

LaGrange School District 105 South
LaGrange, Illinois

Annual Financial Report

Year Ended June 30, 2018

LaGrange School District 105 South

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

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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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2018, 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 financial statements, deferred outflows, long-term liabilities, and net position as of July 1, 2017 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. 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 70 through 73, the Teachers' Health Insurance Security and Retiree Health Plan other postemployment benefit data on pages 74 through 76, and budgetary comparison schedules and notes to the required supplementary information on pages 77 through 97, 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, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents, the supplementary financial information and other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

(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, 2018 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018 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, 2018 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated December 14, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund and the Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2017 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 2017 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 2017 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, 2017.

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 January 8, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
January 8, 2019

LaGrange School District 105 South Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2018

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, 2018. 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 \$35,731,617, \$1,075,008 less than the overall governmental funds expenditures of \$36,806,625.
- Property tax revenue, as a percentage of total revenue (excluding on-behalf payments) was 80.6%. Property taxes remain a primary and stable source of funding.
- The District had \$36,861,501 in expenses related to governmental activities, of which \$12,434,765 were offset by program specific charges or grants.
- Net position, which was restated as of July 1, 2017, of the District decreased by \$1,129,884 or 9.9%.

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 2018, the District continued to complete facility upgrades to enhance the learning and community environment. The upgrades included: power upgrades throughout the School District and other improvements throughout the District. Also, the District continued alignment of curriculum with Common Core Standards, and the District continued the Summer Connect Program.

Overview of the Financial Statements

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

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

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

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

**LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

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, 2018

Overview of the Financial Statements (Continued)

Fund financial statements (Continued)

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

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

Notes to the financial statements

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

Other information

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

The beginning net position was significantly impacted by the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of this new financial reporting standard entailed the recognition of postemployment benefit liabilities totaling \$15,207,465 and deferred outflows of resources of \$107,866, as of June 30, 2017. These items pertain to the District's liability for providing postemployment health care (OPEB) benefits for retired employees, including the District's proportional share of the Teachers Health Insurance Security Fund (THIS). For more detailed information, see Note N in the footnotes to the financial statements.

Government-Wide Financial Analysis

Net position decreased \$1,129,884 or 9.9% in 2018. 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 (excluding on-behalf payments), contributing 80.6%. Property tax revenue remained stable, primarily from an increase in the CPI and the District's equalized assessed valuation. The remainder of the District's revenue came from state and federal aid, fees charged for services, and miscellaneous sources. As noted 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, 2018

Government-Wide Financial Analysis (Continued)

Table 1 Condensed Statement of Net Position <i>(in millions of dollars)</i>		
	<u>2018</u>	<u>2017*</u>
Current and other assets	\$ 27.2	\$ 27.9
Capital assets	<u>37.5</u>	<u>37.7</u>
Total assets	<u>64.7</u>	<u>65.6</u>
Deferred outflow of resources	<u>2.9</u>	<u>2.8</u>
Long-term liabilities	42.5	31.3
Other liabilities	<u>1.1</u>	<u>1.0</u>
Total liabilities	<u>43.6</u>	<u>32.3</u>
Deferred inflow of resources	<u>13.7</u>	<u>9.6</u>
Net position:		
Net investment in capital assets	13.9	12.7
Restricted	6.0	5.7
Unrestricted	<u>(9.6)</u>	<u>8.1</u>
Total net position	<u>\$ 10.3</u>	<u>\$ 26.5</u>

*Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 75.

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018

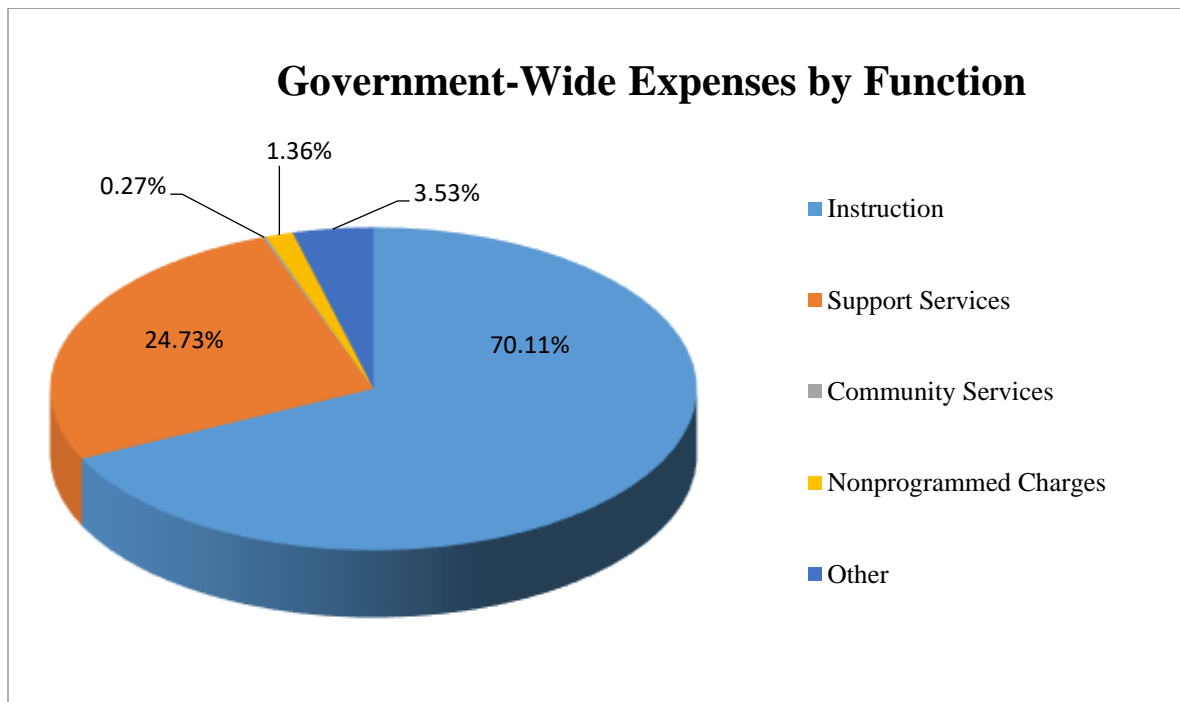
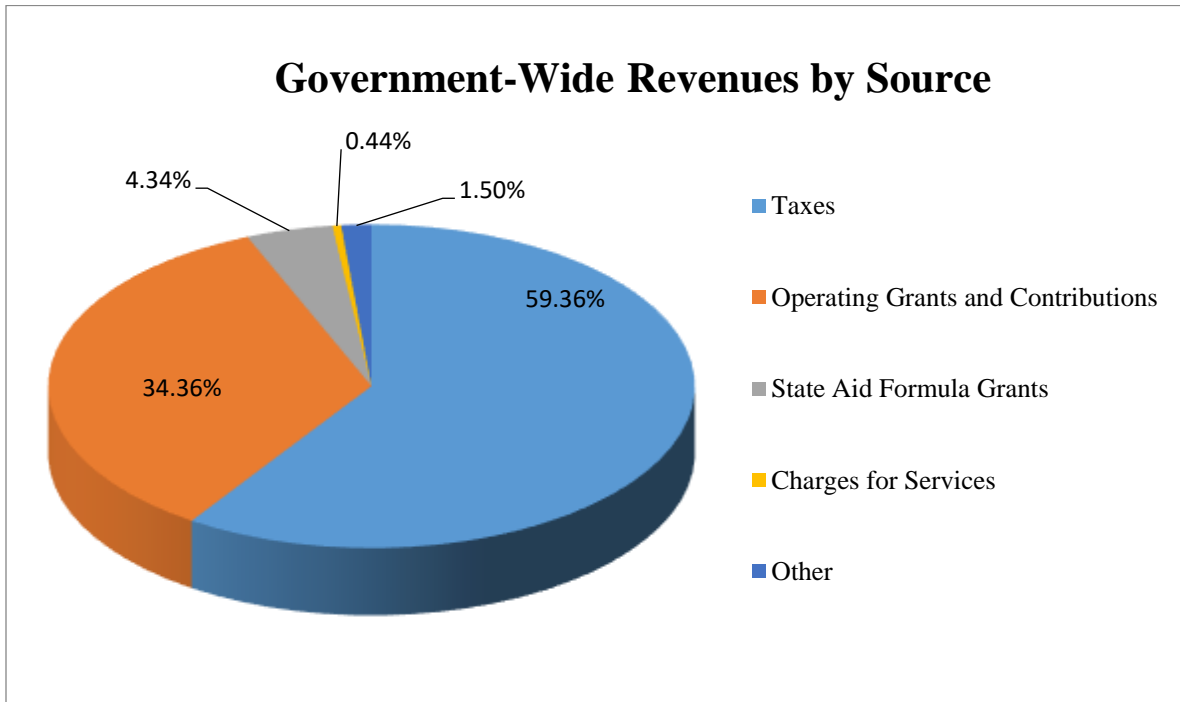
Government-Wide Financial Analysis (Continued)

Table 2 Changes in Net Position <i>(in millions of dollars)</i>		
	<u>2018</u>	<u>2017*</u>
Revenues:		
Program revenues:		
Charges for services	\$ 0.2	\$ 0.2
Operating grants and contributions	12.3	12.4
General revenues:		
Taxes	21.2	21.9
State aid – formula grants	1.5	0.9
Other	<u>0.5</u>	<u>0.3</u>
Total revenues	<u>35.7</u>	<u>35.7</u>
Expenses:		
Instruction	25.8	23.5
Support services	9.1	9.1
Community services	0.1	0.1
Nonprogrammed charges	0.5	0.5
Other	<u>1.3</u>	<u>1.4</u>
Total expenses	<u>36.8</u>	<u>34.6</u>
Increase (decrease) in net position	<u>\$ (1.1)</u>	<u>\$ 1.1</u>

*Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 75.

**LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Government-Wide Financial Analysis (Continued)



LaGrange School District 105 South

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2018

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 \$35,731,617, compared to \$35,657,604 in the prior year, an increase of \$74,013. Total expenditures in the governmental funds were \$36,806,625, compared to \$34,481,390 in the prior year, an increase of \$2,325,235. Expenditures exceed revenues by \$1,075,008 for the current fiscal year. As a result, the fund balances in the governmental funds decreased from \$18,029,502 in the prior year to \$16,954,494, as of June 30, 2018.

General Fund Budgetary Highlights

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

The District's final budget anticipated that revenues exceed expenditures by \$874,880 in the General Fund, before other financing uses. The actual results for the year show expenditures over revenues by \$402,473. Revenues received were \$2,546,955 less than anticipated and expenditures were \$1,269,602 less than anticipated.

Capital Asset and Debt Administration

Capital assets

By the end of 2018, the District had compiled a total investment of \$52,090,671 (\$37,458,529, 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 \$983,606. Additional details regarding capital assets can be found in Note E of the notes to the financial statements.

Table 3 Capital Assets (net of depreciation) <i>(in millions of dollars)</i>		
	<u>2018</u>	<u>2017</u>
Land	\$ 0.8	\$ 0.8
Construction in progress	0.0	0.1
Depreciable buildings, property, and equipment	<u>36.7</u>	<u>36.8</u>
Total	<u>\$ 37.5</u>	<u>\$ 37.7</u>

**LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Capital Asset and Debt Administration (Continued)

Long-term liabilities

At year-end, the District had \$42,491,464 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, 2018.

Table 4 Outstanding Long-Term Liabilities <i>(in millions of dollars)</i>		
	<u>2018</u>	<u>2017*</u>
Alternate revenue bonds	\$ 23.6	\$ 25.0
Other long term liabilities	<u>18.9</u>	<u>21.5</u>
Total	<u><u>\$ 42.5</u></u>	<u><u>\$ 46.5</u></u>

* Amounts reported are restated to reflect prior period adjustments due to the implementation of GASB Statement No. 75.

Factors Bearing on the District's Future

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

LaGrange School District 105 South
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2018

ASSETS

Cash and investments	\$ 16,516,313
Receivables (net of allowance for uncollectibles):	
Property taxes	10,214,187
Replacement taxes	183,754
Intergovernmental	328,980
Prepaid items	34,369
Other current assets	4,144
Capital assets:	
Land	801,000
Depreciable buildings, property, and equipment, net	<u>36,657,529</u>
Total assets	<u>64,740,276</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	2,036,781
Deferred outflows related to other postemployment benefits	<u>862,656</u>
Total deferred outflows	<u>2,899,437</u>

LIABILITIES

Accounts payable	282,411
Salaries and wages payable	21,664
Payroll deductions payable	49,276
Other current liabilities	196,849
Interest payable	593,334
Unearned revenue	12,900
Long-term liabilities:	
Due within one year	1,534,577
Due after one year	<u>40,956,887</u>
Total liabilities	<u>43,647,898</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	2,187,970
Deferred inflows related to other postemployment benefits	1,733,125
Property taxes levied for a future period	<u>9,764,153</u>
Total deferred inflows	<u>13,685,248</u>

NET POSITION

Net investment in capital assets	13,853,529
Restricted For:	
Operations and maintenance	1,828,465
Debt service	1,995,974
Student transportation	1,183,697
Retirement benefits	526,744
Capital projects	116,918
Tort immunity	385,257
Unrestricted	<u>(9,584,017)</u>
Total net position	<u>\$ 10,306,567</u>

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 9,003,846	\$ 54,911	\$ 415,700	\$ (8,533,235)
Special programs	4,093,324	-	314,933	(3,778,391)
Other instructional programs	1,962,937	-	278,314	(1,684,623)
State retirement contributions	10,743,576	-	10,743,576	-
Support services:				
Pupils	1,281,459	-	10,000	(1,271,459)
Instructional staff	1,611,585	-	48,204	(1,563,381)
General administration	777,112	-	-	(777,112)
School administration	1,338,634	-	-	(1,338,634)
Business	1,079,727	90,403	238,741	(750,583)
Transportation	966,497	-	226,643	(739,854)
Operations and maintenance	1,876,496	13,340	-	(1,863,156)
Central	168,634	-	-	(168,634)
Community services	64,852	-	-	(64,852)
Nonprogrammed charges - excluding special education	557,945	-	-	(557,945)
Interest	1,334,877	-	-	(1,334,877)
Total governmental activities	<u>\$ 36,861,501</u>	<u>\$ 158,654</u>	<u>\$ 12,276,111</u>	<u>\$ (24,426,736)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				\$ 16,066,448
Real estate taxes, levied for specific purposes				4,064,535
Personal property replacement taxes				1,078,454
State aid-formula grants				1,551,607
Investment earnings				275,159
Miscellaneous				260,649
Total general revenues				<u>23,296,852</u>
Change in net position				(1,129,884)
Net position, beginning of year, as restated (see Note N)				<u>11,436,451</u>
Net position, end of year				\$ 10,306,567

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South

Governmental Funds

BALANCE SHEET

June 30, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 10,520,158	\$ 1,650,056	\$ 1,123,809	\$ 518,738
Investments				
Receivables (net of allowance for uncollectibles):				
Property taxes	8,041,047	1,468,741	307,999	298,617
Replacement taxes	-	183,754	-	-
Intergovernmental	272,252	-	56,728	-
Prepaid items	32,706	1,663	-	-
Other current assets	-	-	4,144	-
Total assets	<u>\$ 18,866,163</u>	<u>\$ 3,304,214</u>	<u>\$ 1,492,680</u>	<u>\$ 817,355</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 245,101	\$ 29,045	\$ 6,765	\$ -
Salaries and wages payable	14,362	7,302	-	-
Payroll deductions payable	46,882	2,394	-	-
Other current liabilities	150,791	32,984	7,784	5,152
Unearned revenue	12,900	-	-	-
Total liabilities	<u>470,036</u>	<u>71,725</u>	<u>14,549</u>	<u>5,152</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>7,686,765</u>	<u>1,404,024</u>	<u>294,434</u>	<u>285,459</u>
Total deferred inflows	<u>7,686,765</u>	<u>1,404,024</u>	<u>294,434</u>	<u>285,459</u>
FUND BALANCES				
Nonspendable	32,706	1,663	-	-
Restricted	385,257	1,826,802	683,697	526,744
Assigned	2,460,000	-	500,000	-
Unassigned	<u>7,831,399</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>10,709,362</u>	<u>1,828,465</u>	<u>1,183,697</u>	<u>526,744</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 18,866,163</u>	<u>\$ 3,304,214</u>	<u>\$ 1,492,680</u>	<u>\$ 817,355</u>

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
-----------------	-------------------------------	-------

\$ 2,590,808	\$ 112,744	\$ 16,516,313
--------------	------------	---------------

-	97,783	10,214,187
-	-	183,754
-	-	328,980
-	-	34,369
-	-	4,144
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,590,808</u>	<u>\$ 210,527</u>	<u>\$ 27,281,747</u>

\$ 1,500	\$ -	\$ 282,411
-	-	21,664
-	-	49,276
-	138	196,849
-	-	12,900
<u>-</u>	<u>-</u>	<u>-</u>
<u>1,500</u>	<u>138</u>	<u>563,100</u>

<u>-</u>	<u>93,471</u>	<u>9,764,153</u>
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<u>-</u>	<u>93,471</u>	<u>9,764,153</u>
----------	---------------	------------------

-	-	34,369
2,589,308	116,918	6,128,726
-	-	2,960,000
-	-	7,831,399
<u>-</u>	<u>-</u>	<u>-</u>
<u>2,589,308</u>	<u>116,918</u>	<u>16,954,494</u>

<u>\$ 2,590,808</u>	<u>\$ 210,527</u>	<u>\$ 27,281,747</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, 2018

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

Total fund balances - total governmental funds	\$ 16,954,494
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Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	37,458,529
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	\$ 1,778,303	
Deferred outflows of 2018 employer contributions related to pensions	258,478	
Deferred outflows of resources related to OPEB	750,142	
Deferred outflows of 2018 employer contributions related to OPEB	<u>112,514</u>	2,899,437
Deferred inflows of resources related to pensions	\$ (2,187,970)	
Deferred inflows of resources related to OPEB	<u>(1,733,125)</u>	(3,921,095)

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.	(593,334)
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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>(42,491,464)</u>
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Net position - governmental activities	<u><u>\$ 10,306,567</u></u>
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The accompanying notes are an integral part of this statement.

LaGrange School District 105 South

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 16,265,067	\$ 2,856,829	\$ 311,213	\$ 583,218
Replacement taxes	100,000	939,454	-	39,000
State aid	12,632,170	-	226,643	-
Federal aid	746,168	-	-	-
Interest	193,395	35,821	22,608	9,066
Other	<u>198,960</u>	<u>220,343</u>	<u>-</u>	<u>-</u>
Total revenues	<u>30,135,760</u>	<u>4,052,447</u>	<u>560,464</u>	<u>631,284</u>
Expenditures				
Current:				
Instruction:				
Regular programs	7,413,012	-	-	107,327
Special programs	3,112,192	-	-	182,495
Other instructional programs	1,788,346	-	-	29,001
State retirement contributions	10,743,576	-	-	-
Support services:				
Pupils	1,166,481	-	-	31,949
Instructional staff	1,580,724	-	-	76,490
General administration	736,662	-	-	12,836
School administration	1,171,356	-	-	52,764
Business	920,843	61,854	-	64,414
Transportation	12,994	-	951,057	2,446
Operations and maintenance	8,840	1,694,387	-	126,164
Central	168,842	-	-	1,811
Community services	61,128	-	-	4,289
Nonprogrammed charges	1,083,235	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>570,002</u>	<u>50,888</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>30,538,233</u>	<u>1,807,129</u>	<u>951,057</u>	<u>691,986</u>
Excess (deficiency) of revenues over expenditures	(402,473)	2,245,318	(390,593)	(60,702)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>(918,682)</u>	<u>(1,525,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(918,682)</u>	<u>(1,525,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,321,155)	720,318	(390,593)	(60,702)
Fund balance, beginning of year	<u>12,030,517</u>	<u>1,108,147</u>	<u>1,574,290</u>	<u>587,446</u>
Fund balance, end of year	<u>\$ 10,709,362</u>	<u>\$ 1,828,465</u>	<u>\$ 1,183,697</u>	<u>\$ 526,744</u>

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total
\$ -	\$ 114,656	\$ 20,130,983
-	-	1,078,454
-	-	12,858,813
222,737	-	968,905
13,479	790	275,159
-	-	419,303
<u>236,216</u>	<u>115,446</u>	<u>35,731,617</u>
-	-	7,520,339
-	-	3,294,687
-	-	1,817,347
-	-	10,743,576
-	-	1,198,430
-	-	1,657,214
-	-	749,498
-	-	1,224,120
-	2,094	1,049,205
-	-	966,497
-	-	1,829,391
-	-	170,653
-	-	65,417
-	-	1,083,235
1,450,000	-	1,450,000
1,366,126	-	1,366,126
-	-	620,890
<u>2,816,126</u>	<u>2,094</u>	<u>36,806,625</u>
(2,579,910)	113,352	(1,075,008)
2,443,682	-	2,443,682
-	-	(2,443,682)
<u>2,443,682</u>	<u>-</u>	<u>-</u>
(136,228)	113,352	(1,075,008)
<u>2,725,536</u>	<u>3,566</u>	<u>18,029,502</u>
<u>\$ 2,589,308</u>	<u>\$ 116,918</u>	<u>\$ 16,954,494</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, 2018

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

Net change in fund balances - total governmental funds \$ (1,075,008)

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. (292,512)

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

Deferred outflows and inflows of resources related to IMRF pension	(1,026,197)
Deferred outflows and inflows of resources related to TRS pension	(1,823,847)
Deferred outflows and inflows of resources related to RHP OPEB	18,998
Deferred outflows and inflows of resources related to THIS OPEB	(997,333)

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. 31,249

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. 4,034,766

Change in net position of governmental activities \$ (1,129,884)

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, 2018

	Fiduciary Fund
<hr/>	
ASSETS	
Cash	\$ 20,434
	<hr/>
LIABILITIES	
Due to student groups and employees	\$ 20,434
	<hr/>

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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. New Accounting Pronouncement

The GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented by the District during the fiscal year ended June 30, 2018. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses on the government-wide financial statements.

Specific changes to the District's financial statements relate to the recognition of an other postemployment benefit (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. See Note F and Note N for the effects of this restatement.

3. 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

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.

4. 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds (Continued)

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

c. Debt Service Fund

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

d. Capital Projects Fund

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

e. Fiduciary Fund

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

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. 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.

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. 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 period(s). At June 30, 2018, the District reported deferred outflows of resources related to pensions and other postemployment retirement benefits (OPEB) liabilities. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to future reporting period(s). At June 30, 2018, the District reported deferred inflows of resources related to pension and OPEB liabilities, and property taxes levied for a future period.

7. Budgetary Data

Budgets are adopted on a basis consistent with GAAP, except that the District does not budget for "on-behalf" contributions from the state for the employer's share of the Teachers' Retirement System Pension. 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.

8. 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.

9. 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.

10. 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. 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 - 40

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.

12. 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Compensated Absences (Continued)

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.

13. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension and OPEB plans and additions to/deductions from the pension and OPEB plans' fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan, with the exception of on behalf payments to the Teachers' Retirement System by the State. The on-behalf payments to the Teachers' Retirement System by the State were calculated based upon the contractually required contributions to the pension plan as opposed to the actual contributions made. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

14. 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, whether or not withheld from actual proceeds received, and losses on refunding are reported as debt service expenditures.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. 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.

16. 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.

17. 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, as well as debt service and capital projects funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At June 30, 2018, the District had no committed fund balances.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. 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, 2018. During fiscal year 2016, the Board approved the assignment of \$4,500,000 from the fund balance of the General Fund (\$4,000,000 in the Educational Account and \$500,000 in the Working Cash Account), and \$500,000 from the fund balance of the Transportation Fund, for the future retirement of the District's Series 2010B and 2010C General Obligation Alternate Revenue Bonds. The assigned fund balance in the General Fund was reduced to \$2,460,000 at June 30, 2018 by transfers from the General Fund (Educational Account) to the Debt Service Fund for \$590,000 in fiscal year 2016 and \$1,450,000 in fiscal year 2017.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Governmental fund balances reported on the fund financial statements at June 30, 2018 are as follows:

The nonspendable fund balance in the General Fund and Operations and Maintenance Fund consist of \$32,706 and \$1,663, respectively, for prepaid items. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

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

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

Alternate revenue bonds	\$ (23,605,000)
IMRF net pension liability	(503,380)
TRS net pension liability	(3,129,773)
RHP total other postemployment benefit liability	(757,634)
THIS net other postemployment benefit liability	(14,486,100)
Compensated absences	<u>(9,577)</u>
	<u><u>\$ (42,491,464)</u></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	\$ 691,094
Depreciation expense	<u>(983,606)</u>
Net adjustment to reduce net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u><u>\$ (292,512)</u></u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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)

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

Principal repayments - alternate revenue bonds	\$ 1,450,000
IMRF pension liability, net	1,048,860
TRS pension liability, net	1,575,508
RHP other postemployment benefit liability, net	42,951
THIS other postemployment benefit liability, net	(79,220)
Compensated absences	<u>(3,333)</u>
	<u>\$ 4,034,766</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 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 discussed below.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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 6.12 years, at June 30, 2018. 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 \$185,015,914, and the fair value of the District's proportionate share of the pool was 8.388%. Further information about cash and investments held at the Treasurer's office, and Treasurer's office operations, is available from the Treasurer's financial statements.

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

2. Cash and Investments in the Custody of the District

Deposits of the student activity accounts, convenience accounts, and imprest funds consist of deposits with financial institutions. At June 30, 2018, the carrying value of the cash and investments held in custody of the District was \$26,436, 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, 2018, the District had no uninsured cash balances.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on November 27, 2017. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date), in any year, is liable for taxes of that year.

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

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

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

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.9627 for 2017.

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 2017 tax levy was \$640,214,283.

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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

The portion of the 2017 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days are reflected as property taxes levied for a future period (deferred inflow of resources).

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions / Transfers	Deletions / Transfers	Balance June 30, 2018
Capital assets, not being depreciated				
Land	\$ 801,000	\$ -	\$ -	\$ 801,000
Construction in progress	113,570	-	113,570	-
Total capital assets, not being depreciated	914,570	-	113,570	801,000
Capital assets, being depreciated				
Land improvements	1,831,679	-	-	1,831,679
Buildings	42,899,992	113,570	-	43,013,562
Equipment	5,753,336	691,094	-	6,444,430
Total capital assets, being depreciated	50,485,007	804,664	-	51,289,671
Less accumulated depreciation for:				
Land improvements	803,530	90,420	-	893,950
Buildings	8,580,889	591,817	-	9,172,706
Equipment	4,264,117	301,369	-	4,565,486
Total accumulated depreciation	13,648,536	983,606	-	14,632,142
Total capital assets, being depreciated, net	36,836,471	(178,942)	-	36,657,529
Governmental activities capital assets, net	\$ 37,751,041	\$ (178,942)	\$ 113,570	\$ 37,458,529

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE E - CAPITAL ASSETS (Continued)

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

Governmental activities		
General government		
Regular programs	\$	836,370
School administration		89,430
Operations and maintenance		<u>57,806</u>
Total depreciation from governmental activities	\$	<u><u>983,606</u></u>

NOTE F - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2018:

	Balance July 1, 2017 <u>As restated*</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2018	Due within one year
Alternate revenue bonds	\$ 25,055,000	\$ -	\$ 1,450,000	\$ 23,605,000	\$ 1,525,000
IMRF net pension liability	1,552,240	881,898	1,930,758	503,380	-
TRS net pension liability	4,705,281	371,758	1,947,266	3,129,773	-
RHP total other post-employment benefit liability*	800,585	73,344	116,295	757,634	-
THIS net other post-employment benefit liability*	14,406,880	1,920,219	1,840,999	14,486,100	-
Compensated absences	<u>6,244</u>	<u>39,605</u>	<u>36,272</u>	<u>9,577</u>	<u>9,577</u>
Total long-term liabilities - governmental activities	\$ <u><u>46,526,230</u></u>	\$ <u><u>3,286,824</u></u>	\$ <u><u>7,321,590</u></u>	\$ <u><u>42,491,464</u></u>	\$ <u><u>1,534,577</u></u>

* The beginning balance as of July 1, 2017 is restated due to the implementation of GASB Statement No. 75 (Note A-2 and Note N).

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

1. Alternate Revenue Bonds

The summary of activity in bonds payable for the year ended June 30, 2018 is as follows:

	<u>Bonds Payable</u> <u>July 1, 2017</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Bonds Payable</u> <u>June 30, 2018</u>
Series 2010B General Obligation Alternate Revenue Bonds Interest at 4.552% to 5.862%, maturing January 15, 2030	\$ 22,180,000	\$ -	\$ 1,290,000	\$ 20,890,000
Series 2010C General Obligation Alternate Revenue Bonds Interest at 5.911% to 6.775%, maturing January 15, 2030	<u>2,875,000</u>	<u>-</u>	<u>160,000</u>	<u>2,715,000</u>
Total	<u>\$ 25,055,000</u>	<u>\$ -</u>	<u>\$ 1,450,000</u>	<u>\$ 23,605,000</u>

At June 30, 2018, 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>
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	1,875,000	968,028	2,843,028
2024 - 2028	10,395,000	3,240,104	13,635,104
2029 - 2030	<u>4,715,000</u>	<u>424,796</u>	<u>5,139,796</u>
	<u>\$ 23,605,000</u>	<u>\$ 9,352,452</u>	<u>\$ 32,957,452</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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 \$29,887,948 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, 2018, the statutory debt limit for the District was \$44,174,786, which is all fully available.

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 \$2,992, 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 through December 2019. At June 30, 2018, future minimum lease payments for these leases were as follows:

Year Ending June 30	Total
2019	\$ 82,551
2020	26,010
Total	\$ 108,561

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - RISK MANAGEMENT

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

The District is also a member of the Lyons Township Elementary School Districts' Employee Benefit Cooperative 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

General Information about the Pension Plan

Plan Description

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

TRS issues a publicly available financial report that can be obtained at www.trsil.org/financial/cafrs/fy2017; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided

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

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

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

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, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2018, 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 \$9,332,991 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$74,157 and are deferred because they were paid after the June 30, 2017 measurement date.

Federal and Special Trust Fund Contributions

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

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$76,003 were paid from federal and special trust funds that required employer contributions of \$7,676. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

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 program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

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, 2018, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, the 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	\$ 3,129,773
State's proportionate share of the net pension liability associated with the District	<u>94,832,811</u>
Total	<u>\$ 97,962,584</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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 net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0040966605 percent, which was a decrease of 0.0018642166 percent from its proportion measured at June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$9,703,003 and revenue of \$9,332,991 for support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,993	\$ 1,445
Net difference between projected and actual earnings on pension plan investments	2,147	-
Changes of assumptions	208,890	89,935
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,140,087</u>	<u>1,097,348</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>1,385,117</u>	<u>1,188,728</u>
District contributions subsequent to the measurement date	<u>81,833</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 1,466,950</u></u>	<u><u>\$ 1,188,728</u></u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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 \$81,833 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ 114,917
2020	186,380
2021	138,291
2022	(205,458)
2023	<u>(37,741)</u>
Total	<u>\$ 196,389</u>

Actuarial Assumptions

The total pension liability in the June 30, 2017 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. The same assumptions were used in the June 30, 2016 actuarial valuation.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

The long-term 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	<u>100.0 %</u>	

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

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

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

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 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, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were projected to be covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year 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 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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)

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 3,845,334	\$ 3,129,773	\$ 2,543,668

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Benefits Provided

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

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

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

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	91
Inactive plan members entitled to but not yet receiving benefits	232
Active plan members	99
	<hr/>
Total	422
	<hr/> <hr/>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 11.13%. For the fiscal year ended June 30, 2018 the District contributed \$314,741 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2017. 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, 2017:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-term Expected Rate of
Return

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

Long-term Expected Rate of
Return (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	37%	6.85%
International equity	18%	6.75%
Fixed income	28%	3.00%
Real estate	9%	5.75%
Alternative investments	7%	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
- 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 3.31%, and the resulting single discount rate is 7.50%.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2017:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 11,421,695	\$ 9,869,455	\$ 1,552,240
Changes for the year:			
Service cost	256,743	-	256,743
Interest on the total pension liability	844,786	-	844,786
Difference between expected and actual experience of the total pension liability	157,810	-	157,810
Changes of assumptions	(377,441)	-	(377,441)
Contributions - employer	-	283,047	(283,047)
Contributions - employees	-	118,201	(118,201)
Net investment income	-	1,722,704	(1,722,704)
Benefit payments, including refunds of employee contributions	(572,514)	(572,514)	-
Other (net transfer)	-	(193,194)	193,194
Net changes	<u>309,384</u>	<u>1,358,244</u>	<u>(1,048,860)</u>
Balances at December 31, 2017	<u>\$ 11,731,079</u>	<u>\$ 11,227,699</u>	<u>\$ 503,380</u>

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability (asset) 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 (asset)	<u>\$ 1,907,367</u>	<u>\$ 503,380</u>	<u>\$ (664,722)</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

For the year ended June 30, 2018, the District recognized pension expense of \$291,998. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension		
Expense in Future Periods		
Differences between expected and actual experience	\$ 78,818	\$ 9,473
Change of assumptions	-	192,839
Net difference between projected and actual earnings on pension plan investments	<u>314,368</u>	<u>796,930</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>393,186</u>	 <u>999,242</u>
 Pension contributions made subsequent to the measurement date	 <u>176,645</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u><u>\$ 569,831</u></u>	 <u><u>\$ 999,242</u></u>

The District reported \$176,645 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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)

Year ending June 30,	Net Deferred Inflows of Resources
<u> </u>	<u> </u>
2019	\$ 158,430
2020	59,432
2021	188,960
2022	199,234
2023	-
Thereafter	-
<u>Total</u>	<u>\$ 606,056</u>

3. **Summary of Pension Items**

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 81,833	\$ 176,645	\$ 258,478
Experience	33,993	78,818	112,811
Assumptions	208,890	-	208,890
Proportionate share	1,140,087	-	1,140,087
Investments	<u>2,147</u>	<u>314,368</u>	<u>316,515</u>
	<u>\$ 1,466,950</u>	<u>\$ 569,831</u>	<u>\$ 2,036,781</u>
Net pension liability	<u>\$ 3,129,773</u>	<u>\$ 503,380</u>	<u>\$ 3,633,153</u>
Pension expense	<u>\$ 9,703,003</u>	<u>\$ 291,998</u>	<u>\$ 9,995,001</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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	\$ 1,445	\$ 9,473	\$ 10,918
Assumptions	89,935	192,839	282,774
Proportionate share	1,097,348	-	1,097,348
Investments	<u>-</u>	<u>796,930</u>	<u>796,930</u>
	<u>\$ 1,188,728</u>	<u>\$ 999,242</u>	<u>\$ 2,187,970</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)

General Information about the Other Postemployment Plan

Plan Description

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Benefits Provided

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

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions, including a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate), were \$1,410,585 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 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$112,514 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2017 measurement date.

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

District's proportionate share of the net OPEB liability	\$ 14,486,100
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>19,023,849</u>
Total	<u><u>\$ 33,509,949</u></u>

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

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2017, the District's proportion was 0.055824 percent, which was a decrease of 0.003121 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$2,599,660 and revenue of \$1,410,585, which represents support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,205
Change of assumptions	-	1,724,761
Net difference between projected and actual earnings on OPEB plan investments	-	159
Changes in proportion and differences between District contributions and proportionate share of contributions	731,144	-
Total deferred amounts to be recognized in OPEB expense in future periods	731,144	1,733,125
District contributions subsequent to the measurement date	112,514	-
Total deferred amounts related to OPEB	\$ 843,658	\$ 1,733,125

The District reported \$112,514 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	Net Deferred Inflows of Resources
2019	\$ 153,930
2020	153,930
2021	153,930
2022	153,930
2023	153,890
Thereafter	232,371
Total	\$ 1,001,981

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Actuarial Assumptions

The total OPEB liability and contributions in the June 30, 2017 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2017, contribution rates are 1.12% of pay for active members, 0.84% of pay for school districts, and 1.12% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75 percent
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Actuarial Assumptions (Continued)

Healthcare Trend Rate	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Discount Rate

The State, the District and active members contribute 1.12 percent, 0.84 percent, 1.12 percent of pay, respectively for fiscal year 2017. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 2.85 percent at June 30, 2016, and 3.56 percent at June 30, 2017, was used to measure the total OPEB liability. The increase in the single discount rate, from 2.85 percent to 3.56 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$3.564 billion.

Investment Return

During plan year end June 30, 2017, the trust earned \$357,000 in interest, and due to a significant benefit payable, the plan fiduciary net position at June 30, 2017, is a negative \$45 million. Given the significant benefit payable, negative plan fiduciary net position and pay-as-you-go funding policy, the investment return assumption was set to zero.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 0.678% for plan year end June 30, 2017, and 0.382% for plan year end June 30, 2016.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current rate:

	Current		
	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
District's proportionate share of the net OPEB liability	\$ 17,383,244	\$ 14,486,100	\$ 12,167,926

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

The following table shows the District's net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease *	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability	\$ 11,691,766	\$ 14,486,100	\$ 18,496,893

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

* One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

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

Plan Description

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

Benefits Provided

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

Employees Covered by Benefit Terms

As of June 30, 2018 the following employees were covered by the benefit terms:

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Contributions

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

Total OPEB Liability

The District's total OPEB liability was measured as of June 29, 2018, and was determined by an actuarial valuation as of that July 1, 2017 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	3.00%
Discount rate	2.98%
Salary rate increase	4.00%
Healthcare inflation rate	6.50% initial 4.50% ultimate
Fiscal year the ultimate rate is reached	2028
Mortality rates	
IMRF employees and retirees	Same rates as IMRF net pension liability valuation as of December 31, 2017.
TRS employees and retirees	Same rates as TRS net pension liability valuation as of June 30, 2017.
Election at retirement	15% of future retirees are assumed to elect medical coverage at retirement.
Marital status	30% of employees electing coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Discount Rate

The District does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.98% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2017	\$ 800,585	\$ -	\$ 800,585
Changes for the year:			
Service cost	30,364	-	30,364
Interest on the total OPEB liability	22,125	-	22,125
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	5,978	-	5,978
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(116,295)	-	(116,295)
Other changes	14,877	-	14,877
Net changes	<u>(42,951)</u>	<u>-</u>	<u>(42,951)</u>
Balances at June 30, 2018	<u>\$ 757,634</u>	<u>\$ -</u>	<u>\$ 757,634</u>

In 2018, changes in assumptions related to a change in the discount rate in accordance with GASB 75.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.98%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower <u>(1.98%)</u>	Current Discount <u>Rate</u>	1% Higher <u>(3.98%)</u>
Total OPEB liability	\$ 799,265	\$ 757,634	\$ 719,091

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

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

	1% Lower <u>(3.50%-5.50%)</u>	Current Healthcare <u>Rate</u>	1% Higher <u>(5.50%-7.50%)</u>
Total OPEB liability	\$ 702,407	\$ 757,634	\$ 823,357

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

For the year ended June 30, 2018 the District recognized OPEB expense of \$54,345. At June 30, 2018, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Change of assumptions	\$ 18,998	\$ -
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ 18,998	\$ -

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

Year Ended June 30,	Net Deferred Outflows of Resources
2019	\$ 1,857
2020	1,857
2021	1,857
2022	1,857
2023	1,857
Thereafter	<u>9,713</u>
Total	<u>\$ 18,998</u>

3. **Summary of OPEB Items**

Below is a summary of the various OPEB items at June 30, 2018:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 112,514	\$ -	\$ 112,514
Assumptions	-	18,998	18,998
Proportionate share	<u>731,144</u>	<u>-</u>	<u>731,144</u>
	<u>\$ 843,658</u>	<u>\$ 18,998</u>	<u>\$ 862,656</u>
OPEB liability	<u>\$ 14,486,100</u>	<u>\$ 757,634</u>	<u>\$ 15,243,734</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. **Summary of OPEB Items** (Continued)

Deferred inflows of resources:

Assumptions	\$ 1,724,761	\$ -	\$ 1,724,761
Experience	8,205	-	8,205
Investments	<u>159</u>	<u>-</u>	<u>159</u>
	<u>\$ 1,733,125</u>	<u>\$ -</u>	<u>\$ 1,733,125</u>

NOTE K - INTERFUND TRANSFERS

The District transferred \$918,682 from the General Fund (Educational Account) to the Debt Service Fund, and \$1,525,000 from the Operations and Maintenance Fund to the Debt Service Fund, during the year ended June 30, 2018. The amounts transferred are to be used for principal and interest payments on alternate revenue bonds in fiscal year 2019.

NOTE L - JOINT AGREEMENTS

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

NOTE M - CONTINGENCIES

1. **Litigation**

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE M - CONTINGENCIES (Continued)

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 implementation of GASB 75 (Note A-2) required the District to report its proportionate share of the net other postemployment benefit liability related to the Teacher Health Insurance Security plan and the total other postemployment benefit liability related to its unfunded retiree health plan. As a result of this implementation as of July 1, 2017, net position decreased by \$15,099,599, OPEB liabilities (included in long-term liabilities) increased by \$15,207,465, and deferred outflows increased by \$107,866.

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 8, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of net position/balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

LaGrange School District 105 South

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Illinois Municipal Retirement Fund

June 30, 2018

For the calendar year ended December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability				
Service cost	\$ 256,743	\$ 290,572	\$ 274,423	\$ 303,975
Interest on the total pension liability	844,786	808,401	759,480	698,856
Difference between expected and actual experience of the total pension liability	157,810	(58,231)	123,936	(130,446)
Assumption changes	(377,441)	(26,592)	12,896	442,542
Benefit payments and refunds	<u>(572,514)</u>	<u>(509,329)</u>	<u>(513,142)</u>	<u>(443,482)</u>
Net change in total pension liability	309,384	504,821	657,593	871,445
Total pension liability, beginning	<u>11,421,695</u>	<u>10,916,874</u>	<u>10,259,281</u>	<u>9,387,836</u>
Total pension liability, ending	<u>\$ 11,731,079</u>	<u>\$ 11,421,695</u>	<u>\$ 10,916,874</u>	<u>\$ 10,259,281</u>
Plan fiduciary net position				
Contributions, employer	\$ 283,047	\$ 278,236	\$ 280,600	\$ 381,925
Contributions, employee	118,201	109,400	116,256	110,738
Net investment income	1,722,704	642,017	46,128	531,577
Benefit payments, including refunds of employee contributions	(572,514)	(509,329)	(513,142)	(443,482)
Other (net transfer)	<u>(193,194)</u>	<u>86,399</u>	<u>49,246</u>	<u>13,094</u>
Net change in plan fiduciary net position	1,358,244	606,723	(20,912)	593,852
Plan fiduciary net position, beginning	<u>9,869,455</u>	<u>9,262,732</u>	<u>9,283,644</u>	<u>8,689,792</u>
Plan fiduciary net position, ending	<u>\$ 11,227,699</u>	<u>\$ 9,869,455</u>	<u>\$ 9,262,732</u>	<u>\$ 9,283,644</u>
Net pension liability	<u>\$ 503,380</u>	<u>\$ 1,552,240</u>	<u>\$ 1,654,142</u>	<u>\$ 975,637</u>
Plan fiduciary net position as a percentage of the total pension liability	95.71 %	86.41 %	84.85 %	90.49 %
Covered Valuation Payroll	\$ 2,543,105	\$ 2,425,777	\$ 2,498,661	\$ 2,460,919
Net pension liability as a percentage of covered valuation payroll	19.79 %	63.99 %	66.20 %	39.65 %

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

LaGrange School District 105 South
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2018

<u>Calendar Year Ending December 31,</u>		<u>Actuarially Determined Contribution</u>		<u>Actual Contribution</u>		<u>Contribution Deficiency (Excess)</u>		<u>Covered Valuation Payroll</u>		<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2017	\$	283,048 *	\$	283,047	\$	1	\$	2,543,105		11.13 %
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 11.13% and covered valuation payroll of \$2,543,105 (most recent information available).

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

LaGrange School District 105 South
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2018

Fiscal year ended June 30,

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
District's proportion of the net pension liability	0.0040966605	%	0.0059608771	%	0.0033094794	%	0.0030389132	%
District's proportionate share of the net pension liability	\$	3,129,773	\$	4,705,281	\$	2,168,042	\$	1,849,430
State's proportionate share of the net pension liability associated with the District		<u>94,832,811</u>		<u>84,643,629</u>		<u>86,830,076</u>		<u>68,014,429</u>
Total	\$	<u><u>97,962,584</u></u>	\$	<u><u>89,348,910</u></u>	\$	<u><u>88,998,118</u></u>	\$	<u><u>69,863,859</u></u>
District's covered-employee payroll	\$	12,841,213	\$	12,275,711	\$	11,809,031	\$	10,987,230
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		24.37 %		38.33 %		18.36 %		16.83 %
Plan fiduciary net position as a percentage of the total pension liability		39.30 %		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; 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, 2018

Fiscal year ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 128,941	\$ 153,300	\$ 124,461	\$ 104,583
Contributions in relation to the contractually required contribution	<u>168,781</u>	<u>230,847</u>	<u>115,964</u>	<u>108,427</u>
Contribution deficiency (excess)	<u>\$ (39,840)</u>	<u>\$ (77,547)</u>	<u>\$ 8,497</u>	<u>\$ (3,844)</u>
District's covered-employee payroll	\$ 12,785,711	\$ 12,841,213	\$ 12,275,711	\$ 11,809,031
Contributions as a percentage of covered-employee payroll	1.32 %	1.80 %	0.94 %	0.92 %

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

LaGrange School District 105 South

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

Retiree Health Plan

June 30, 2018

Fiscal year ended June 30,	2018
Total OPEB liability	
Service cost	\$ 30,364
Interest on the total OPEB liability	22,125
Changes of assumptions and other inputs	5,978
Benefit payments, including the implicit rate subsidy	(116,295)
Other changes	14,877
Net change in total OPEB liability	(42,951)
Total OPEB liability, beginning	800,585
Total OPEB liability, ending	<u>\$ 757,634</u>
Plan fiduciary net position	
Contributions, employer	\$ -
Contributions, employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	-
Other (net transfer)	-
Net change in plan fiduciary net position	-
Plan fiduciary net position, beginning	-
Plan fiduciary net position, ending	<u>\$ -</u>
Net OPEB liability	<u>\$ 757,634</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %
Covered Valuation Payroll	\$ 9,098,417
Net OPEB liability as a percentage of covered valuation payroll	8.33 %

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

LaGrange School District 105 South
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>
District's proportion of the net OPEB liability	0.055824 %
District's proportionate share of the net OPEB liability	\$ 14,486,100
State's proportionate share of the net OPEB liability associated with the District	<u>19,023,849</u>
Total	<u>\$ 33,509,949</u>
District's covered-employee payroll	\$ 12,841,213
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	112.81%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%

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

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

LaGrange School District 105 South
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>
Contractually required contribution	\$ 107,866
Contributions in relation to the contractually required contribution	<u>107,874</u>
Contribution excess	\$ <u><u>8</u></u>
District's covered-employee payroll	\$ 12,785,711
Contributions as a percentage of covered-employee payroll	0.84%

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

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 16,772,615	\$ 15,257,055	\$ (1,515,560)	\$ 15,510,510
Special education levy	1,042,079	1,008,012	(34,067)	975,937
Corporate personal property replacement taxes	100,000	100,000	-	1,051,841
Interest on investments	180,000	193,395	13,395	168,761
Sales to pupils - lunch	92,000	85,493	(6,507)	82,675
Sales to pupils - a la carte	8,000	4,910	(3,090)	7,154
Rentals - regular textbook	55,000	54,911	(89)	49,050
Refund of prior years' expenditures	20,000	8,647	(11,353)	-
Payment from other districts	500	-	(500)	-
Other	25,000	44,999	19,999	23,479
Total local sources	18,295,194	16,757,422	(1,537,772)	17,869,407
State sources				
General State Aid	-	-	-	890,678
Evidence Based Funding	890,679	1,551,607	660,928	-
Special Education - Private Facility Tuition	256,100	144,910	(111,190)	132,097
Special Education - Funding for Children Requiring Sp Ed Services	297,200	-	(297,200)	198,086
Special Education - Personnel - Summer Individual	973,000	-	(973,000)	361,952
Special Education - Summer School	3,300	-	(3,300)	3,324
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	201,125	13,155	(187,970)	82,065
State Free Lunch and Breakfast	4,628	2,499	(2,129)	1,867
Early Childhood - Block Grant	149,203	176,423	27,220	175,520
Total state sources	2,775,235	1,888,594	(886,641)	1,845,589

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Federal sources				
National School Lunch Program	\$ 240,000	\$ 211,024	\$ (28,976)	\$ 221,499
Special Breakfast Program	35,000	25,218	(9,782)	27,921
Title I - Low Income	308,468	234,278	(74,190)	302,647
Title IV A - Student Support and Academic Enrichment	10,000	-	(10,000)	-
Safe and Drug Free Schools - Other	-	10,000	10,000	-
Federal - Special Education				
- Pre-School Flow Through	1,120	1,325	205	554
Federal - Special Education				
- I.D.E.A. - Flow Through	12,368	12,367	(1)	6,917
Federal - Special Education				
- I.D.E.A. - Room and Board	5,000	2,948	(2,052)	4,553
Title III - English Language Acquisition	35,165	42,422	7,257	28,936
Title II - Teacher Quality	51,589	48,204	(3,385)	23,263
Medicaid Matching Funds -				
Administrative Outreach	70,000	52,910	(17,090)	22,941
Medicaid Matching Funds -				
Fee-For-Service-Program	100,000	100,473	473	126,846
Other federal sources	-	4,999	4,999	-
Total federal sources	868,710	746,168	(122,542)	766,077
Total revenues	21,939,139	19,392,184	(2,546,955)	20,481,073
Expenditures				
Instruction				
Regular programs				
Salaries	6,148,100	5,980,145	167,955	5,886,235
Employee benefits	1,221,175	1,116,266	104,909	1,125,513
Purchased services	19,950	9,807	10,143	5,961
Supplies and materials	367,020	301,848	65,172	370,095
Other objects	3,900	1,791	2,109	2,890
Non-capitalized equipment	3,400	3,155	245	715
Total	7,763,545	7,413,012	350,533	7,391,409

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Pre-K programs				
Salaries	\$ 150,300	\$ 108,632	\$ 41,668	\$ 131,557
Employee benefits	30,856	15,160	15,696	30,810
Purchased services	2,750	1,567	1,183	1,383
Supplies and materials	2,837	2,000	837	5,918
Non-capitalized equipment	-	-	-	1,000
Total	<u>186,743</u>	<u>127,359</u>	<u>59,384</u>	<u>170,668</u>
Special education programs				
Salaries	1,794,500	1,810,620	(16,120)	1,443,587
Employee benefits	187,240	190,180	(2,940)	176,332
Purchased services	11,200	4,948	6,252	8,250
Supplies and materials	35,450	22,541	12,909	25,717
Capital outlay	13,000	644	12,356	-
Other objects	6,700	5,843	857	3,184
Non-capitalized equipment	<u>12,000</u>	<u>2,725</u>	<u>9,275</u>	<u>6,067</u>
Total	<u>2,060,090</u>	<u>2,037,501</u>	<u>22,589</u>	<u>1,663,137</u>
Special education programs pre-K				
Salaries	156,600	134,868	21,732	100,465
Employee benefits	17,190	17,132	58	16,088
Supplies and materials	1,500	812	688	1,365
Other objects	<u>34,418</u>	<u>32,887</u>	<u>1,531</u>	<u>32,158</u>
Total	<u>209,708</u>	<u>185,699</u>	<u>24,009</u>	<u>150,076</u>
Remedial and Supplemental programs K-12				
Salaries	356,900	356,582	318	342,259
Employee benefits	83,286	75,339	7,947	88,734
Supplies and materials	<u>2,600</u>	<u>1,888</u>	<u>712</u>	<u>1,733</u>
Total	<u>442,786</u>	<u>433,809</u>	<u>8,977</u>	<u>432,726</u>

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Interscholastic programs				
Salaries	\$ 271,400	\$ 257,975	\$ 13,425	\$ 262,190
Employee benefits	19,245	18,600	645	32,953
Purchased services	26,000	10,122	15,878	13,456
Supplies and materials	15,200	12,288	2,912	14,279
Other objects	6,000	1,015	4,985	2,063
Non-capitalized equipment	10,000	4,777	5,223	7,829
Total	347,845	304,777	43,068	332,770
Summer school programs				
Salaries	140,000	97,116	42,884	108,072
Employee benefits	2,600	1,002	1,598	1,095
Purchased services	8,100	274	7,826	157
Supplies and materials	12,000	10,373	1,627	4,810
Other objects	1,000	358	642	14
Total	163,700	109,123	54,577	114,148
Gifted programs				
Salaries	400,000	394,698	5,302	304,420
Employee benefits	47,225	57,503	(10,278)	33,985
Purchased services	3,000	1,640	1,360	2,800
Supplies and materials	5,000	4,073	927	4,837
Other objects	1,000	750	250	944
Total	456,225	458,664	(2,439)	346,986
Bilingual programs				
Salaries	610,000	637,584	(27,584)	658,312
Employee benefits	138,890	112,211	26,679	106,807
Purchased services	27,000	20,749	6,251	22,781
Supplies and materials	18,300	14,888	3,412	10,434
Other objects	1,200	664	536	33
Total	795,390	786,096	9,294	798,367

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Special education programs K-12				
- private tuition	\$ 520,387	\$ 455,827	\$ 64,560	\$ 384,461
Truants alternative/optional education programs - private tuition	20,000	2,327	17,673	4,541
Total instruction	12,966,419	12,314,194	652,225	11,789,289
Support services				
Pupils				
Attendance and social work services				
Salaries	460,500	464,462	(3,962)	447,025
Employee benefits	56,550	56,245	305	54,575
Purchased services	200	-	200	186
Supplies and materials	1,350	797	553	632
Total	518,600	521,504	(2,904)	502,418
Guidance services				
Salaries	2,000	-	2,000	-
Employee benefits	305	-	305	-
Total	2,305	-	2,305	-
Health services				
Salaries	175,000	195,236	(20,236)	182,023
Employee benefits	9,350	7,182	2,168	6,792
Purchased services	300	-	300	13
Supplies and materials	5,800	4,813	987	4,221
Other objects	700	145	555	700
Non-capitalized equipment	500	228	272	269
Total	191,650	207,604	(15,954)	194,018

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Speech pathology and audiology services				
Salaries	\$ 374,600	\$ 372,744	\$ 1,856	\$ 360,319
Employee benefits	54,500	58,823	(4,323)	47,475
Purchased services	250	181	69	-
Supplies and materials	<u>2,450</u>	<u>1,196</u>	<u>1,254</u>	<u>1,292</u>
Total	<u>431,800</u>	<u>432,944</u>	<u>(1,144)</u>	<u>409,086</u>
Other support services - pupils				
Supplies and materials	<u>6,000</u>	<u>4,429</u>	<u>1,571</u>	<u>3,089</u>
Total	<u>6,000</u>	<u>4,429</u>	<u>1,571</u>	<u>3,089</u>
Total pupils	<u>1,150,355</u>	<u>1,166,481</u>	<u>(16,126)</u>	<u>1,108,611</u>
Instructional staff				
Improvement of instruction services				
Salaries	12,000	38,099	(26,099)	23,801
Employee benefits	400	530	(130)	309
Purchased services	304,907	268,588	36,319	305,039
Supplies and materials	<u>17,700</u>	<u>16,293</u>	<u>1,407</u>	<u>17,301</u>
Total	<u>335,007</u>	<u>323,510</u>	<u>11,497</u>	<u>346,450</u>
Educational media services				
Salaries	724,900	741,413	(16,513)	723,963
Employee benefits	90,960	94,129	(3,169)	83,710
Purchased services	246,300	211,493	34,807	174,343
Supplies and materials	210,650	173,026	37,624	158,797
Capital outlay	<u>432,700</u>	<u>555,496</u>	<u>(122,796)</u>	<u>163,757</u>
Total	<u>1,705,510</u>	<u>1,775,557</u>	<u>(70,047)</u>	<u>1,304,570</u>

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Assessment and testing				
Purchased services	<u>\$ 50,000</u>	<u>\$ 37,153</u>	<u>\$ 12,847</u>	<u>\$ 33,279</u>
Total	<u>50,000</u>	<u>37,153</u>	<u>12,847</u>	<u>33,279</u>
Total instructional staff	<u>2,090,517</u>	<u>2,136,220</u>	<u>(45,703)</u>	<u>1,684,299</u>
General administration				
Board of education services				
Purchased services	446,000	216,495	229,505	226,246
Supplies and materials	3,000	1,449	1,551	1,016
Other objects	<u>32,000</u>	<u>30,268</u>	<u>1,732</u>	<u>29,790</u>
Total	<u>481,000</u>	<u>248,212</u>	<u>232,788</u>	<u>257,052</u>
Executive administration services				
Salaries	269,600	258,087	11,513	267,976
Employee benefits	48,100	43,682	4,418	43,990
Purchased services	5,800	4,657	1,143	4,815
Supplies and materials	1,850	1,570	280	595
Other objects	<u>13,000</u>	<u>9,817</u>	<u>3,183</u>	<u>10,397</u>
Total	<u>338,350</u>	<u>317,813</u>	<u>20,537</u>	<u>327,773</u>
Tort immunity services				
Purchased services	<u>204,701</u>	<u>170,637</u>	<u>34,064</u>	<u>222,287</u>
Total	<u>204,701</u>	<u>170,637</u>	<u>34,064</u>	<u>222,287</u>
Total general administration	<u>1,024,051</u>	<u>736,662</u>	<u>287,389</u>	<u>807,112</u>

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
School administration				
Office of the principal services				
Salaries	\$ 930,295	\$ 941,004	\$ (10,709)	\$ 906,836
Employee benefits	216,776	208,748	8,028	177,465
Purchased services	31,000	9,657	21,343	28,022
Supplies and materials	8,680	5,840	2,840	6,721
Capital outlay	-	-	-	-
Other objects	8,000	6,107	1,893	7,590
Total	1,194,751	1,171,356	23,395	1,126,634
Total school administration	1,194,751	1,171,356	23,395	1,126,634
Business				
Fiscal services				
Salaries	338,000	355,813	(17,813)	271,824
Employee benefits	55,711	58,931	(3,220)	37,056
Purchased services	32,500	15,903	16,597	15,288
Supplies and materials	23,600	7,952	15,648	20,012
Other objects	1,000	270	730	770
Total	450,811	438,869	11,942	344,950
Operation and maintenance of plant services				
Purchased services	35,000	6,640	28,360	33,100
Supplies and materials	5,500	2,200	3,300	5,009
Capital outlay	25,000	13,862	11,138	43,631
Total	65,500	22,702	42,798	81,740
Pupil transportation services				
Salaries	17,800	12,994	4,806	14,288
Total	17,800	12,994	4,806	14,288

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Food services				
Salaries	\$ 246,500	\$ 253,243	\$ (6,743)	\$ 237,782
Employee benefits	2,365	562	1,803	486
Supplies and materials	<u>361,300</u>	<u>228,169</u>	<u>133,131</u>	<u>261,437</u>
Total	<u>610,165</u>	<u>481,974</u>	<u>128,191</u>	<u>499,705</u>
Total business	<u>1,144,276</u>	<u>956,539</u>	<u>187,737</u>	<u>940,683</u>
Central				
Direction of central support services				
Salaries	47,300	46,635	665	45,620
Employee benefits	11,208	11,016	192	10,639
Purchased services	-	-	-	1,000
Supplies and materials	-	-	-	1,000
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,181</u>
Total	<u>58,508</u>	<u>57,651</u>	<u>857</u>	<u>64,440</u>
Planning, research, development and evaluation services				
Salaries	82,900	81,950	950	78,883
Employee benefits	19,509	19,083	426	18,231
Purchased services	1,000	1,000	-	-
Supplies and materials	1,000	1,071	(71)	-
Other objects	<u>7,900</u>	<u>8,087</u>	<u>(187)</u>	<u>-</u>
Total	<u>112,309</u>	<u>111,191</u>	<u>1,118</u>	<u>97,114</u>
Total central	<u>170,817</u>	<u>168,842</u>	<u>1,975</u>	<u>161,554</u>
Total support services	<u>6,774,767</u>	<u>6,336,100</u>	<u>438,667</u>	<u>5,828,893</u>

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Community services				
Salaries	\$ 36,457	\$ 27,742	\$ 8,715	\$ 30,076
Employee benefits	1,028	617	411	2,488
Purchased services	44,447	24,221	20,226	15,179
Supplies and materials	<u>13,372</u>	<u>8,548</u>	<u>4,824</u>	<u>5,536</u>
Total	<u>95,304</u>	<u>61,128</u>	<u>34,176</u>	<u>53,279</u>
Payments for special education programs				
Purchased services	<u>543,769</u>	<u>525,290</u>	<u>18,479</u>	<u>449,754</u>
Total	<u>543,769</u>	<u>525,290</u>	<u>18,479</u>	<u>449,754</u>
Payments for special education programs - tuition				
Other objects	<u>684,000</u>	<u>557,945</u>	<u>126,055</u>	<u>478,258</u>
Total payments to other districts and other government units	<u>1,227,769</u>	<u>1,083,235</u>	<u>144,534</u>	<u>928,012</u>
Total expenditures	<u>21,064,259</u>	<u>19,794,657</u>	<u>1,269,602</u>	<u>18,599,473</u>
Excess (deficiency) of revenues over expenditures	<u>874,880</u>	<u>(402,473)</u>	<u>(1,277,353)</u>	<u>1,881,600</u>
Other financing uses				
Transfer to Debt Service Fund for principal on revenue bonds	-	-	-	(1,450,000)
Transfer to Debt Service Fund for interest on revenue bonds	<u>(918,682)</u>	<u>(918,682)</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(918,682)</u>	<u>(918,682)</u>	<u>-</u>	<u>(1,450,000)</u>

(Continued)

LaGrange School District 105 South

General Fund - Budgetary Basis

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

For the Year Ended June 30, 2018

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

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Net change to fund balance	<u>\$ (43,802)</u>	\$ (1,321,155)	<u>\$ (1,277,353)</u>	\$ 431,600
Fund balance, beginning of year		<u>12,030,517</u>		<u>11,598,917</u>
Fund balance, end of year		<u>\$ 10,709,362</u>		<u>\$ 12,030,517</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 2,922,557	\$ 2,856,829	\$ (65,728)	\$ 2,890,511
Corporate personal property replacement taxes	1,000,000	939,454	(60,546)	393,436
Interest on investments	20,000	35,821	15,821	17,538
Rentals	17,000	13,340	(3,660)	14,747
Refund of prior years' expenditures	500	88,380	87,880	231
Other	5,000	118,623	113,623	92,487
Total local sources	<u>3,965,057</u>	<u>4,052,447</u>	<u>87,390</u>	<u>3,408,950</u>
Total revenues	<u>3,965,057</u>	<u>4,052,447</u>	<u>87,390</u>	<u>3,408,950</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	111,000	61,854	49,146	49,170
Capital outlay	<u>300,000</u>	<u>691</u>	<u>299,309</u>	<u>181,940</u>
Total	<u>411,000</u>	<u>62,545</u>	<u>348,455</u>	<u>231,110</u>
Operation and maintenance of plant services				
Salaries	690,150	689,894	256	678,070
Employee benefits	167,566	159,593	7,973	150,325
Purchased services	668,000	541,171	126,829	589,422
Supplies and materials	376,000	303,729	72,271	318,106
Capital outlay	83,130	50,197	32,933	39,214
Non-capitalized equipment	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total	<u>1,989,846</u>	<u>1,744,584</u>	<u>245,262</u>	<u>1,780,137</u>
Total expenditures	<u>2,400,846</u>	<u>1,807,129</u>	<u>593,717</u>	<u>2,011,247</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Excess of revenues over expenditures	<u>\$ 1,564,211</u>	<u>\$ 2,245,318</u>	<u>\$ 681,107</u>	<u>\$ 1,397,703</u>
Other financing uses				
Transfer to Debt Service Fund for principal on capital leases	-	-	-	(7,260)
Transfer to Debt Service Fund for interest on capital leases	-	-	-	(56)
Transfer to Debt Service Fund for principal on revenue bonds	(1,450,000)	(1,525,000)	75,000	-
Transfer to Debt Service Fund for interest on revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(660,773)</u>
Total other financing uses	<u>(1,450,000)</u>	<u>(1,525,000)</u>	<u>75,000</u>	<u>(668,089)</u>
Net change in fund balance	<u>\$ 114,211</u>	720,318	<u>\$ 606,107</u>	729,614
Fund balance, beginning of year		<u>1,108,147</u>		<u>378,533</u>
Fund balance, end of year		<u>\$ 1,828,465</u>		<u>\$ 1,108,147</u>

(Concluded)

LaGrange School District 105 South
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
General levy	\$ 450,258	\$ 311,213	\$ (139,045)	\$ 427,969
Interest on investments	25,000	22,608	(2,392)	22,452
Refund of prior years' expenditures	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Total local sources	<u>485,258</u>	<u>333,821</u>	<u>(151,437)</u>	<u>450,421</u>
State sources				
Transportation - Regular/Vocational	79,597	6,622	(72,975)	5,922
Transportation - Special Education	<u>464,232</u>	<u>220,021</u>	<u>(244,211)</u>	<u>291,823</u>
Total state sources	<u>543,829</u>	<u>226,643</u>	<u>(317,186)</u>	<u>297,745</u>
Total revenues	<u>1,029,087</u>	<u>560,464</u>	<u>(468,623)</u>	<u>748,166</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	<u>1,084,283</u>	<u>951,057</u>	<u>133,226</u>	<u>825,145</u>
Total support services	<u>1,084,283</u>	<u>951,057</u>	<u>133,226</u>	<u>825,145</u>
Total expenditures	<u>1,084,283</u>	<u>951,057</u>	<u>133,226</u>	<u>825,145</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, 2018

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

	2018				
	Original and Final Budget	Actual	Variance From Final Budget		2017 Actual
Deficiency of revenues over expenditures	<u>\$ (55,196)</u>	\$ (390,593)	<u>\$ (335,397)</u>	\$	(76,979)
Fund balance, beginning of year		<u>1,574,290</u>			<u>1,651,269</u>
Fund balance, end of year		<u>\$ 1,183,697</u>			<u>\$ 1,574,290</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 313,013	\$ 306,401	\$ (6,612)	\$ 318,209
Social security/Medicare only levy	293,331	276,817	(16,514)	268,589
Corporate personal property replacement taxes	-	39,000	39,000	15,700
Interest on investments	8,500	9,066	566	7,439
Total local sources	614,844	631,284	16,440	609,937
Federal sources				
Title I - Other	4,000	-	(4,000)	-
Total federal sources	4,000	-	(4,000)	-
Total revenues	618,844	631,284	12,440	609,937
Expenditures				
Instruction				
Regular programs	126,675	107,327	19,348	101,532
Pre-K programs	6,050	1,706	4,344	3,852
Special education programs	174,600	175,725	(1,125)	112,485
Special education programs pre-K	15,730	1,927	13,803	1,448
Remedial and supplemental programs K-12	5,350	4,843	507	4,674
Interscholastic programs	6,700	4,212	2,488	4,171
Summer school programs	10,400	5,899	4,501	6,355
Gifted programs	6,200	5,524	676	4,156
Bilingual programs	11,800	11,660	140	13,113
Total instruction	363,505	318,823	44,682	251,786

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Support services					
Pupils					
Attendance and social work services	\$ 10,400	\$ 6,568	\$ 3,832	\$ 6,312	
Guidance services	100	-	100	-	
Health services	22,700	20,277	2,423	18,823	
Speech pathology and audiology services	5,500	5,104	396	5,049	
Total pupils	38,700	31,949	6,751	30,184	
Instructional staff					
Improvement of instruction services	1,040	893	147	449	
Educational media services	76,250	75,597	653	71,997	
Total instructional staff	77,290	76,490	800	72,446	
General administration					
Executive administration services	12,500	12,836	(336)	12,446	
Total general administration	12,500	12,836	(336)	12,446	
School administration					
Office of the principal services	58,300	52,764	5,536	52,504	
Total school administration	58,300	52,764	5,536	52,504	

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual	
Business					
Fiscal services	\$ 30,200	\$ 33,551	\$ (3,351)	\$ 30,000	
Operation and maintenance of plant services	131,645	126,164	5,481	123,426	
Pupil transportation services	3,550	2,446	1,104	2,448	
Food services	<u>33,788</u>	<u>30,863</u>	<u>2,925</u>	<u>29,279</u>	
Total business	<u>199,183</u>	<u>193,024</u>	<u>6,159</u>	<u>185,153</u>	
Central					
Direction of central support services	700	657	43	641	
Planning, research, development and evaluation services	<u>1,300</u>	<u>1,154</u>	<u>146</u>	<u>1,109</u>	
Total central	<u>2,000</u>	<u>1,811</u>	<u>189</u>	<u>1,750</u>	
Total support services	<u>387,973</u>	<u>368,874</u>	<u>19,099</u>	<u>354,483</u>	
Community services	<u>5,100</u>	<u>4,289</u>	<u>811</u>	<u>4,365</u>	
Total expenditures	<u>756,578</u>	<u>691,986</u>	<u>64,592</u>	<u>610,634</u>	
Deficiency of revenues over expenditures	<u>\$ (137,734)</u>	(60,702)	<u>\$ 77,032</u>	(697)	
Fund balance, beginning of year		<u>587,446</u>		<u>588,143</u>	
Fund balance, end of year		<u>\$ 526,744</u>		<u>\$ 587,446</u>	

(Concluded)

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the state for the employer's share or the Teachers' Retirement System Pension, which is consistent with the basis of accounting prescribed by the program accounting manual for Illinois school districts. 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 25, 2017.

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

2. BUDGET RECONCILIATION

The statement of revenues, expenditures, and changes in fund balance - governmental funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the state of Illinois for the employer's share of the Teachers' Retirement System pension. The District does not budget for these amounts. The differences between the budgetary basis and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General Fund - budgetary basis	\$ 19,392,184	\$ 19,794,657
On-behalf payments received	10,743,576	-
On-behalf payments made	<u>-</u>	<u>10,743,576</u>
General Fund - GAAP basis	<u>\$ 30,135,760</u>	<u>\$ 30,538,233</u>

3. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

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

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 2017 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.

June 30, 2018

SUPPLEMENTARY FINANCIAL INFORMATION

LaGrange School District 105 South

General Fund

COMBINING BALANCE SHEET

June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 8,143,213	\$ 383,873	\$ 1,993,072	\$ 10,520,158
Receivables (net of allowance for uncollectibles):				
Property taxes	7,854,228	102,705	84,114	8,041,047
Intergovernmental	272,252	-	-	272,252
Prepaid items	32,706	-	-	32,706
Total assets	<u>\$ 16,302,399</u>	<u>\$ 486,578</u>	<u>\$ 2,077,186</u>	<u>\$ 18,866,163</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 244,231	\$ 870	\$ -	\$ 245,101
Salaries and wages payable	14,362	-	-	14,362
Payroll deductions payable	46,882	-	-	46,882
Other current liabilities	146,725	2,273	1,793	150,791
Unearned revenue	12,900	-	-	12,900
Total liabilities	<u>465,100</u>	<u>3,143</u>	<u>1,793</u>	<u>470,036</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>7,508,175</u>	<u>98,178</u>	<u>80,412</u>	<u>7,686,765</u>
Total deferred inflows	<u>7,508,175</u>	<u>98,178</u>	<u>80,412</u>	<u>7,686,765</u>
FUND BALANCES				
Nonspendable	32,706	-	-	32,706
Restricted	-	385,257	-	385,257
Assigned	1,960,000	-	500,000	2,460,000
Unassigned	6,336,418	-	1,494,981	7,831,399
Total fund balance	<u>8,329,124</u>	<u>385,257</u>	<u>1,994,981</u>	<u>10,709,362</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 16,302,399</u>	<u>\$ 486,578</u>	<u>\$ 2,077,186</u>	<u>\$ 18,866,163</u>

LaGrange School District 105 South

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 15,979,636	\$ 198,619	\$ 86,812	\$ 16,265,067
Replacement taxes	100,000	-	-	100,000
State aid	12,632,170	-	-	12,632,170
Federal aid	746,168	-	-	746,168
Interest	161,568	4,222	27,605	193,395
Other	198,960	-	-	198,960
Total revenues	29,818,502	202,841	114,417	30,135,760
Expenditures				
Current:				
Instruction:				
Regular programs	7,413,012	-	-	7,413,012
Special programs	3,112,192	-	-	3,112,192
Other instructional programs	1,788,346	-	-	1,788,346
State retirement contributions	10,743,576	-	-	10,743,576
Support services:				
Pupils	1,166,481	-	-	1,166,481
Instructional staff	1,580,724	-	-	1,580,724
General administration	566,025	170,637	-	736,662
School administration	1,171,356	-	-	1,171,356
Business	920,843	-	-	920,843
Transportation	12,994	-	-	12,994
Operations and maintenance	8,840	-	-	8,840
Central	168,842	-	-	168,842
Community services	61,128	-	-	61,128
Nonprogrammed charges	1,083,235	-	-	1,083,235
Capital outlay	570,002	-	-	570,002
Total expenditures	30,367,596	170,637	-	30,538,233

(Continued)

LaGrange School District 105 South

General Fund

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

For the Year Ended June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Excess (deficiency) of revenues over expenditures	<u>\$ (549,094)</u>	<u>\$ 32,204</u>	<u>\$ 114,417</u>	<u>\$ (402,473)</u>
Other financing uses				
Transfers out	<u>(918,682)</u>	<u>-</u>	<u>-</u>	<u>(918,682)</u>
Total other financing uses	<u>(918,682)</u>	<u>-</u>	<u>-</u>	<u>(918,682)</u>
Net change in fund balance	(1,467,776)	32,204	114,417	(1,321,155)
Fund balance, beginning of year	<u>9,796,900</u>	<u>353,053</u>	<u>1,880,564</u>	<u>12,030,517</u>
Fund balance, end of year	<u>\$ 8,329,124</u>	<u>\$ 385,257</u>	<u>\$ 1,994,981</u>	<u>\$ 10,709,362</u>

(Concluded)

LaGrange School District 105 South
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
Interest on investments	\$ 15,000	\$ 13,479	\$ (1,521)	\$ 14,249
Total local sources	15,000	13,479	(1,521)	14,249
Federal sources				
Build America Bonds Interest Reimbursement	222,023	222,737	714	673,221
Total federal sources	222,023	222,737	714	673,221
Total revenues	237,023	236,216	(807)	687,470
Expenditures				
Debt service				
Debt services - interest				
Bonds and leases - interest	1,362,726	1,362,726	-	1,416,292
Principal payments on long-term debt	1,450,000	1,450,000	-	1,297,260
Other debt service				
Purchased services	7,000	3,400	3,600	3,400
Total debt service	2,819,726	2,816,126	3,600	2,716,952
Total expenditures	2,819,726	2,816,126	3,600	2,716,952
Deficiency of revenues over expenditures	(2,582,703)	(2,579,910)	2,793	(2,029,482)

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Other financing sources				
Transfer to pay for principal on capital leases	\$ -	\$ -	\$ -	\$ 7,260
Transfer to pay for interest on capital leases	-	-	-	56
Transfer to pay for principal on revenue bonds	1,450,000	1,525,000	75,000	1,450,000
Transfer to pay for interest on revenue bonds	<u>918,682</u>	<u>918,682</u>	<u>-</u>	<u>660,773</u>
Total other financing sources	<u>2,368,682</u>	<u>2,443,682</u>	<u>75,000</u>	<u>2,118,089</u>
Net change in fund balance	<u>\$ (214,021)</u>	(136,228)	<u>\$ 77,793</u>	88,607
Fund balance, beginning of year		<u>2,725,536</u>		<u>2,636,929</u>
Fund balance, end of year		<u>\$ 2,589,308</u>		<u>\$ 2,725,536</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, 2018

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

	2018		Variance From Final Budget	2017 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 9,639	\$ 114,656	\$ 105,017	\$ 9,129
Interest on investments	<u>200</u>	<u>790</u>	<u>590</u>	<u>69</u>
Total local sources	<u>9,839</u>	<u>115,446</u>	<u>105,607</u>	<u>9,198</u>
Total revenues	<u>9,839</u>	<u>115,446</u>	<u>105,607</u>	<u>9,198</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	<u>10,000</u>	<u>2,094</u>	<u>7,906</u>	<u>5,129</u>
Total support services	<u>10,000</u>	<u>2,094</u>	<u>7,906</u>	<u>5,129</u>
Total expenditures	<u>10,000</u>	<u>2,094</u>	<u>7,906</u>	<u>5,129</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (161)</u>	113,352	<u>\$ 113,513</u>	4,069
Fund balance (deficit), beginning of year		<u>3,566</u>		<u>(503)</u>
Fund balance, end of year		<u>\$ 116,918</u>		<u>\$ 3,566</u>

LaGrange School District 105 South
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Cash	\$ 18,493	\$ 51,639	\$ 49,698	\$ 20,434
Liabilities				
Due to:				
Student Council	\$ 5,045	\$ 2,987	\$ 1,901	\$ 6,131
Library Fines	3,009	571	1,367	2,213
Class Gift	483	-	-	483
Special Field Trip	(1,891)	14,827	14,059	(1,123)
Cap and Gown	(190)	3,200	4,230	(1,220)
Yearbook	79	3,100	3,325	(146)
Pepsi Fund	577	700	311	966
Student Benevolent Fund	48	28	-	76
Transfer Account	2,132	8,792	10,529	395
Social Fund	(13)	1,410	1,030	367
PTO Gifts	2,404	2,120	2,758	1,766
PE Uniforms	(477)	4,902	3,999	426
Nurse	517	-	-	517
PBIS	853	81	583	351
EMM Club	197	3,012	2,868	341
Wrestling Team	806	763	127	1,442
Green Team	1,312	1,506	270	2,548
Athletic Department	560	2,857	97	3,320
EPI	3,068	-	1,619	1,449
Tree Fund	212	-	212	-
BPC (JPed)	80	-	-	80
Bank Imaging Fees	(318)	-	252	(570)
District Social Work	-	783	161	622
Total liabilities	\$ 18,493	\$ 51,639	\$ 49,698	\$ 20,434

OTHER SUPPLEMENTARY INFORMATION
(Unaudited)

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

	2017	2016	2015	2014	2013
Assessed valuation	\$ <u>640,214,283</u>	\$ <u>556,914,501</u>	\$ <u>533,430,040</u>	\$ <u>553,137,903</u>	\$ <u>556,579,036</u>
Rates Extended					
Educational	2.4133	2.8912	2.7720	2.5917	2.5511
Tort Immunity	0.0338	0.0366	0.0370	0.0357	0.0372
Special Education	0.1692	0.1829	0.1805	0.1741	0.1528
Operations and Maintenance	0.4830	0.5296	0.5500	0.5500	0.5500
Transportation	0.1012	0.0000	0.1805	0.1741	0.1502
Municipal Retirement	0.0517	0.0565	0.0628	0.0605	0.0573
Social Security	0.0465	0.0507	0.0492	0.0474	0.0449
Working Cash	0.0276	0.0000	0.0337	0.0325	0.0346
Fire Prevention and Safety	<u>0.0322</u>	<u>0.0017</u>	<u>0.0017</u>	<u>0.0016</u>	<u>0.0023</u>
Total rates extended	<u>3.3585</u>	<u>3.7492</u>	<u>3.8674</u>	<u>3.6676</u>	<u>3.5804</u>
Levies Extended					
Educational	\$ 15,450,000	\$ 16,101,538	\$ 14,786,592	\$ 14,335,830	\$ 14,199,057
Tort Immunity	216,300	203,730	197,418	197,418	206,773
Special Education	1,083,560	1,018,648	963,013	963,013	850,720
Operations and Maintenance	3,092,017	2,949,250	2,933,865	3,042,258	3,061,185
Transportation	648,117	1	963,013	963,013	835,908
Municipal Retirement	331,136	314,825	334,834	334,834	318,872
Social Security	297,513	282,409	262,374	262,374	250,096
Working Cash	176,875	1	179,963	179,963	192,555
Fire Prevention and Safety	<u>206,000</u>	<u>9,620</u>	<u>9,028</u>	<u>9,028</u>	<u>12,880</u>
Total levies extended	<u>\$ 21,501,518</u>	<u>\$ 20,880,022</u>	<u>\$ 20,630,100</u>	<u>\$ 20,287,731</u>	<u>\$ 19,928,046</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>1,273.30</u>	<u>1,308.50</u>
Operating costs:		
Educational	\$ 19,624,020	\$ 18,377,186
Operations and Maintenance	1,807,129	2,011,247
Debt Service	2,816,126	2,716,952
Transportation	951,057	825,145
Municipal Retirement/Social Security	691,986	610,634
Tort Immunity	<u>170,637</u>	<u>222,287</u>
Subtotal	<u>26,060,955</u>	<u>24,763,451</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	458,154	389,002
Pre-K programs	316,664	325,044
Summer school	115,022	120,503
Capital outlay	620,890	428,542
Debt principal retired	1,450,000	1,297,260
Non-capitalized equipment	10,885	20,880
Community services	65,417	57,644
Payments to other districts and gov't units	<u>1,083,235</u>	<u>928,012</u>
Subtotal	<u>4,120,267</u>	<u>3,566,887</u>
Operating costs	<u>\$ 21,940,688</u>	<u>\$ 21,196,564</u>
Operating costs per pupil - based on ADA	<u>\$ 17,231</u>	<u>\$ 16,199</u>
Tuition Charge		
Operating costs	\$ 21,940,688	\$ 21,196,564
Less - revenues from specific programs, such as special education or lunch programs	<u>2,172,680</u>	<u>2,669,506</u>
Net operating costs	19,768,008	18,527,058
Depreciation allowance	<u>984,695</u>	<u>961,194</u>
Allowance tuition costs	<u>\$ 20,752,703</u>	<u>\$ 19,488,252</u>
Tuition charge per pupil - based on ADA	<u>\$ 16,298</u>	<u>\$ 14,894</u>

LaGrange School District 105 South
SCHEDULE OF GENERAL OBLIGATION ALTERNATE REVENUE BONDS
June 30, 2018

	Maturity as follows			
	for the Year			
	<u>Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2010B General				
Obligation Alternate Revenue				
Bonds dated January 25, 2010				
(Interest at 4.652% to 5.862%				
due on January 15 and July 15;				
Principal due January 15)				
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>20,890,000</u>	\$ <u>8,082,184</u>	\$ <u>28,972,184</u>	

(Continued)

LaGrange School District 105 South
SCHEDULE OF GENERAL OBLIGATION ALTERNATE REVENUE BONDS
June 30, 2018

	Maturity as follows			
	for the Year			
	Ended June 30	Principal	Interest	Total
<hr/>				
Series 2010C General				
Obligation Alternate Revenue				
Bonds dated December 29, 2010				
(Interest at 5.911% to 6.775%				
due on January 15 and July 15;				
Principal due January 15)				
2019	\$ 170,000	\$ 175,690	\$ 345,690	
2020	175,000	165,642	340,642	
2021	190,000	155,298	345,298	
2022	205,000	144,066	349,066	
2023	215,000	131,948	346,948	
2024	220,000	119,240	339,240	
2025	230,000	104,336	334,336	
2026	240,000	88,752	328,752	
2027	250,000	72,492	322,492	
2028	260,000	55,556	315,556	
2029	275,000	37,940	312,940	
2030	285,000	19,308	304,308	
Total	\$ 2,715,000	\$ 1,270,268	\$ 3,985,268	
	\$ 23,605,000	\$ 9,352,452	\$ 32,957,452	

(Concluded)

LaGrange School District 105 South
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2018

Assessed valuation (2017)	<u><u>\$ 640,214,283</u></u>
Debt limit:	
6.9% of assessed valuation	\$ 44,174,786
Debt outstanding	<u>-</u>
Legal debt margin	<u><u>\$ 44,174,786</u></u>