions	(509,329)	(509,329)	-
Other (net transfer)	-	86,399	(86,399)
Net changes	<u>504,821</u>	<u>606,723</u>	<u>(101,902)</u>
Balances at December 31, 2016	<u>\$ 11,421,695</u>	<u>\$ 9,869,455</u>	<u>\$ 1,552,240</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

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

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Net pension liability	\$ 2,981,814	\$ 1,552,240	\$ 370,695

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

For the year ended June 30, 2017, the District recognized pension expense of \$447,202. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	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	\$ 20,288	\$ 33,852
Change of assumptions	2,112	15,459
Net difference between projected and actual earnings on pension plan investments	478,666	-
Total deferred amounts to be recognized in pension expense in the future periods	501,066	49,311
Pension contributions made subsequent to the measurement date	145,031	-
Total deferred amounts related to pensions	\$ 646,097	\$ 49,311

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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)

The District reported \$145,031 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, 2018.

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
2018	\$ 151,186
2019	150,497
2020	139,800
2021	10,272
2022	-
Thereafter	-
Total	<u>\$ 451,755</u>

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 128,941	\$ 145,031	\$ 273,972
Experience	34,791	20,288	55,079
Assumptions	404,113	2,112	406,225
Proportionate share	1,509,235	-	1,509,235
Investments	132,933	478,666	611,599
	<u>\$ 2,210,013</u>	<u>\$ 646,097</u>	<u>\$ 2,856,110</u>
Net pension liability	<u>\$ 4,705,281</u>	<u>\$ 1,552,240</u>	<u>\$ 6,257,521</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred inflows of resources:			
Experience	\$ 3,191	\$ 33,852	\$ 37,043
Assumptions	-	15,459	15,459
Proportionate share	<u>104,753</u>	<u>-</u>	<u>104,753</u>
	<u>\$ 107,944</u>	<u>\$ 49,311</u>	<u>\$ 157,255</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.

NOTE J - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

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

The 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 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

On behalf contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$143,822, and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$107,866 to the THIS Fund, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

NOTE K - INTERFUND TRANSFERS

The District transferred \$1,450,000 from the General Fund (Educational Account) to the Debt Service Fund, and \$668,089 from the Operations and Maintenance Fund to the Debt Service Fund, during the year ended June 30, 2017. The amount transferred is to be used for principal and interest payments on alternate revenue bonds and the capital lease.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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.

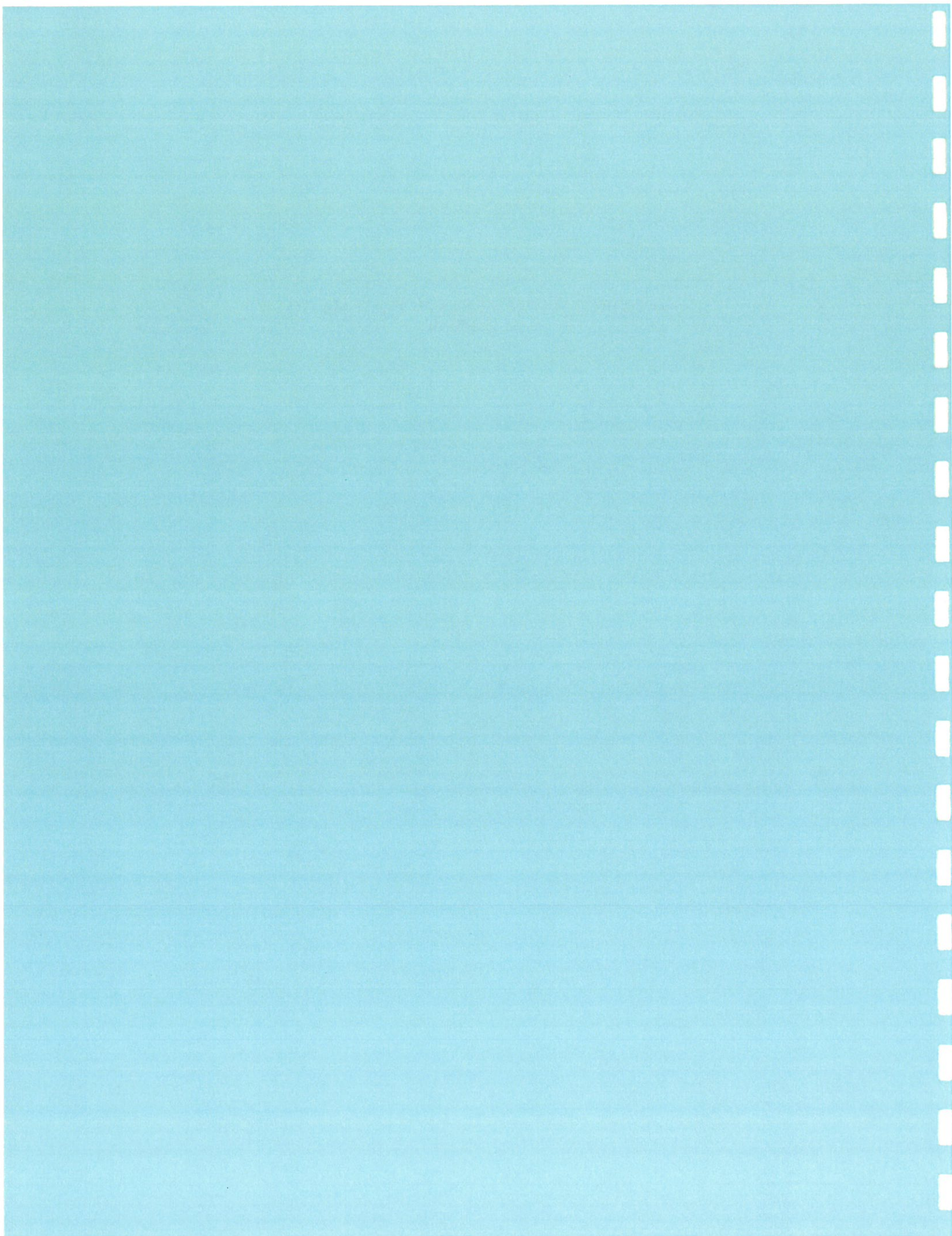
NOTE N - PRIOR PERIOD ADJUSTMENT

The District recorded a prior period adjustment to properly record the value of capital assets based on a record of historical cost prepared by a third party. The inventory resulted in an adjustment to reduce the value of capital assets by \$914,669 and accumulated depreciation by \$116,465 for a net decrease in net position of the District by \$798,204. The adjustment affects government-wide capital assets and net position only and has no effect on the individual fund statements.

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 14, 2017, 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 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 TWO MOST RECENT CALENDAR YEARS

Illinois Municipal Retirement Fund

June 30, 2017

For the calendar year ended December 31,	2016	2015	2014
Total pension liability			
Service cost	\$ 290,572	\$ 274,423	\$ 303,975
Interest on the total pension liability	808,401	759,480	698,856
Difference between expected and actual experience of the total pension liability	(58,231)	123,936	(130,446)
Assumption changes	(26,592)	12,896	442,542
Benefit payments and refunds	(509,329)	(513,142)	(443,482)
Net change in total pension liability	504,821	657,593	871,445
Total pension liability, beginning	10,916,874	10,259,281	9,387,836
Total pension liability, ending	<u>\$ 11,421,695</u>	<u>\$ 10,916,874</u>	<u>\$ 10,259,281</u>
Plan fiduciary net position			
Contributions, employer	\$ 278,236	\$ 280,600	\$ 381,925
Contributions, employee	109,400	116,256	110,738
Net investment income	642,017	46,128	531,577
Benefit payments, including refunds of employee contributions	(509,329)	(513,142)	(443,482)
Other (net transfer)	86,399	49,246	13,094
Net change in plan fiduciary net position	606,723	(20,912)	593,852
Plan fiduciary net position, beginning	9,262,732	9,283,644	8,689,792
Plan fiduciary net position, ending	<u>\$ 9,869,455</u>	<u>\$ 9,262,732</u>	<u>\$ 9,283,644</u>
Net pension liability	<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	86.41 %	84.85 %	90.49 %
Covered Valuation Payroll	\$ 2,425,777	\$ 2,498,661	\$ 2,460,919
Net pension liability as a percentage of covered valuation payroll	63.99 %	66.20 %	39.65 %

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

LaGrange School District 105 South
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2017

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of</u> <u>Covered Valuation Payroll</u>
2016	\$ 278,237 *	\$ 278,236	\$ 1	\$ 2,425,777	11.47 %
2015	280,600	280,600	-	2,498,661	11.23
2014	381,935	381,925	10	2,460,919	15.52

* Estimated based on contribution rate of 11.47% and covered valuation payroll of \$2,425,777 (most recent information available).

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, 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
June 30, 2017

Fiscal year ended June 30,

	<u>2016</u>		<u>2015</u>		<u>2014</u>
District's proportion of the net pension liability	0.0059608771 %		0.0033094794 %		0.0030389132 %
District's proportionate share of the net pension liability	\$ 4,705,281	\$	2,168,042	\$	1,849,430
State's proportionate share of the net pension liability associated with the District	<u>84,643,629</u>		<u>86,830,076</u>		<u>68,014,429</u>
Total	<u>\$ 89,348,910</u>	\$	<u>88,998,118</u>	\$	<u>69,863,859</u>
District's covered-employee payroll	\$ 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	38.33 %		18.36 %		16.83 %
Plan fiduciary net position as a percentage of the total pension liability	36.40 %		41.50 %		43.00 %

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, 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
June 30, 2017

Fiscal year ended June 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 153,300	\$ 124,461	\$ 104,583
Contributions in relation to the contractually required contribution	<u>230,847</u>	<u>115,964</u>	<u>108,427</u>
Contribution deficiency (excess)	\$ <u>(77,547)</u>	\$ <u>8,497</u>	\$ <u>(3,844)</u>
District's covered-employee payroll	\$ 12,841,213	\$ 12,275,711	\$ 11,809,031
Contributions as a percentage of covered-employee payroll	1.80 %	0.94 %	0.92 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, 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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2016 Actual
Revenues					
Local sources					
General levy	\$ 15,501,716	\$ 15,501,716	\$ 15,510,510	\$ 8,794	\$14,625,050
Special education levy	1,002,698	1,002,698	975,937	(26,761)	941,736
Corporate personal property replacement taxes	936,725	936,725	1,051,841	115,116	684,433
Interest on investments	175,000	175,000	168,761	(6,239)	152,396
Sales to pupils - lunch	100,000	92,000	82,675	(9,325)	96,940
Sales to pupils - a la carte	-	8,000	7,154	(846)	-
Rentals - regular textbook	65,000	65,000	49,050	(15,950)	62,783
Refund of prior years' expenditures	20,000	20,000	-	(20,000)	11,913
Payment from other districts	500	500	-	(500)	-
Other	75,000	20,000	23,479	3,479	18,523
Total local sources	17,876,639	17,821,639	17,869,407	47,768	16,593,774
State sources					
General State Aid	890,679	890,679	890,678	(1)	724,270
Special Education - Private Facility Tuition	190,000	190,000	132,097	(57,903)	178,956
Special Education - Funding for Children Requiring Sp Ed Services	198,086	198,086	198,086	-	184,083
Special Education - Personnel	486,500	486,500	361,952	(124,548)	374,497
Special Education - Summer School	3,300	3,300	3,324	24	3,296
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	150,244	150,244	82,065	(68,179)	89,598
State Free Lunch and Breakfast	3,000	3,000	1,867	(1,133)	2,804
Early Childhood - Block Grant	116,400	177,600	175,520	(2,080)	116,400
On Behalf Payments to TRS from the State	3,500,000	3,500,000	9,712,810	6,212,810	7,245,202
Total state sources	5,538,209	5,599,409	11,558,399	5,958,990	8,919,106

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017				2016
	Original Budget	Final Budget	Actual	Variance From Final Budget	Actual
Federal sources					
National School Lunch Program	\$ 250,000	\$ 250,000	\$ 221,499	\$ (28,501)	\$ 244,999
Special Breakfast Program	40,000	40,000	27,921	(12,079)	37,524
Title I - Low Income	233,049	255,179	302,647	47,468	218,235
Federal - Special Education					
- Pre-School Flow Through	418	418	554	136	786
Federal - Special Education					
- I.D.E.A. - Flow Through	7,208	7,208	6,917	(291)	7,302
Federal - Special Education					
- I.D.E.A. - Room and Board	-	-	4,553	4,553	-
Title III - English					
Language Acquisition	31,831	31,831	28,936	(2,895)	27,201
Title II - Teacher Quality	33,598	33,724	23,263	(10,461)	38,592
Medicaid Matching Funds -					
Administrative Outreach	-	35,000	22,941	(12,059)	33,383
Medicaid Matching Funds -					
Fee-For-Service-Program	-	140,000	126,846	(13,154)	5,378
Total federal sources	596,104	793,360	766,077	(27,283)	613,400
Total revenues	24,010,952	24,214,408	30,193,883	5,979,475	26,126,280
Expenditures					
Instruction					
Regular programs					
Salaries	6,219,235	6,219,235	5,886,235	333,000	5,957,713
Employee benefits	1,106,745	1,106,745	1,125,513	(18,768)	1,030,028
On-behalf payments to TRS from					
the state	3,500,000	3,500,000	9,712,810	(6,212,810)	7,245,202
Purchased services	11,850	11,850	5,961	5,889	4,343
Supplies and materials	425,370	425,370	370,095	55,275	276,673
Other objects	4,800	4,800	2,890	1,910	4,510
Non-capitalized equipment	3,100	3,100	715	2,385	5,955
Total	11,271,100	11,271,100	17,104,219	(5,833,119)	14,524,424

(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, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017					2016 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget		
Pre-K programs						
Salaries	\$ 169,454	\$ 172,041	\$ 131,557	\$ 40,484	\$ 169,749	
Employee benefits	42,175	42,075	30,810	11,265	21,059	
Purchased services	3,378	3,378	1,383	1,995	2,200	
Supplies and materials	2,618	6,418	5,918	500	3,778	
Non-capitalized equipment	1,000	1,000	1,000	-	-	
Total	218,625	224,912	170,668	54,244	196,786	
Special education programs						
Salaries	1,490,700	1,490,700	1,443,587	47,113	1,466,512	
Employee benefits	176,015	181,015	176,332	4,683	166,115	
Purchased services	6,200	11,200	8,250	2,950	1,500	
Supplies and materials	29,850	29,850	25,717	4,133	21,985	
Capital outlay	13,000	13,000	-	13,000	12,048	
Other objects	6,700	6,700	3,184	3,516	5,210	
Non-capitalized equipment	12,000	12,000	6,067	5,933	1,688	
Total	1,734,465	1,744,465	1,663,137	81,328	1,675,058	
Special education programs pre-K						
Salaries	121,300	121,300	100,465	20,835	112,036	
Employee benefits	16,260	16,260	16,088	172	14,762	
Supplies and materials	2,000	2,000	1,365	635	1,533	
Other objects	34,418	34,418	32,158	2,260	31,549	
Total	173,978	173,978	150,076	23,902	159,880	
Remedial and Supplemental programs K-12						
Salaries	379,300	379,300	342,259	37,041	350,894	
Employee benefits	92,428	92,428	88,734	3,694	164,486	
Supplies and materials	2,600	2,600	1,733	867	1,831	
Total	474,328	474,328	432,726	41,602	517,211	

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017					2016
	Original Budget	Final Budget	Actual	Variance From Final Budget		Actual
Interscholastic programs						
Salaries	\$ 275,200	\$ 275,200	\$ 262,190	\$ 13,010	\$	256,429
Employee benefits	34,045	34,045	32,953	1,092		28,432
Purchased services	26,000	26,000	13,456	12,544		12,040
Supplies and materials	15,200	15,200	14,279	921		12,690
Other objects	6,000	6,000	2,063	3,937		3,825
Non-capitalized equipment	10,000	10,000	7,829	2,171		3,792
Total	366,445	366,445	332,770	33,675		317,208
Summer school programs						
Salaries	140,000	140,000	108,072	31,928		130,345
Employee benefits	2,600	2,600	1,095	1,505		656
Purchased services	8,000	8,000	157	7,843		1,542
Supplies and materials	12,000	12,000	4,810	7,190		7,204
Other objects	2,000	2,000	14	1,986		-
Total	164,600	164,600	114,148	50,452		139,747
Gifted programs						
Salaries	308,000	308,000	304,420	3,580		240,819
Employee benefits	34,725	34,725	33,985	740		39,280
Purchased services	3,000	3,000	2,800	200		2,205
Supplies and materials	5,000	5,000	4,837	163		2,734
Other objects	1,000	1,000	944	56		126
Total	351,725	351,725	346,986	4,739		285,164
Bilingual programs						
Salaries	670,000	672,200	658,312	13,888		655,240
Employee benefits	101,325	101,875	106,807	(4,932)		107,269
Purchased services	20,000	27,000	22,781	4,219		21,628
Supplies and materials	18,300	18,300	10,434	7,866		14,871
Other objects	1,200	1,200	33	1,167		1,122
Total	810,825	820,575	798,367	22,208		800,130

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2016 Actual
Special education programs K-12					
- private tuition	\$ 425,000	\$ 425,000	\$ 384,461	\$ 40,539	\$ 468,381
Truants alternative/optional education programs - private tuition	26,000	26,000	4,541	21,459	28,560
Total instruction	16,017,091	16,043,128	21,502,099	(5,458,971)	19,112,549
Support services					
Pupils					
Attendance and social work services					
Salaries	447,100	447,100	447,025	75	373,325
Employee benefits	54,900	54,900	54,575	325	36,763
Purchased services	300	300	186	114	-
Supplies and materials	1,350	1,350	632	718	602
Total	503,650	503,650	502,418	1,232	410,690
Guidance services					
Salaries	2,000	2,000	-	2,000	667
Employee benefits	100	100	-	100	9
Total	2,100	2,100	-	2,100	676
Health services					
Salaries	162,500	162,500	182,023	(19,523)	176,351
Employee benefits	7,125	7,125	6,792	333	7,954
Purchased services	300	300	13	287	191
Supplies and materials	5,800	5,800	4,221	1,579	4,625
Other objects	700	700	700	-	628
Non-capitalized equipment	500	500	269	231	-
Total	176,925	176,925	194,018	(17,093)	189,749

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017					2016
	Original Budget	Final Budget	Actual	Variance From Final Budget		Actual
Speech pathology and audiology services						
Salaries	\$ 363,000	\$ 363,000	\$ 360,319	\$ 2,681	\$	366,817
Employee benefits	44,500	44,500	47,475	(2,975)		48,082
Purchased services	300	300	-	300		195
Supplies and materials	2,450	2,450	1,292	1,158		832
Other objects	100	100	-	100		18
Total	410,350	410,350	409,086	1,264		415,944
Other support services - pupils						
Supplies and materials	6,000	6,000	3,089	2,911		4,685
Total	6,000	6,000	3,089	2,911		4,685
Total pupils	1,099,025	1,099,025	1,108,611	(9,586)		1,021,744
Instructional staff						
Improvement of instruction services						
Salaries	39,119	26,959	23,801	3,158		33,550
Employee benefits	8,850	8,850	309	8,541		419
Purchased services	293,979	371,102	305,039	66,063		305,907
Supplies and materials	17,700	17,700	17,301	399		17,815
Total	359,648	424,611	346,450	78,161		357,691
Educational media services						
Salaries	688,525	700,625	723,963	(23,338)		665,671
Employee benefits	92,870	92,870	83,710	9,160		112,238
Purchased services	232,300	232,300	174,343	57,957		234,065
Supplies and materials	183,620	183,620	158,797	24,823		130,233
Capital outlay	220,000	270,000	163,757	106,243		363,900
Non-capitalized equipment	-	-	-	-		2,082
Total	1,417,315	1,479,415	1,304,570	174,845		1,508,189

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2016 Actual
Assessment and testing					
Purchased services	\$ 50,000	\$ 50,000	\$ 33,279	\$ 16,721	\$ 50,004
Total	50,000	50,000	33,279	16,721	50,004
Total instructional staff	1,826,963	1,954,026	1,684,299	269,727	1,915,884
General administration					
Board of education services					
Salaries	-	-	-	-	1,105
Employee benefits	-	-	-	-	4
Purchased services	426,000	426,000	226,246	199,754	210,315
Supplies and materials	3,000	3,000	1,016	1,984	1,666
Other objects	25,000	32,000	29,790	2,210	25,303
Total	454,000	461,000	257,052	203,948	238,393
Executive administration services					
Salaries	265,800	265,800	267,976	(2,176)	261,102
Employee benefits	45,800	45,800	43,990	1,810	42,065
Purchased services	5,800	5,800	4,815	985	3,795
Supplies and materials	1,850	1,850	595	1,255	803
Other objects	13,000	13,000	10,397	2,603	8,052
Total	332,250	332,250	327,773	4,477	315,817
Tort immunity services					
Purchased services	227,178	227,178	222,287	4,891	222,766
Total	227,178	227,178	222,287	4,891	222,766
Total general administration	1,013,428	1,020,428	807,112	213,316	776,976

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2016 Actual
School administration					
Office of the principal services					
Salaries	\$ 904,660	\$ 904,660	\$ 906,836	\$ (2,176)	\$ 899,921
Employee benefits	204,350	204,350	177,465	26,885	204,958
Purchased services	31,000	31,000	28,022	2,978	8,946
Supplies and materials	9,680	9,680	6,721	2,959	7,100
Other objects	<u>8,000</u>	<u>8,000</u>	<u>7,590</u>	<u>410</u>	<u>2,224</u>
Total	<u>1,157,690</u>	<u>1,157,690</u>	<u>1,126,634</u>	<u>31,056</u>	<u>1,123,149</u>
Total school administration	<u>1,157,690</u>	<u>1,157,690</u>	<u>1,126,634</u>	<u>31,056</u>	<u>1,123,149</u>
Fiscal services					
Salaries	243,894	243,894	271,824	(27,930)	205,054
Employee benefits	34,200	34,200	37,056	(2,856)	28,597
Purchased services	32,500	32,500	15,288	17,212	70,957
Supplies and materials	23,600	23,600	20,012	3,588	8,096
Other objects	<u>1,000</u>	<u>1,000</u>	<u>770</u>	<u>230</u>	<u>367</u>
Total	<u>335,194</u>	<u>335,194</u>	<u>344,950</u>	<u>(9,756)</u>	<u>313,071</u>
Operation and maintenance of plant services					
Purchased services	17,000	17,000	33,100	(16,100)	12,748
Supplies and materials	10,000	10,000	5,009	4,991	8,186
Capital outlay	<u>25,000</u>	<u>60,000</u>	<u>43,631</u>	<u>16,369</u>	<u>27,965</u>
Total	<u>52,000</u>	<u>87,000</u>	<u>81,740</u>	<u>5,260</u>	<u>48,899</u>
Pupil transportation services					
Salaries	<u>17,300</u>	<u>17,300</u>	<u>14,288</u>	<u>3,012</u>	<u>13,691</u>
Total	<u>17,300</u>	<u>17,300</u>	<u>14,288</u>	<u>3,012</u>	<u>13,691</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017					2016
	Original Budget	Final Budget	Actual	Variance From Final Budget		Actual
Food services						
Salaries	\$ 237,171	\$ 252,971	\$ 237,782	\$ 15,189	\$	238,314
Employee benefits	1,730	1,730	486	1,244		515
Supplies and materials	<u>361,300</u>	<u>361,300</u>	<u>261,437</u>	<u>99,863</u>		<u>291,075</u>
Total	<u>600,201</u>	<u>616,001</u>	<u>499,705</u>	<u>116,296</u>		<u>529,904</u>
Total business	<u>1,004,695</u>	<u>1,055,495</u>	<u>940,683</u>	<u>114,812</u>		<u>905,565</u>
Central						
Direction of central support services						
Salaries	45,700	45,700	45,620	80		44,508
Employee benefits	10,820	10,820	10,639	181		9,280
Purchased services	1,000	1,000	1,000	-		1,000
Supplies and materials	1,000	1,000	1,000	-		1,000
Other objects	<u>7,900</u>	<u>7,900</u>	<u>6,181</u>	<u>1,719</u>		<u>8,156</u>
Total	<u>66,420</u>	<u>66,420</u>	<u>64,440</u>	<u>1,980</u>		<u>63,944</u>
Planning, research, development and evaluation services						
Salaries	126,875	126,875	78,883	47,992		79,259
Employee benefits	<u>24,475</u>	<u>24,475</u>	<u>18,231</u>	<u>6,244</u>		<u>16,111</u>
Total	<u>151,350</u>	<u>151,350</u>	<u>97,114</u>	<u>54,236</u>		<u>95,370</u>
Total central	<u>217,770</u>	<u>217,770</u>	<u>161,554</u>	<u>56,216</u>		<u>159,314</u>
Total support services	<u>6,319,571</u>	<u>6,504,434</u>	<u>5,828,893</u>	<u>675,541</u>		<u>5,902,632</u>
Community services						
Salaries	30,060	29,407	30,076	(669)		24,516
Employee benefits	2,977	2,977	2,488	489		2,195
Purchased services	21,802	21,802	15,179	6,623		24,476
Supplies and materials	<u>11,753</u>	<u>11,753</u>	<u>5,536</u>	<u>6,217</u>		<u>5,241</u>
Total	<u>66,592</u>	<u>65,939</u>	<u>53,279</u>	<u>12,660</u>		<u>56,428</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance	2016
	Original Budget	Final Budget	Actual	From Final Budget	Actual
Payments to other districts and government units					
Payments for special education programs					
Purchased services	\$ 586,769	\$ 586,769	\$ 449,754	\$ 137,015	\$ 487,132
Total	<u>586,769</u>	<u>586,769</u>	<u>449,754</u>	<u>137,015</u>	<u>487,132</u>
Payments for special education programs - tuition					
Other objects	<u>729,500</u>	<u>729,500</u>	<u>478,258</u>	<u>251,242</u>	<u>597,402</u>
Total payments to other districts and other government units	<u>1,316,269</u>	<u>1,316,269</u>	<u>928,012</u>	<u>388,257</u>	<u>1,084,534</u>
Total expenditures	<u>23,719,523</u>	<u>23,929,770</u>	<u>28,312,283</u>	<u>(4,382,513)</u>	<u>26,156,143</u>
Excess (deficiency) of revenues over expenditures	<u>291,429</u>	<u>284,638</u>	<u>1,881,600</u>	<u>1,596,962</u>	<u>(29,863)</u>
Other financing sources (uses)					
Transfer of interest - in	40,000	40,000	-	(40,000)	-
Transfer to Debt Service Fund for principal on revenue bonds	(1,450,000)	(1,450,000)	(1,450,000)	-	(590,000)
Transfer to Debt Service Fund for interest on revenue bonds	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>	<u>225,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,635,000)</u>	<u>(1,635,000)</u>	<u>(1,450,000)</u>	<u>185,000</u>	<u>(590,000)</u>
Net change to fund balance	<u>\$ (1,343,571)</u>	<u>\$ (1,350,362)</u>	431,600	<u>\$ 1,781,962</u>	(619,863)
Fund balance, beginning of year			<u>11,598,917</u>		<u>12,218,780</u>
Fund balance, end of year			<u>\$ 12,030,517</u>		<u>\$11,598,917</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$2,853,066	\$ 2,853,066	\$ 2,890,511	\$ 37,445	\$ 2,917,022
Corporate personal property					
replacement taxes	275,000	275,000	393,436	118,436	288,572
Interest on investments	25,000	25,000	17,538	(7,462)	22,878
Rentals	20,000	20,000	14,747	(5,253)	17,087
Refund of prior years' expenditures	-	-	231	231	-
Other	-	-	92,487	92,487	-
Total local sources	<u>3,173,066</u>	<u>3,173,066</u>	<u>3,408,950</u>	<u>235,884</u>	<u>3,245,559</u>
Total revenues	<u>3,173,066</u>	<u>3,173,066</u>	<u>3,408,950</u>	<u>235,884</u>	<u>3,245,559</u>
Expenditures					
Support services					
Facilities acquisition and					
construction services					
Employee benefits	-	-	-	-	(915)
Purchased services	111,000	111,000	49,170	61,830	32,726
Capital outlay	<u>400,000</u>	<u>400,000</u>	<u>181,940</u>	<u>218,060</u>	<u>476,706</u>
Total	<u>511,000</u>	<u>511,000</u>	<u>231,110</u>	<u>279,890</u>	<u>508,517</u>
Operation and maintenance					
of plant services					
Salaries	686,950	698,450	678,070	20,380	713,829
Employee benefits	150,125	152,625	150,325	2,300	151,722
Purchased services	668,000	668,000	589,422	78,578	599,685
Supplies and materials	376,000	376,000	318,106	57,894	277,989
Capital outlay	45,850	45,850	39,214	6,636	25,259
Non-capitalized equipment	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>7,230</u>
Total	<u>1,931,925</u>	<u>1,945,925</u>	<u>1,780,137</u>	<u>165,788</u>	<u>1,775,714</u>
Total support services	<u>2,442,925</u>	<u>2,456,925</u>	<u>2,011,247</u>	<u>445,678</u>	<u>2,284,231</u>
Total expenditures	<u>2,442,925</u>	<u>2,456,925</u>	<u>2,011,247</u>	<u>445,678</u>	<u>2,284,231</u>

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Excess of revenues over expenditures	\$ 730,141	\$ 716,141	\$ 1,397,703	\$ 681,562	\$ 961,328
Other financing uses					
Transfer to Debt Service Fund for principal on capital leases	-	-	(7,260)	7,260	(42,036)
Transfer to Debt Service Fund for interest on capital leases	-	-	(56)	56	(1,860)
Transfer to Debt Service Fund for principal on revenue bonds	-	-	-	-	(700,000)
Transfer to Debt Service Fund for interest on revenue bonds	(697,726)	(697,726)	(660,773)	(36,953)	(955,100)
Total other financing uses	(697,726)	(697,726)	(668,089)	(29,637)	(1,698,996)
Net change in fund balance	\$ 32,415	\$ 18,415	729,614	\$ 711,199	(737,668)
Fund balance, beginning of year			378,533		1,116,201
Fund balance, end of year			\$ 1,108,147		\$ 378,533

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance	2016
	Original Budget	Final Budget	Actual	From Final Budget	Actual
Revenues					
Local sources					
General levy	\$ 1,003,698	\$ 1,003,698	\$ 427,969	\$ (575,729)	\$ 941,763
Interest on investments	18,000	18,000	22,452	4,452	17,308
Refund of prior years' expenditures	<u>36,000</u>	<u>36,000</u>	<u>-</u>	<u>(36,000)</u>	<u>34,813</u>
Total local sources	<u>1,057,698</u>	<u>1,057,698</u>	<u>450,421</u>	<u>(607,277)</u>	<u>993,884</u>
State sources					
Transportation - Regular/Vocational	7,000	61,000	5,922	(55,078)	6,595
Transportation - Special Education	<u>318,000</u>	<u>318,000</u>	<u>291,823</u>	<u>(26,177)</u>	<u>311,349</u>
Total state sources	<u>325,000</u>	<u>379,000</u>	<u>297,745</u>	<u>(81,255)</u>	<u>317,944</u>
Total revenues	<u>1,382,698</u>	<u>1,436,698</u>	<u>748,166</u>	<u>(688,532)</u>	<u>1,311,828</u>
Expenditures					
Business					
Pupil transportation services					
Purchased services	<u>1,050,400</u>	<u>1,104,400</u>	<u>825,145</u>	<u>279,255</u>	<u>953,560</u>
Total expenditures	<u>1,050,400</u>	<u>1,104,400</u>	<u>825,145</u>	<u>279,255</u>	<u>953,560</u>
Excess (deficiency) of revenues over expenditures	<u>332,298</u>	<u>332,298</u>	<u>(76,979)</u>	<u>(409,277)</u>	<u>358,268</u>
Other financing uses					
Transfer of interest - out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
Total other financing uses	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>

(Continued)

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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017					
	Original Budget	Final Budget	Actual	Variance From Final Budget	2016 Actual	
Net change in fund balance	<u>\$ 312,298</u>	<u>\$ 312,298</u>	(76,979)	<u>\$ (389,277)</u>	358,268	
Fund balance, beginning of year			<u>1,651,269</u>		<u>1,293,001</u>	
Fund balance, end of year			<u>\$ 1,574,290</u>		<u>\$ 1,651,269</u>	

(Concluded)

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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017					
	Original Budget	Final Budget	Actual	Variance From Final Budget	2016 Actual	
Revenues						
Local sources						
General levy	\$ 343,981	\$ 343,981	\$ 318,209	\$ (25,772)	\$ 327,482	
Social security/Medicare only levy	267,795	267,795	268,589	794	256,578	
Corporate personal property replacement taxes	100,000	100,000	15,700	(84,300)	62,305	
Interest on investments	<u>8,000</u>	<u>8,000</u>	<u>7,439</u>	<u>(561)</u>	<u>7,040</u>	
Total local sources	<u>719,776</u>	<u>719,776</u>	<u>609,937</u>	<u>(109,839)</u>	<u>653,405</u>	
Federal sources						
Title I - Other	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>	
Total federal sources	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>	
Total revenues	<u>719,776</u>	<u>723,776</u>	<u>609,937</u>	<u>(113,839)</u>	<u>653,405</u>	
Expenditures						
Instruction						
Regular programs	124,550	124,550	101,532	23,018	106,842	
Pre-K programs	9,325	5,325	3,852	1,473	6,386	
Special education programs	144,500	144,500	112,485	32,015	124,446	
Special education programs pre-K	15,530	15,530	1,448	14,082	3,469	
Remedial and supplemental programs K-12	5,850	5,850	4,674	1,176	4,535	
Interscholastic programs	11,500	11,500	4,171	7,329	4,551	
Summer school programs	10,400	10,400	6,355	4,045	6,636	
Gifted programs	4,700	4,700	4,156	544	3,273	
Bilingual programs	<u>12,100</u>	<u>12,100</u>	<u>13,113</u>	<u>(1,013)</u>	<u>20,965</u>	
Total instruction	<u>338,455</u>	<u>334,455</u>	<u>251,786</u>	<u>82,669</u>	<u>281,103</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017					2016
	Original Budget	Final Budget	Actual	Variance From Final Budget		Actual
Support services						
Pupils						
Attendance and social work services	\$ 10,200	\$ 10,200	\$ 6,312	\$ 3,888	\$	6,421
Guidance services	50	50	-	50		10
Health services	17,900	17,900	18,823	(923)		19,247
Speech pathology and audiology services	<u>5,300</u>	<u>5,300</u>	<u>5,049</u>	<u>251</u>		<u>5,156</u>
Total pupils	<u>33,450</u>	<u>33,450</u>	<u>30,184</u>	<u>3,266</u>		<u>30,834</u>
Instructional staff						
Improvement of instruction services	4,765	4,765	449	4,316		1,341
Educational media services	<u>70,800</u>	<u>70,800</u>	<u>71,997</u>	<u>(1,197)</u>		<u>68,168</u>
Total instructional staff	<u>75,565</u>	<u>75,565</u>	<u>72,446</u>	<u>3,119</u>		<u>69,509</u>
General administration						
Board of education services	-	-	-	-		209
Executive administration services	<u>12,700</u>	<u>12,700</u>	<u>12,446</u>	<u>254</u>		<u>11,715</u>
Total general administration	<u>12,700</u>	<u>12,700</u>	<u>12,446</u>	<u>254</u>		<u>11,924</u>
School administration						
Office of the principal services	<u>59,100</u>	<u>59,100</u>	<u>52,504</u>	<u>6,596</u>		<u>51,942</u>
Total school administration	<u>59,100</u>	<u>59,100</u>	<u>52,504</u>	<u>6,596</u>		<u>51,942</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017					2016
	Original Budget	Final Budget	Actual	Variance From Final Budget		Actual
Business						
Fiscal services	\$ 32,500	\$ 32,500	\$ 30,000	\$ 2,500	\$	29,050
Operation and maintenance of plant services	131,335	131,335	123,426	7,909		128,589
Pupil transportation services	3,400	3,400	2,448	952		2,389
Food services	<u>42,758</u>	<u>42,758</u>	<u>29,279</u>	<u>13,479</u>		<u>29,063</u>
Total business	<u>209,993</u>	<u>209,993</u>	<u>185,153</u>	<u>24,840</u>		<u>189,091</u>
Central						
Direction of central support services	700	700	641	59		627
Planning, research, development and evaluation services	1,900	1,900	1,109	791		1,118
Total central	<u>2,600</u>	<u>2,600</u>	<u>1,750</u>	<u>850</u>		<u>1,745</u>
Total support services	<u>393,408</u>	<u>393,408</u>	<u>354,483</u>	<u>38,925</u>		<u>355,045</u>
Community services	<u>4,850</u>	<u>4,850</u>	<u>4,365</u>	<u>485</u>		<u>3,270</u>
Total expenditures	<u>736,713</u>	<u>732,713</u>	<u>610,634</u>	<u>122,079</u>		<u>639,418</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (16,937)</u>	<u>\$ (8,937)</u>	<u>(697)</u>	<u>\$ 8,240</u>		<u>13,987</u>
Fund balance, beginning of year			<u>588,143</u>			<u>574,156</u>
Fund balance, end of year			<u>\$ 587,446</u>			<u>\$ 588,143</u>

(Concluded)

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. 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.

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 26, 2016, and amended on June 19, 2017.
- g) The following funds had expenditures in excess of budgets at June 30, 2017:

<u>Funds</u>	<u>Variance</u>
General	\$ 4,382,513
Debt Service	3,434

The expenditures in excess of budget in the General Fund is a result of higher than anticipated on-behalf payments to TRS from the State.

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

3. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2016 measurement year, 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.

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

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

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2016 IMRF CONTRIBUTION RATE*

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
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Methods and Assumptions Used to Determine the 2016 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): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2016 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2016 Contribution Rate: (Continued)

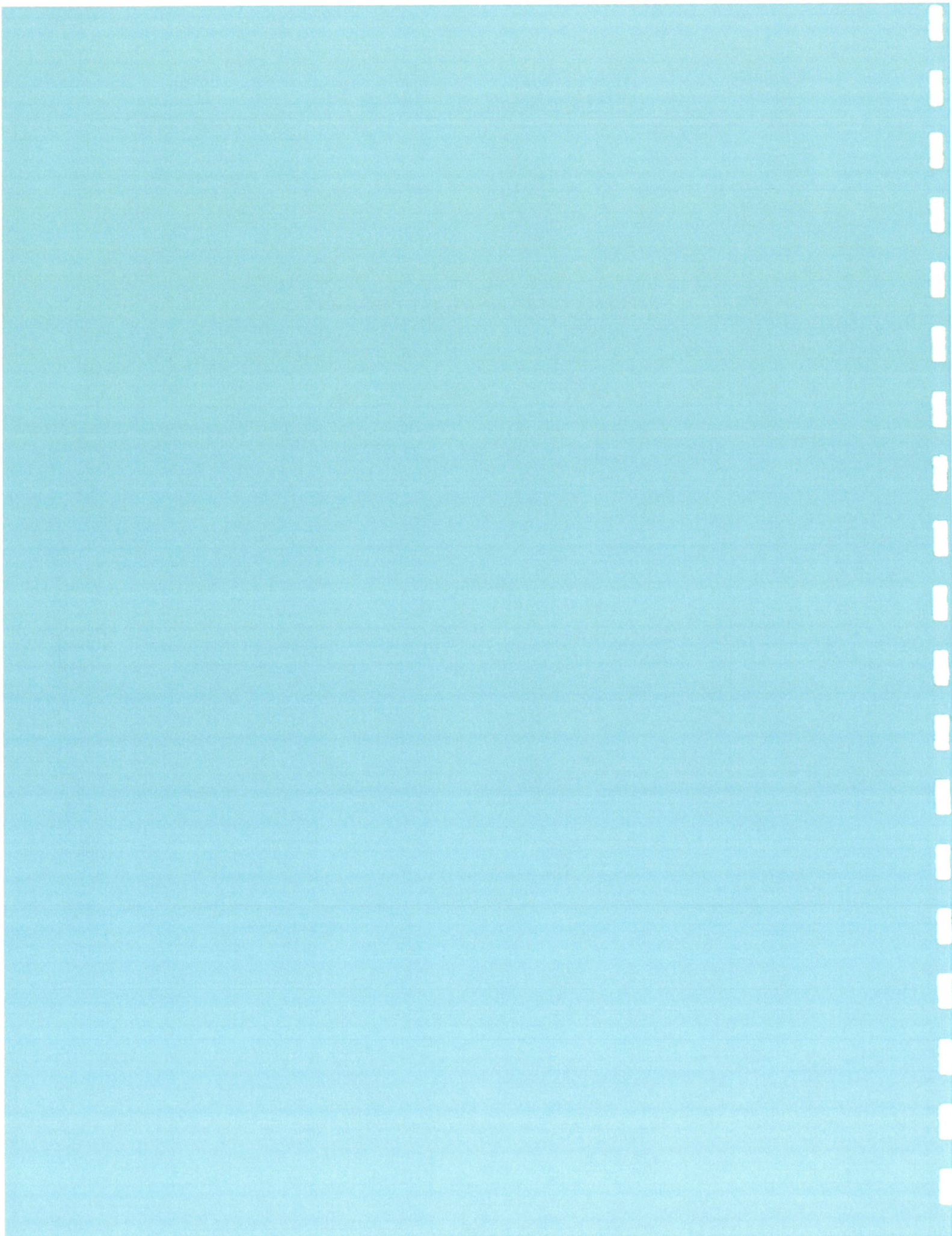
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes	There were no benefit changes during the year.
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* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION



LaGrange School District 105 South

General Fund

COMBINING BALANCE SHEET

June 30, 2017

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 8,700,576	\$ 348,062	\$ 1,880,564	\$ 10,929,202
Receivables (net of allowance for uncollectibles):				
Property taxes	8,328,051	99,053	1	8,427,105
Intergovernmental	654,307	-	-	654,307
Prepaid items	<u>55,710</u>	<u>-</u>	<u>-</u>	<u>55,710</u>
Total assets	<u>\$ 17,738,644</u>	<u>\$ 447,115</u>	<u>\$ 1,880,565</u>	<u>\$ 20,066,324</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 162,184	\$ 2,024	\$ -	\$ 164,208
Salaries and wages payable	18,768	-	-	18,768
Payroll deductions payable	<u>22,207</u>	<u>-</u>	<u>-</u>	<u>22,207</u>
Total liabilities	<u>203,159</u>	<u>2,024</u>	<u>-</u>	<u>205,183</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>7,738,585</u>	<u>92,038</u>	<u>1</u>	<u>7,830,624</u>
Total deferred inflows	<u>7,738,585</u>	<u>92,038</u>	<u>1</u>	<u>7,830,624</u>
FUND BALANCES				
Nonspendable	55,710	-	-	55,710
Restricted	-	353,053	-	353,053
Assigned	1,960,000	-	500,000	2,460,000
Unassigned	<u>7,781,190</u>	<u>-</u>	<u>1,380,564</u>	<u>9,161,754</u>
Total fund balance	<u>9,796,900</u>	<u>353,053</u>	<u>1,880,564</u>	<u>12,030,517</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 17,738,644</u>	<u>\$ 447,115</u>	<u>\$ 1,880,565</u>	<u>\$ 20,066,324</u>

LaGrange School District 105 South

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2017

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 16,209,206	\$ 197,362	\$ 79,879	\$ 16,486,447
Replacement taxes	1,051,841	-	-	1,051,841
State aid	11,558,399	-	-	11,558,399
Federal aid	766,077	-	-	766,077
Interest	142,349	3,394	23,018	168,761
Other	162,358	-	-	162,358
Total revenues	29,890,230	200,756	102,897	30,193,883
Expenditures				
Current:				
Instruction:				
Regular programs	7,391,409	-	-	7,391,409
Special programs	2,630,400	-	-	2,630,400
Other instructional programs	1,767,480	-	-	1,767,480
State retirement contributions	9,712,810	-	-	9,712,810
Support services:				
Pupils	1,108,611	-	-	1,108,611
Instructional staff	1,520,542	-	-	1,520,542
General administration	584,825	222,287	-	807,112
School administration	1,126,634	-	-	1,126,634
Business	844,655	-	-	844,655
Transportation	14,288	-	-	14,288
Operations and maintenance	38,109	-	-	38,109
Central	161,554	-	-	161,554
Community services	53,279	-	-	53,279
Nonprogrammed charges	928,012	-	-	928,012
Capital outlay	207,388	-	-	207,388
Total expenditures	28,089,996	222,287	-	28,312,283

(Continued)

LaGrange School District 105 South

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2017

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Excess (deficiency) of revenues over expenditures	\$ 1,800,234	\$ (21,531)	\$ 102,897	\$ 1,881,600
Other financing uses				
Transfers out	(1,450,000)	-	-	(1,450,000)
Total other financing uses	(1,450,000)	-	-	(1,450,000)
Net change in fund balance	350,234	(21,531)	102,897	431,600
Fund balance, beginning of year	9,446,666	374,584	1,777,667	11,598,917
Fund balance, end of year	\$ 9,796,900	\$ 353,053	\$ 1,880,564	\$ 12,030,517

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017				
	Original	Final	-	Variance	2016
	Budget	Budget	Actual	From	Actual
				Final Budget	
Revenues					
Local sources					
Interest on investments	\$ 11,500	\$ 11,500	\$ 14,249	\$ 2,749	\$ 10,724
Total local sources	11,500	11,500	14,249	2,749	10,724
Federal sources					
Build America Bonds Interest Reimbursement	460,000	460,000	673,221	-	471,280
Total federal sources	460,000	460,000	673,221	-	471,280
Total revenues	471,500	471,500	687,470	2,749	482,004
Expenditures					
Debt service					
Bonds and leases - interest	1,415,518	1,416,518	1,416,292	226	1,450,503
Principal payments on long-term debt	1,290,000	1,290,000	1,297,260	(7,260)	877,036
Purchased services	7,000	7,000	3,400	3,600	3,400
Total debt service	2,712,518	2,713,518	2,716,952	(3,434)	2,330,939
Total expenditures	2,712,518	2,713,518	2,716,952	(3,434)	2,330,939
Deficiency of revenues over expenditures	(2,241,018)	(2,242,018)	(2,029,482)	(685)	(1,848,935)

(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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance	2016
	Original	Final	-	From	2016
	Budget	Budget	Actual	Final Budget	Actual
Other financing sources					
Transfer to pay for principal on capital leases	\$ -	\$ -	\$ 7,260	\$ 7,260	\$ 42,036
Transfer to pay for interest on capital leases	-	-	56	56	1,860
Transfer to pay for principal on revenue bonds	1,450,000	1,450,000	1,450,000	-	1,290,000
Transfer to pay for interest on revenue bonds	<u>922,726</u>	<u>922,726</u>	<u>660,773</u>	<u>(261,953)</u>	<u>955,100</u>
Total other financing sources	<u>2,372,726</u>	<u>2,372,726</u>	<u>2,118,089</u>	<u>(254,637)</u>	<u>2,288,996</u>
Net change in fund balance	<u>\$ 131,708</u>	<u>\$ 130,708</u>	88,607	<u>\$ (42,101)</u>	440,061
Fund balance, beginning of year			<u>2,636,929</u>		<u>2,196,868</u>
Fund balance, end of year			<u>\$ 2,725,536</u>		<u>\$ 2,636,929</u>

(Concluded)

LaGrange School District 105 South
Fire Prevention and Safety Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

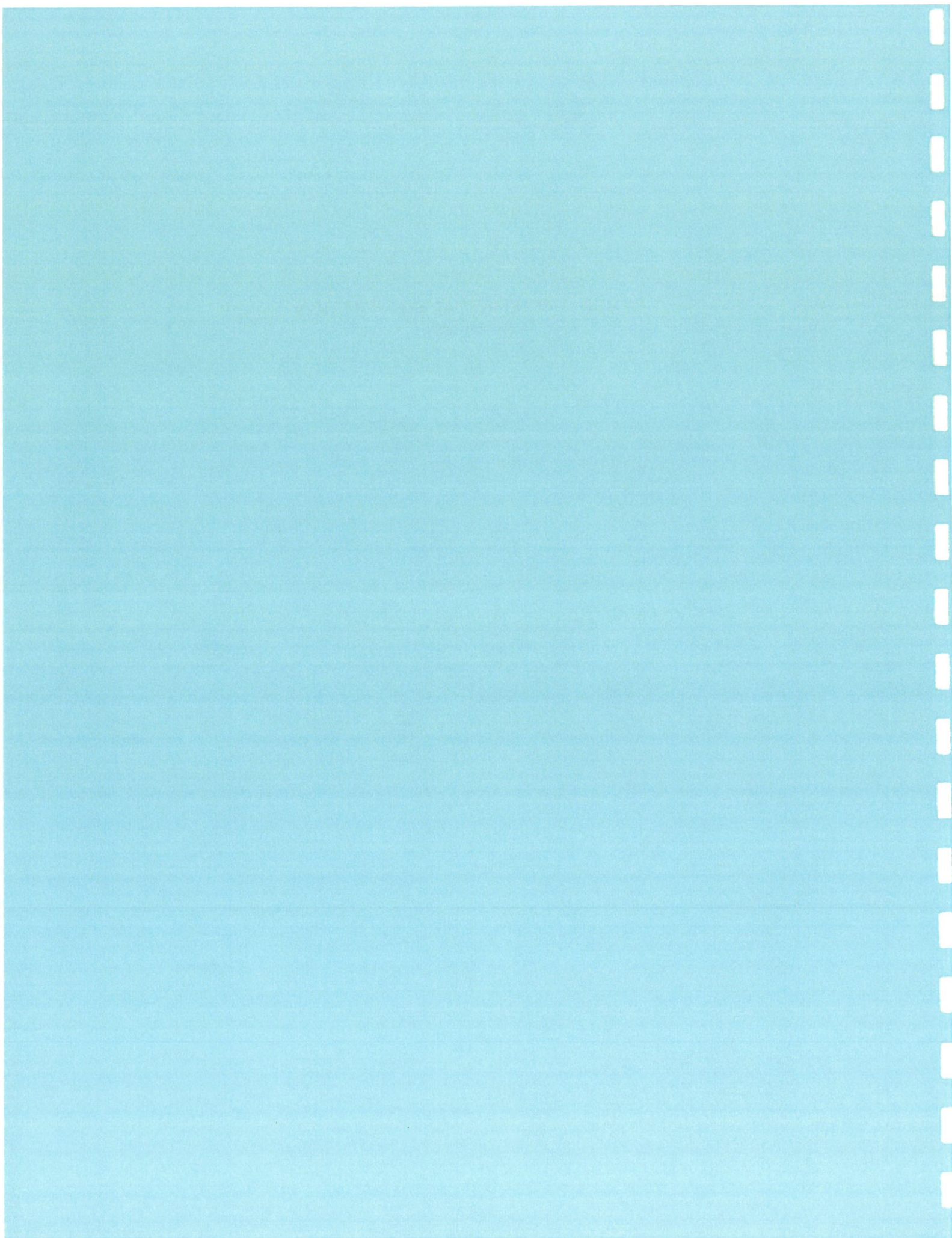
	2017			Variance	2016
	Original Budget	Final Budget	Actual	From Final Budget	Actual
Revenues					
Local sources					
General levy	\$ 9,243	\$ 9,243	\$ 9,129	\$ (114)	\$ 8,761
Interest on investments	<u>300</u>	<u>300</u>	<u>69</u>	<u>(231)</u>	<u>160</u>
Total local sources	<u>9,543</u>	<u>9,543</u>	<u>9,198</u>	<u>(345)</u>	<u>8,921</u>
Total revenues	<u>9,543</u>	<u>9,543</u>	<u>9,198</u>	<u>(345)</u>	<u>8,921</u>
Expenditures					
Support services					
Facilities acquisition and construction services					
Purchased services	<u>10,000</u>	<u>10,000</u>	<u>5,129</u>	<u>4,871</u>	<u>29,970</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>5,129</u>	<u>4,871</u>	<u>29,970</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (457)</u>	<u>\$ (457)</u>	<u>4,069</u>	<u>\$ 4,526</u>	<u>(21,049)</u>
Fund balance (deficit), beginning of year			<u>(503)</u>		<u>20,546</u>
Fund balance (deficit), end of year			<u>\$ 3,566</u>		<u>\$ (503)</u>

LaGrange School District 105 South
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Assets				
Cash	\$ 17,323	\$ 50,284	\$ 49,114	\$ 18,493
Liabilities				
Due to:				
Student Council	\$ 4,367	3,092	\$ 2,414	\$ 5,045
Library Fines	2,642	528	161	3,009
Class Gift	483	-	-	483
Special Field Trip	(1,508)	13,824	14,207	(1,891)
Cap and Gown	-	3,710	3,900	(190)
Yearbook	215	3,000	3,136	79
Pepsi Fund	411	633	467	577
Student Benevolent Fund	-	48	-	48
Transfer Account	1,385	6,460	5,713	2,132
Social Fund	360	1,236	1,609	(13)
PTO Gifts	1,193	1,323	112	2,404
PE Uniforms	(776)	5,110	4,811	(477)
Nurse	517	-	-	517
PBIS	388	1,412	947	853
EMM Club	82	4,871	4,756	197
Wrestling Team	3,019	562	2,775	806
Green Team	1,451	-	139	1,312
Athletic Department	15	2,706	2,161	560
EPI	3,011	1,645	1,588	3,068
Tree Fund	212	-	-	212
BPC (JPed)	150	124	194	80
Bank Imaging Fees	(294)	-	24	(318)
Total liabilities	\$ 17,323	\$ 50,284	\$ 49,114	\$ 18,493

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OTHER SUPPLEMENTAL INFORMATION
(Unaudited)



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

	2016	2015	2014	2013	2012
Assessed valuation	\$ <u>556,914,501</u>	\$ <u>533,430,040</u>	\$ <u>553,137,903</u>	\$ <u>556,579,036</u>	\$ <u>595,523,215</u>
Rates Extended					
Educational	2.8912	2.7720	2.5917	2.5511	2.3145
Tort Immunity	0.0366	0.0370	0.0357	0.0372	0.0379
Special Education	0.1829	0.1805	0.1741	0.1528	0.1321
Operations and Maintenance	0.5296	0.5500	0.5500	0.5500	0.5500
Transportation	0.0000	0.1805	0.1741	0.1502	0.1298
Municipal Retirement	0.0565	0.0628	0.0605	0.0573	0.0480
Social Security	0.0507	0.0492	0.0474	0.0449	0.0379
Working Cash	0.0000	0.0337	0.0325	0.0346	0.0299
Fire Prevention and Safety	<u>0.0017</u>	<u>0.0017</u>	<u>0.0016</u>	<u>0.0023</u>	<u>0.0023</u>
Total rates extended	<u>3.7492</u>	<u>3.8674</u>	<u>3.6676</u>	<u>3.5804</u>	<u>3.2824</u>
Levies Extended					
Educational	\$ 16,101,538	\$ 14,786,592	\$ 14,335,830	\$ 14,199,057	\$ 13,783,144
Tort Immunity	203,730	197,418	197,418	206,773	225,806
Special Education	1,018,648	963,013	963,013	850,720	786,669
Operations and Maintenance	2,949,250	2,933,865	3,042,258	3,061,185	3,275,378
Transportation	1	963,013	963,013	835,908	772,987
Municipal Retirement	314,825	334,834	334,834	318,872	285,578
Social Security	282,409	262,374	262,374	250,096	225,806
Working Cash	1	179,963	179,963	192,555	177,855
Fire Prevention and Safety	<u>9,620</u>	<u>9,028</u>	<u>9,028</u>	<u>12,880</u>	<u>13,681</u>
Total levies extended	<u>\$ 20,880,022</u>	<u>\$ 20,630,100</u>	<u>\$ 20,287,731</u>	<u>\$ 19,928,046</u>	<u>\$ 19,546,904</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>1,308.50</u>	<u>1,369.30</u>
Operating costs:		
Educational	\$ 18,377,186	\$ 18,688,175
Operations and Maintenance	2,011,247	2,284,231
Debt Service	2,716,952	2,330,939
Transportation	825,145	953,560
Municipal Retirement/Social Security	610,634	639,418
Tort Immunity	<u>222,287</u>	<u>222,766</u>
Subtotal	<u>24,763,451</u>	<u>25,119,089</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	389,002	660,290
Pre-K programs	325,044	203,172
Summer school	120,503	146,383
Capital outlay	428,542	926,625
Debt principal retired	1,297,260	877,036
Non-capitalized equipment	20,880	-
Community services	57,644	59,698
Payments to other districts and gov't units	<u>928,012</u>	<u>1,084,534</u>
Subtotal	<u>3,566,887</u>	<u>3,957,738</u>
Operating costs	<u>\$ 21,196,564</u>	<u>\$ 21,161,351</u>
Operating costs per pupil - based on ADA	<u>\$ 16,199</u>	<u>\$ 15,454</u>
Tuition Charge		
Operating costs	\$ 21,196,564	\$ 21,161,351
Less - revenues from specific programs, such as special education or lunch programs	<u>2,669,506</u>	<u>2,411,882</u>
Net operating costs	18,527,058	18,749,469
Depreciation allowance	<u>961,194</u>	<u>1,103,506</u>
Allowance tuition costs	<u>\$ 19,488,252</u>	<u>\$ 19,852,975</u>
Tuition charge per pupil - based on ADA	<u>\$ 14,894</u>	<u>\$ 14,499</u>

LaGrange School District 105 South
SCHEDULE OF GENERAL OBLIGATION ALTERNATE REVENUE BONDS
June 30, 2017

	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 4.184% to 5.862%				
due on January 15 and July 15;				
Principal due January 15)				
2018	\$ 1,290,000	\$ 1,177,578	\$ 2,467,578	
2019	1,355,000	1,118,856	2,473,856	
2020	1,420,000	1,055,822	2,475,822	
2021	1,495,000	988,344	2,483,344	
2022	1,610,000	915,806	2,525,806	
2023	1,660,000	836,080	2,496,080	
2024	1,715,000	751,386	2,466,386	
2025	1,775,000	661,314	2,436,314	
2026	1,835,000	566,316	2,401,316	
2027	1,900,000	464,620	2,364,620	
2028	1,970,000	356,092	2,326,092	
2029	2,040,000	243,566	2,283,566	
2030	<u>2,115,000</u>	<u>123,982</u>	<u>2,238,982</u>	
Total	\$ <u>22,180,000</u>	\$ <u>9,259,762</u>	\$ <u>31,439,762</u>	

(Continued)

LaGrange School District 105 South
SCHEDULE OF GENERAL OBLIGATION ALTERNATE REVENUE BONDS
June 30, 2017

Maturity as follows				
for the Year				
	<u>Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2010C General				
Obligation Alternate Revenue				
Bonds dated December 29, 2010				
(Interest at 3.854% to 6.775%				
due on January 15 and July 15;				
Principal due January 15)				
2018	\$	160,000	\$	185,148
2019		170,000		175,690
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	\$	<u>2,875,000</u>	\$	<u>1,455,416</u>
	\$	<u>25,055,000</u>	\$	<u>10,715,178</u>
			\$	<u>35,770,178</u>

(Concluded)

LaGrange School District 105 South
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2017

Assessed valuation (2016)	<u>\$ 556,914,501</u>
Debt limit:	
6.9% of assessed valuation	\$ 38,427,101
Debt outstanding	<u>25,055,000</u>
Legal debt margin	<u>\$ 13,372,101</u>

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