

LaGrange School District 105 South
LaGrange, Illinois

Annual Financial Report

Year Ended June 30, 2020

LaGrange School District 105 South
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

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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, 2020, 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, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 74 through 80, the other postemployment benefits data on pages 81 through 83, budgetary comparison schedules, and notes to the required supplementary information on pages 84 through 107, 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, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents, the supplementary financial information and other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2020 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2020 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, 2020 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

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, 2019 (not presented herein), and have issued our report thereon dated November 12, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund and the Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 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 2019 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, 2019.

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

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

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

Certified Public Accountants

Deerfield, Illinois
December 14, 2020

LaGrange School District 105 South Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2020

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, 2020. 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 \$32,247,722, \$18,766,382 less than the overall governmental funds expenditures of \$51,014,104, mainly due to the refunding bond transaction during the current fiscal year.
- Property tax revenue, as a percentage of total revenue (excluding on-behalf payments) was 80.5%. Property taxes remain a primary and stable source of funding.
- The District had \$39,373,084 in expenses (government-wide), including state retirement contributions related to governmental activities, of which \$11,564,707 were offset by program specific charges or grants.
- Net position of the District decreased by \$413,877 or 4.1%.
- The District's staff remains stable. Labor agreements were 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. District 105 extended the labor agreement one additional year due to having an interim Superintendent and a part-time Business Manager that was leaving at the end of the year.

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.

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, 2020**

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, 2020

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 including budgetary comparison schedules, the District's pension data related to the Illinois Municipal Retirement Fund (IMRF) and Teachers' Retirement System (TRS), the District's data on the Teachers' Health Insurance Security (THIS) and Retiree Health Plan (RHP) other postemployment benefits, and notes to the required supplementary information.

Government-Wide Financial Analysis

Net position decreased \$413,877 or 4.1% in 2020. Summaries of the net position components and the current year change in net position are presented in the Government-wide Financial Statements. Property taxes accounted for most of the District's revenue (excluding on-behalf payments), contributing 80.5%. Property tax revenue remained stable, primarily from an increase in the CPI and the District's equalized assessed valuation. The remainder of the District's revenue came from state and federal aid, fees charged for services, and miscellaneous sources. As noted in the financial statements, the District's expenses are predominately related to student instruction and support services.

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020

Government-Wide Financial Analysis (Continued)

Table 1 Condensed Statement of Net Position <i>(in millions of dollars)</i>		
	<u>2020</u>	<u>2019</u>
Current and other assets	\$27.4	\$27.3
Capital assets	<u>36.3</u>	<u>36.7</u>
Total assets	<u>63.7</u>	<u>64.0</u>
Deferred outflow of resources	<u>2.4</u>	<u>3.5</u>
Long-term liabilities	39.2	40.8
Other liabilities	<u>0.9</u>	<u>1.0</u>
Total liabilities	<u>40.1</u>	<u>41.8</u>
Deferred inflow of resources	<u>16.3</u>	<u>15.5</u>
Net position:		
Net investment in capital assets	16.5	14.7
Restricted	7.6	7.1
Unrestricted	<u>(14.4)</u>	<u>(11.6)</u>
Total net position	<u>\$ 9.7</u>	<u>\$10.2</u>

LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020

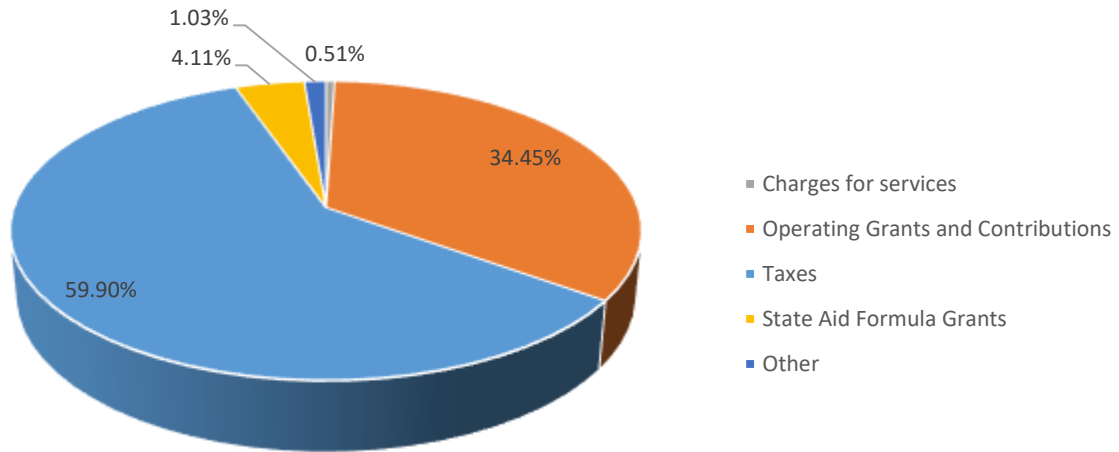
Government-Wide Financial Analysis (Continued)

Table 2 Changes in Net Position <i>(in millions of dollars)</i>		
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charges for services	\$0.2	\$0.2
Operating grants and contributions	13.4	11.8
General revenues:		
Taxes	23.3	22.1
State aid – formula grants	1.6	1.6
Other	<u>0.4</u>	<u>0.4</u>
Total revenues	<u>38.9</u>	<u>36.1</u>
Expenses:		
Instruction	26.5	24.8
Support services	9.8	9.2
Community services	0.1	0.1
Nonprogrammed charges	1.1	0.8
Other	<u>1.9</u>	<u>1.3</u>
Total expenses	<u>39.4</u>	<u>36.2</u>
Decrease in net position	<u>\$(0.5)</u>	<u>\$(0.1)</u>

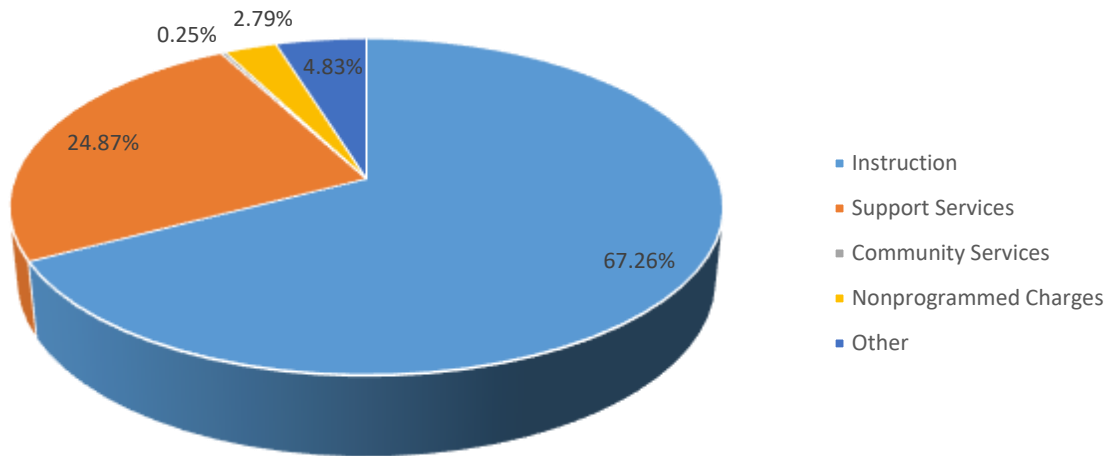
**LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020**

Government-Wide Financial Analysis (Continued)

Government-Wide Revenues by Source



Government-Wide Expenses by Function



LaGrange School District 105 South

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2020

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 \$32,247,722, compared to \$31,809,181 in the prior year, an increase of \$438,541. Total expenditures in the governmental funds were \$51,014,104, compared to \$32,184,385 in the prior year, an increase of \$18,829,719. The increase in expenditures is due mainly to the issuance of General Obligation Refunding School Bonds, Series 2020. Revenues (including other financing sources) exceed expenditures by \$31,046 for the current fiscal year. As a result, the fund balances in the governmental funds increased from \$16,579,290 in the prior year to \$16,610,336, as of June 30, 2020.

General Fund Budgetary Highlights

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

The District's final budget anticipated that expenditures exceed revenues by \$710,742 in the General Fund, before other financing uses. The actual results for the year show revenues exceeding expenditures by \$179,476. Revenues received were \$352,587 more than anticipated and expenditures were \$537,631 less than anticipated.

Capital Asset and Debt Administration

Capital assets

By the end of 2020, the District had compiled a total investment of \$52,373,880 (\$36,288,579 net of accumulated depreciation) in a broad range of capital assets, including land, land improvements, buildings, and equipment. Total depreciation expense for the year was \$977,198. Additional details regarding capital assets can be found in Note D of the notes to the financial statements.

Table 3 Capital Assets (net of depreciation) <i>(in millions of dollars)</i>		
	<u>2020</u>	<u>2019</u>
Land	\$0.8	\$0.8
Construction in progress	0.3	-
Depreciable buildings, property, and equipment	<u>35.2</u>	<u>35.9</u>
Total	<u>\$36.3</u>	<u>\$36.7</u>

**LaGrange School District 105 South
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020**

Capital Asset and Debt Administration (Continued)

Long-term liabilities

At year-end, the District had \$39,169,411 in alternate revenue bonds and other long-term liabilities outstanding. More detailed information regarding long-term liabilities can be found in Note E of the notes to the financial statements.

Table 4 Outstanding Long-Term Liabilities <i>(in millions of dollars)</i>		
	<u>2020</u>	<u>2019</u>
Alternate revenue bonds	\$19.7	\$22.1
Other long term liabilities	<u>19.5</u>	<u>18.7</u>
Total	<u>\$39.2</u>	<u>\$40.8</u>

Factors Bearing on the District's Future

The COVID-19 pandemic has created unprecedented challenges regarding the District's strategic planning and how to address factors bearing on the District's future.

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, 2020

ASSETS

Cash and investments	\$ 15,662,160
Receivables (net of allowance for uncollectibles):	
Property taxes	11,065,115
Replacement taxes	185,030
Intergovernmental	509,698
Other current assets	10,757
Capital assets:	
Land	801,000
Construction in progress	341,698
Depreciable buildings, property, and equipment, net	35,145,881
Total assets	<u>63,721,339</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	1,601,244
Deferred outflows related to other postemployment benefits	761,875
Total deferred outflows	<u>2,363,119</u>

LIABILITIES

Accounts payable	288,241
Salaries and wages payable	22,808
Interest payable	532,158
Unearned revenue	29,157
Long-term liabilities:	
Due within one year	1,389,928
Due after one year	37,779,483
Total liabilities	<u>40,041,775</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	3,263,923
Deferred inflows related to other postemployment benefits	2,538,907
Property taxes levied for a future period	10,482,218
Total deferred inflows	<u>16,285,048</u>

NET POSITION

Net investment in capital assets	16,563,579
Restricted For:	
Operations and maintenance	3,805,434
Debt service	1,654,394
Student transportation	540,452
Retirement benefits	644,885
Capital projects	476,597
Tort immunity	485,668
Unrestricted	(14,413,374)
Total net position	<u>\$ 9,757,635</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, 2020

Functions / Programs	Expenses	PROGRAM REVENUES			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities					
Instruction:					
Regular programs	\$ 8,991,212	\$ 80,508	\$ 324,846	\$ -	\$ (8,585,858)
Special programs	3,851,821	-	541,936	-	(3,309,885)
Other instructional programs	2,097,347	-	420,997	-	(1,676,350)
State retirement contributions	11,564,707	-	11,564,707	-	-
Support services:					
Pupils	1,329,100	-	4,753	-	(1,324,347)
Instructional staff	1,856,064	-	16,510	-	(1,839,554)
General administration	918,189	-	-	-	(918,189)
School administration	1,367,688	-	-	-	(1,367,688)
Business	937,351	60,513	205,263	50,000	(621,575)
Transportation	835,077	-	283,242	-	(551,835)
Operations and maintenance	2,254,310	39,089	-	-	(2,215,221)
Central	284,480	-	-	-	(284,480)
Community services	58,665	-	-	-	(58,665)
Nonprogrammed charges	1,150,800	-	-	-	(1,150,800)
Interest and fees	1,876,273	-	-	-	(1,876,273)
Total governmental activities	<u>\$ 39,373,084</u>	<u>\$ 180,110</u>	<u>\$ 13,362,254</u>	<u>\$ 50,000</u>	<u>\$ (25,780,720)</u>
General revenues:					
Taxes:					
Real estate taxes, levied for general purposes					\$ 17,510,982
Real estate taxes, levied for specific purposes					4,545,003
Personal property replacement taxes					1,297,651
State aid-formula grants					1,554,895
Investment earnings					390,639
Miscellaneous					67,673
Total general revenues					<u>25,366,843</u>
Change in net position					(413,877)
Net position, beginning of year					<u>10,171,512</u>
Net position, end of year					\$ 9,757,635

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South

Governmental Funds

BALANCE SHEET

June 30, 2020

	General	Operations and Maintenance	Transportation
ASSETS			
Cash and investments	\$ 8,148,882	\$ 3,763,356	\$ 462,872
Investments			
Receivables (net of allowance for uncollectibles):			
Property taxes	8,893,585	1,627,422	145,771
Replacement taxes	-	185,030	-
Intergovernmental	439,653	-	70,045
Other current assets	<u>8,792</u>	<u>1,965</u>	<u>-</u>
Total assets	<u>\$ 17,490,912</u>	<u>\$ 5,577,773</u>	<u>\$ 678,688</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 65,930	\$ 222,167	\$ 144
Salaries and wages payable	14,328	8,480	-
Unearned revenue	<u>29,157</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>109,415</u>	<u>230,647</u>	<u>144</u>
DEFERRED INFLOWS			
Property taxes levied for a future period	<u>8,425,081</u>	<u>1,541,692</u>	<u>138,092</u>
Total deferred inflows	<u>8,425,081</u>	<u>1,541,692</u>	<u>138,092</u>
FUND BALANCES			
Restricted	485,668	3,805,434	40,452
Assigned	2,460,000	-	500,000
Unassigned	<u>6,010,748</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>8,956,416</u>	<u>3,805,434</u>	<u>540,452</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 17,490,912</u>	<u>\$ 5,577,773</u>	<u>\$ 678,688</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Fire Prevention and Safety	Total
\$ 626,455	\$ 2,186,552	\$ 474,043	\$ 15,662,160
349,850	-	48,487	11,065,115
-	-	-	185,030
-	-	-	509,698
-	-	-	10,757
<u>\$ 976,305</u>	<u>\$ 2,186,552</u>	<u>\$ 522,530</u>	<u>\$ 27,432,760</u>
\$ -	\$ -	\$ -	\$ 288,241
-	-	-	22,808
-	-	-	29,157
-	-	-	340,206
<u>331,420</u>	<u>-</u>	<u>45,933</u>	<u>10,482,218</u>
<u>331,420</u>	<u>-</u>	<u>45,933</u>	<u>10,482,218</u>
644,885	2,186,552	476,597	7,639,588
-	-	-	2,960,000
-	-	-	6,010,748
<u>644,885</u>	<u>2,186,552</u>	<u>476,597</u>	<u>16,610,336</u>
<u>\$ 976,305</u>	<u>\$ 2,186,552</u>	<u>\$ 522,530</u>	<u>\$ 27,432,760</u>

LaGrange School District 105 South
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances - total governmental funds	\$ 16,610,336
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Amounts reported for governmental activities in the statement of net position are different because:

Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	36,288,579
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	1,601,244
Deferred inflows of resources related to pensions	(3,263,923)

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

Deferred outflows of resources related to other postemployment benefits	761,875
Deferred inflows of resources related to other postemployment benefits	(2,538,907)

Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not included in the governmental funds.

General obligation bonds	(19,725,000)	
Unamortized bond premiums	(1,442,428)	
Compensated absences	(11,031)	
IMRF net pension liability	(1,045,104)	
TRS net pension liability	(1,383,800)	
RHP total other postemployment benefit liability	(782,582)	
THIS net other postemployment benefit liability	<u>(14,779,466)</u>	(39,169,411)

Interest on long-term liabilities (interest payable) accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.	<u>(532,158)</u>
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Net position - governmental activities	<u><u>\$ 9,757,635</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, 2020

	General	Operations and Maintenance	Transportation
Revenues			
Property taxes	\$ 17,741,572	\$ 3,309,800	\$ 158,340
Replacement taxes	150,000	1,089,151	-
State aid	6,690,368	50,000	283,242
Federal aid	830,406	-	-
Interest	235,505	85,228	19,078
Other	196,760	51,023	-
Total revenues	<u>25,844,611</u>	<u>4,585,202</u>	<u>460,660</u>
Expenditures			
Current:			
Instruction:			
Regular programs	7,813,508	-	-
Special programs	2,960,973	-	-
Other instructional programs	2,012,400	-	-
State retirement contributions	4,853,222	-	-
Support services:			
Pupils	1,261,260	-	-
Instructional staff	1,587,376	-	-
General administration	894,774	-	-
School administration	1,190,258	-	-
Business	740,744	50,972	-
Transportation	13,594	-	818,990
Operations and maintenance	8,534	1,816,516	-
Central	242,164	-	-
Community services	43,790	-	-
Nonprogrammed charges	1,793,770	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	248,768	378,545	-
Total expenditures	<u>25,665,135</u>	<u>2,246,033</u>	<u>818,990</u>
Excess (deficiency) of revenues over expenditures	179,476	2,339,169	(358,330)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(622,616)	(1,260,000)	-
Debt issuance	-	-	-
Premium on debt issuance	-	-	-
Total other financing sources (uses)	<u>(622,616)</u>	<u>(1,260,000)</u>	<u>-</u>
Net change in fund balance	(443,140)	1,079,169	(358,330)
Fund balance, beginning of year	9,399,556	2,726,265	898,782
Fund balance, end of year	<u>\$ 8,956,416</u>	<u>\$ 3,805,434</u>	<u>\$ 540,452</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Fire Prevention and Safety	Total
\$ 693,256	\$ -	\$ 153,017	\$ 22,055,985
58,500	-	-	1,297,651
-	-	-	7,023,610
-	401,648	-	1,232,054
13,598	27,884	9,346	390,639
-	-	-	247,783
<u>765,354</u>	<u>429,532</u>	<u>162,363</u>	<u>32,247,722</u>
108,280	-	-	7,921,788
161,245	-	-	3,122,218
33,303	-	-	2,045,703
-	-	-	4,853,222
36,839	-	-	1,298,099
74,652	-	-	1,662,028
14,320	-	-	909,094
52,717	-	-	1,242,975
57,381	-	4,582	853,679
2,493	-	-	835,077
116,820	-	-	1,941,870
2,672	-	-	244,836
4,690	-	-	48,480
-	-	-	1,793,770
-	19,710,000	-	19,710,000
-	1,903,952	-	1,903,952
-	-	-	627,313
<u>665,412</u>	<u>21,613,952</u>	<u>4,582</u>	<u>51,014,104</u>
99,942	(21,184,420)	157,781	(18,766,382)
-	1,882,616	-	1,882,616
-	-	-	(1,882,616)
-	17,355,000	-	17,355,000
-	1,442,428	-	1,442,428
-	20,680,044	-	18,797,428
99,942	(504,376)	157,781	31,046
<u>544,943</u>	<u>2,690,928</u>	<u>318,816</u>	<u>16,579,290</u>
<u>\$ 644,885</u>	<u>\$ 2,186,552</u>	<u>\$ 476,597</u>	<u>\$ 16,610,336</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, 2020

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

Net change in fund balances - total governmental funds	\$	31,046
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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.

Capital outlay	\$	529,493	
Depreciation expense		(977,198)	(447,705)

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

Deferred outflow and inflows of resources related to IMRF pension	(1,720,641)
Deferred outflow and inflows of resources related to TRS pension	108,654

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

Deferred outflow and inflows of resources related to RHP pension	89,158
Deferred outflow and inflows of resources related to THIS pension	(95,654)

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.

27,679

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 governmental funds. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Issuance of general obligation bonds	\$	(17,355,000)	
Principal repayments - general obligation bonds		19,710,000	
Unamortized premium		(1,442,428)	
Compensated absences, net		(1,030)	
IMRF pension liability, net		1,242,016	
TRS pension liability, net		18,811	
RHP other postemployment benefit liability, net		(85,823)	
THIS other postemployment benefit liability, net		(492,960)	1,593,586

Change in net position of governmental activities	\$	(413,877)
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The accompanying notes are an integral part of this statement.

LaGrange School District 105 South
Agency Fund
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2020

	Fiduciary Fund
<hr/>	
ASSETS	
Cash	\$ 19,269
	<hr/>
LIABILITIES	
Due to student groups and employees	\$ 19,269
	<hr/>

The accompanying notes are an integral part of this statement.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Reporting Entity

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

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

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

2. Fund Accounting

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

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.

3. Government-Wide and Fund Financial Statements

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 loaned to. As allowed by the School Code of Illinois, this Fund may be abolished and become part of the Educational Account or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least 0.05% of the District's current equalized assessed valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property levy and 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, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 Funds

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

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2020, the District reported deferred outflows of resources related to pensions and other postemployment benefits liabilities. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2020, the District reported deferred inflows of resources related to pension and other postemployment benefits liabilities, and property taxes levied for a future period.

6. Budgetary Data

Budgets are adopted on a basis consistent with GAAP 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 and Teachers' Health Insurance Security fund (see the budgetary reconciliation in the notes to the required supplementary information). Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

7. Deposits and Investments

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

8. Personal Property Replacement Taxes

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Capital Assets

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

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

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

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

Construction in progress is stated at cost and includes engineering, design, material, and labor costs incurred for plan construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

10. 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, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. 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.

11. Pensions and Other Postemployment Benefits

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

12. 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, are reported as debt service expenditures.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. 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.

14. Use of Estimates

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

15. Fund Balance

In the fund financial statements, 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 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Fund Balance (Continued)

- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balances at June 30, 2020.
- 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, 2020. 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, 2020 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.

The restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and liabilities, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B - 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 his discretion.

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

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 4.23 years at June 30, 2020. 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 \$213,664,218, and the fair value of the District's proportionate share of the pool was \$15,656,159. Further information about investments held at the Treasurer's office is available from the Treasurer's financial statements.

Because cash and investments are pooled by the 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**

At June 30, 2020, the carrying value of the District's student activity accounts, convenience accounts, and imprest funds was \$25,269, 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, 2020, the District had no uninsured cash balances.

NOTE C - 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 18, 2019. 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE C - PROPERTY TAXES RECEIVABLE (Continued)

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. One-third of the county is reassessed every year by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.9160 for 2019.

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 2019 tax levy was \$631,043,591.

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

The portion of the 2019 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days are reflected as property taxes levied for a future period (deferred inflow of resources).

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated				
Land	\$ 801,000	\$ -	\$ -	\$ 801,000
Construction in progress	-	341,698	-	341,698
	<u>801,000</u>	<u>341,698</u>	<u>-</u>	<u>1,142,698</u>
Total capital assets, not being depreciated	<u>801,000</u>	<u>341,698</u>	<u>-</u>	<u>1,142,698</u>
Capital assets, being depreciated				
Land improvements	1,831,679	-	-	1,831,679
Buildings	43,053,654	8,568	-	43,062,222
Equipment	6,158,054	179,227	-	6,337,281
	<u>51,043,387</u>	<u>187,795</u>	<u>-</u>	<u>51,231,182</u>
Total capital assets, being depreciated	<u>51,043,387</u>	<u>187,795</u>	<u>-</u>	<u>51,231,182</u>
Less accumulated depreciation for:				
Land improvements	984,370	89,703	-	1,074,073
Buildings	9,733,594	537,981	-	10,271,575
Equipment	4,390,139	349,514	-	4,739,653
	<u>15,108,103</u>	<u>977,198</u>	<u>-</u>	<u>16,085,301</u>
Total accumulated depreciation	<u>15,108,103</u>	<u>977,198</u>	<u>-</u>	<u>16,085,301</u>
Total capital assets, being depreciated, net	<u>35,935,284</u>	<u>(789,403)</u>	<u>-</u>	<u>35,145,881</u>
Governmental activities capital assets, net	<u>\$ 36,736,284</u>	<u>\$ (447,705)</u>	<u>\$ -</u>	<u>\$ 36,288,579</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE D - CAPITAL ASSETS (Continued)

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

Governmental activities	
General government	
Regular programs	\$ 830,921
School administration	88,847
Operations and maintenance	<u>57,430</u>
 Total depreciation from governmental activities	 \$ <u><u>977,198</u></u>

NOTE E - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2020, changes in long-term liabilities were as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Bonds payable:				
Alternate revenue bonds	\$ 22,080,000	\$ 17,355,000	19,710,000	\$ 19,725,000
Unamortized premium	-	1,442,428	-	1,442,428
IMRF net pension liability	2,287,120	1,508,481	2,750,497	1,045,104
TRS net pension liability	1,402,611	461,161	479,972	1,383,800
RHP total other postemployment benefit liability	696,759	195,893	110,070	782,582
THIS net other postemployment benefit liability	14,286,506	1,078,205	585,245	14,779,466
Compensated absences	<u>10,001</u>	<u>36,785</u>	<u>35,755</u>	<u>11,031</u>
 Total long-term liabilities - governmental activities	 \$ <u><u>40,762,997</u></u>	 \$ <u><u>22,077,953</u></u>	 \$ <u><u>23,671,539</u></u>	 \$ <u><u>39,169,411</u></u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE E - LONG-TERM LIABILITIES (Continued)

1. Changes in General Long-term Liabilities (Continued)

	<u>Due Within One Year</u>
Alternate revenue bonds	\$ 1,260,000
Unamortized premium	118,897
Compensated absences	<u>11,031</u>
	<u>\$ 1,389,928</u>

2. Current Refunding

In 2010, the District issued \$24,080,000 of alternate revenue bonds (Series 2010B) to finance building and land improvements. The bonds were fully refunded during the fiscal year ended June 30, 2020, as described below.

On May 19, 2020, the District issued \$17,355,000 General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2020 for purposes of refunding the series 2010B bonds. The proceeds of the series 2020 bonds, net of issuance costs, were used to establish an irrevocable escrow account. Funds in the escrow account were invested in special direct obligations of the United States Treasury or other obligations of the United States government or its agencies. The escrow securities were used to pay all outstanding principal and interest on the refunded series 2010 bonds in June 2020.

The refunding for this issue resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$895,733. The economic gain (excess of the present value of the debt service requirements of the refunded debt over that of the new debt) was \$440,086. There are no deferred outflows or inflows associated with the aforementioned refunding.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE E - LONG-TERM LIABILITIES (Continued)

3. Alternate Revenue Bonds

The summary of activity in bonds payable for the year ended June 30, 2020 is as follows:

	<u>Bonds Payable</u> <u>July 1, 2019</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired/Refunded</u>	<u>Bonds Payable</u> <u>June 30, 2020</u>
Series 2010B General Obligation Alternate Revenue Bonds Interest at 4.652% to 4.752%, maturing January 15, 2030	\$ 19,535,000	\$ -	\$ 19,535,000	\$ -
Series 2010C General Obligation Alternate Revenue Bonds Interest at 5.911% to 6.775%, maturing January 15, 2030	2,545,000	-	175,000	2,370,000
Series 2020 General Obligation Alternate Revenue Bonds Interest at 3.000% to 5.000%, maturing January 15, 2035	<u>-</u>	<u>17,355,000</u>	<u>-</u>	<u>17,355,000</u>
Total	<u>\$ 22,080,000</u>	<u>\$ 17,355,000</u>	<u>\$ 19,710,000</u>	<u>\$ 19,725,000</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE E - LONG-TERM LIABILITIES (Continued)

3. Alternate Revenue Bonds

At June 30, 2020, the District's future cash flow requirements for retirement of bond principal and interest was as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,260,000	\$ 618,350	\$ 1,878,350
2022	1,075,000	807,616	1,882,616
2023	1,120,000	760,698	1,880,698
2024	1,160,000	711,790	1,871,790
2025	1,205,000	659,286	1,864,286
2026-2030	6,920,000	2,320,298	9,240,298
2031-2035	<u>6,985,000</u>	<u>668,500</u>	<u>7,653,500</u>
	<u>\$ 19,725,000</u>	<u>\$ 6,546,538</u>	<u>\$ 26,271,538</u>

These payments will be made from amounts transferred to the debt service tax fund from the operating funds in future periods. There is \$2,186,552 in the Debt Service Fund to service the outstanding bonds payable.

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 \$25,965,268 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, 2020, the statutory debt limit for the District was \$43,542,008, which is all fully available.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - 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/fy2019; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive 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.

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 highest 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, 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, 2020

NOTE F - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (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, 2020, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$10,692,857 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$4,722,280 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$61,247 and are deferred because they were paid after the June 30, 2019 measurement date.

Federal and Special Trust Fund Contributions

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

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, there were no salaries paid from federal and special trust funds, and thus there were no required employer contributions.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (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 District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

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, 2020, 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, 2020, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 1,383,800
State's proportionate share of the net pension liability associated with the District	<u>98,483,540</u>
Total	<u><u>\$ 99,867,340</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. 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, 2019, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2019, the District's proportion was 0.0017061168 percent, which was a decrease of 0.0000933748 percent from its proportion measured at June 30, 2018.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

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

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

For the year ended June 30, 2020, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue		
and expense/expenditure	\$ 10,692,857	\$ 4,722,280
District TRS pension expense (benefit)	<u>(64,636)</u>	<u>61,247</u>
Total TRS expense/expenditure	<u>\$ 10,628,221</u>	<u>\$ 4,783,527</u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 22,691	\$ -
Net difference between projected and actual earnings on pension plan investments	2,192	-
Changes of assumptions	31,007	26,562
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>404,245</u>	<u>1,653,620</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>460,135</u>	<u>1,680,182</u>
District contributions subsequent to the measurement date	<u>61,247</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 521,382</u>	<u>\$ 1,680,182</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - 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 \$61,247 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, 2021. 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 Inflows of Resources</u>
2021	\$ 209,122
2022	506,293
2023	351,075
2024	148,435
2025	<u>5,122</u>
Total	\$ <u><u>1,220,047</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities, large cap	15.0 %	6.3 %
U.S. equities small/mid cap	2.0	7.7
International equities developed	13.6	7.0
Emerging market equities	3.4	9.5
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.0
International debt developed	2.2	1.1
Emerging international debt	2.6	4.4
Real estate	16.0	5.2
Real Return	4.0	1.8
Absolute Return	14.0	4.1
Private equity	15.0	9.7
	<u>100.0 %</u>	

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - 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, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 1,690,191	\$ 1,383,800	\$ 1,131,886

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - 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)

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2019 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

2. Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

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

Benefits Provided (Continued)

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

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	99
Inactive plan members entitled to but not yet receiving benefits	234
Active plan members	<u>91</u>
Total	<u><u>424</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2019 was 9.37%. For the fiscal year ended June 30, 2020 the District contributed \$290,083 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, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%

Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
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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.
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LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	37%	5.75%
International equity	18%	6.50%
Fixed income	28%	3.25%
Real estate	9%	5.20%
Alternative investments	7%	3.60% - 7.60%
Cash	1%	1.85%
Total	100%	

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

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

Single Discount Rate

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

- a. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- b. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - 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, 2019:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 12,950,525	\$ 10,663,405	\$ 2,287,120
Changes for the year:			
Service cost	282,244	-	282,244
Interest on the total pension liability	924,761	-	924,761
Difference between expected and actual experience of the total pension liability	(351,057)	-	(351,057)
Changes of assumptions	-	-	-
Contributions - employer	-	255,560	(255,560)
Contributions - employees	-	124,498	(124,498)
Net investment income	-	2,019,382	(2,019,382)
Benefit payments, including refunds of employee contributions	(672,657)	(672,657)	-
Other (net transfer)	-	(301,476)	301,476
Net changes	<u>183,291</u>	<u>1,425,307</u>	<u>(1,242,016)</u>
Balances at December 31, 2019	<u>\$ 13,133,816</u>	<u>\$ 12,088,712</u>	<u>\$ 1,045,104</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

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

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 7.25%, 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 (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability (asset)	\$ 2,618,085	\$ 1,045,104	\$ (260,573)
	<u> </u>	<u> </u>	<u> </u>

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

For the year ended June 30, 2020, the District recognized pension expense of \$768,672. At June 30, 2020, 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
	<u> </u>	<u> </u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 9,417	\$ 171,019
Change of assumptions	9,537	-
Net difference between projected and actual earnings on pension plan investments	<u>888,142</u>	<u>1,412,722</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>907,096</u>	<u>1,583,741</u>
Pension contributions made subsequent to the measurement date	<u>172,766</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 1,079,862</u>	<u>\$ 1,583,741</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

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

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

The District reported \$172,766 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2020.

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

Year ending June 30,	Net Deferred (Inflows)	
		Outflows of Resources
2021	\$	(301,966)
2022		(160,175)
2023		39,060
2024		(253,564)
2025		-
Thereafter		-
Total	\$	<u>(676,645)</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE F - PENSION LIABILITIES (Continued)

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	\$ 61,247	\$ 172,766	\$ 234,013
Experience	22,691	9,417	32,108
Assumptions	31,007	9,537	40,544
Proportionate share	404,245	-	404,245
Investments	2,192	888,142	890,334
	<u>\$ 521,382</u>	<u>\$ 1,079,862</u>	<u>\$ 1,601,244</u>
Net pension liability	<u>\$ 1,383,800</u>	<u>\$ 1,045,104</u>	<u>\$ 2,428,904</u>
Pension expense	<u>\$ 10,628,221</u>	<u>\$ 768,672</u>	<u>\$ 11,396,893</u>
Deferred inflows of resources:			
Experience	\$ -	\$ 171,019	\$ 171,019
Assumptions	26,562	-	26,562
Proportionate share	1,653,620	1,412,722	3,066,342
	<u>\$ 1,680,182</u>	<u>\$ 1,583,741</u>	<u>\$ 3,263,923</u>

4. Social Security/Medicare

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS

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

General Information about the Other Postemployment Plan

Plan Description

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

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

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

Benefits Provided

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

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2020. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2020, the District recognized revenue and expenses of \$871,850 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$130,942 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2020, the District paid \$97,150 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2019 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, 2020, 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, 2020

NOTE G - 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	\$ 14,779,466
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>20,013,283</u>
Total	<u>\$ 34,792,749</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, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. 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, 2019, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2019, the District's proportion was 0.053399 percent, which was a decrease of 0.000828 percent from its proportion measured as of June 30, 2018.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - 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)

For the year ended June 30, 2020, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 871,850	\$ 130,942
District OPEB pension expense	<u>686,455</u>	<u>97,150</u>
Total OPEB expense/expenditure	<u>\$ 1,558,305</u>	<u>\$ 228,092</u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 245,254
Change of assumptions	5,603	1,694,208
Net difference between projected and actual earnings on OPEB plan investments	-	484
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>512,331</u>	<u>566,016</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>517,934</u>	<u>2,505,962</u>
District contributions subsequent to the measurement date	<u>97,150</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 615,084</u>	<u>\$ 2,505,962</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - 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)

The District reported \$97,150 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, 2021. 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>	<u>Net Deferred Inflows of Resources</u>
2021	\$ 369,746
2022	369,746
2023	369,707
2024	369,628
2025	299,847
Thereafter	<u>209,354</u>
Total	<u>\$ 1,988,028</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was 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, 2019, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - 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)

Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.50 percent
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% 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, 2018, 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-2017.
Healthcare Trend Rate	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - 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)

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 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2019. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.62 percent at June 30, 2018, and 3.13 percent at June 30, 2019, was used to measure the total OPEB liability. The decrease in the single discount rate, from 3.62 percent to 3.13 percent, caused the total OPEB liability for the entire plan to increase by approximately \$2,296 million as of June 30, 2019.

Investment Return

During plan year end June 30, 2019, the trust earned \$397,000 in interest, and the market value of assets at June 30, 2019, is \$68 million. Given the low asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 2.038% for plan year end June 30, 2019, and 1.301% for plan year end June 30, 2018.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.13 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 (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
District's proportionate share of the net OPEB liability \$	17,770,282	14,779,466	12,417,363

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, 2019, 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 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% 1% Decrease *	Current Healthcare Trend Rate	1% 1% Increase **
District's proportionate share of the net OPEB liability	\$ 11,940,603	\$ 14,779,466	\$ 18,613,709

* One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - 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 increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Employees Covered by Benefit Terms

As of June 30, 2020 the following employees were covered by the benefit terms:

Active employees	155
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	<u>10</u>
Total	<u><u>165</u></u>

Contributions

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

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2019 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	3.00%
Discount rate	2.66%
Salary rate increase	4.00%
Healthcare trend rates	6.50% initial 4.50% ultimate (Ultimate rate is reached in fiscal year 2035)

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Total OPEB Liability (Continued)

Mortality rates	
IMRF employees and retirees	Rates from the December 31, 2019 IMRF Actuarial Valuation Report.
TRS employees and retirees	Rates from the June 30, 2019 Teachers' Retirement System Actuarial Valuation Report.
Election at retirement	15% of future retirees are assumed to elect medical coverage at retirement.
Marital status	30% of employees electing coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.
Change in Assumptions	
The Discount Rate was changed from 2.79% used in the Fiscal Year 2019 valuation to 2.66%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2020.	

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 2.66% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2020.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2019	\$ 696,759	\$ -	\$ 696,759
Changes for the year:			
Service cost	40,761	-	40,761
Interest on the total OPEB liability	18,408	-	18,408
Difference between expected and actual experience of the total OPEB liability	(36,120)	-	(36,120)
Changes of assumptions and other inputs	116,705	-	116,705
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(73,951)	-	(73,951)
Other changes	20,020	-	20,020
Net changes	<u>85,823</u>	<u>-</u>	<u>85,823</u>
Balances at June 30, 2020	<u>\$ 782,582</u>	<u>\$ -</u>	<u>\$ 782,582</u>

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 2.66%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (1.66%)	Current Discount Rate (2.66%)	1% Higher (3.66%)
Total OPEB liability	\$ <u>855,905</u>	\$ <u>782,582</u>	\$ <u>716,321</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

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

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

	1% Lower (3.50%-4.50%)	Current Healthcare Rate (4.50%-5.50%)	1% Higher (5.50%-6.50%)
Total OPEB liability	\$ 691,996	\$ 782,582	\$ 889,930

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

For the year ended June 30, 2020 the District recognized OPEB expense of \$70,616. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Difference between expected and actual experience	\$ -	\$ 32,945
Change of assumptions	146,791	-
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ 146,791	\$ 32,945

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - 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)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ 11,447
2022	11,447
2023	11,447
2024	11,447
2025	11,447
Thereafter	<u>56,611</u>
Total	<u>\$ 113,846</u>

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2020:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 97,150	\$ -	\$ 97,150
Assumptions	5,603	146,791	152,394
Proportionate share	<u>512,331</u>	<u>-</u>	<u>512,331</u>
	<u>\$ 615,084</u>	<u>\$ 146,791</u>	<u>\$ 761,875</u>
 OPEB liability	 <u>\$ 14,779,466</u>	 <u>\$ 782,582</u>	 <u>\$ 15,562,048</u>
 OPEB expense	 <u>\$ 1,558,305</u>	 <u>\$ 70,616</u>	 <u>\$ 1,628,921</u>
Deferred inflows of resources:			
Assumptions	\$ 1,694,208	\$ -	\$ 1,694,208
Experience	245,254	32,945	278,199
Investments	484	-	484
Proportionate share	<u>566,016</u>	<u>-</u>	<u>566,016</u>
	<u>\$ 2,505,962</u>	<u>\$ 32,945</u>	<u>\$ 2,538,907</u>

NOTE H - INTERFUND TRANSFERS

The District transferred \$622,616 from the General Fund (Educational Account) to the Debt Service Fund, and \$1,260,000 from the Operations and Maintenance Fund to the Debt Service Fund, during the year ended June 30, 2020. The amounts transferred are to be used for principal and interest payments on alternate revenue bonds in fiscal year 2021.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - OPERATING LEASES

On July 1, 2019, the District entered into a new operating lease for office copiers. Lease payments of \$8,777 are paid monthly through June 2022. At June 30, 2020, future minimum lease payments for this leases was as follows:

Year Ending June 30,	Total
2021	\$ 105,324
2022	105,324
Total	\$ <u>210,648</u>

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

NOTE K - 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 J. 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.

LaGrange School District 105 South
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE L - CONTINGENCIES

1. Litigation

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

2. Grants

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

3. COVID-19 Pandemic

The direct and indirect impacts of the COVID-19 pandemic on the District's enrollment, vendors, operations, and financing arrangements are currently unknown, except as mentioned below, as is the duration and severity of any impacts that the District may experience. Additionally, tax payors in Cook County have been granted an extension on the second installment payment for property tax (due August 1, 2020). Tax payors were given to October 1, 2020 to remit property tax payments without penalty, which could affect the timing of the District receiving those property taxes, and overall cash flows. While the District's evaluation is ongoing, management is currently unable to quantify the full effects that this pandemic will have on its operations, cash flows, and financial position; however, they may be significant. No adjustments have been made to these financial statements as a result of this uncertainty.

NOTE M - CONSTRUCTION COMMITMENTS

The District has an existing contract for construction which will continue into the next fiscal year. Commitments under this contract approximate \$40,000 at June 30, 2020.

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 14, 2020, 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
Six Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>
Total pension liability		
Service cost	\$ 282,244	\$ 271,760
Interest on the total pension liability	924,761	867,084
Difference between expected and actual experience of the total pension liability	(351,057)	343,981
Assumption changes	-	348,297
Benefit payments and refunds	(672,657)	(611,676)
Net change in total pension liability	183,291	1,219,446
Total pension liability, beginning	12,950,525	11,731,079
Total pension liability, ending	\$ <u>13,133,816</u>	\$ <u>12,950,525</u>
Plan fiduciary net position		
Contributions, employer	\$ 255,560	\$ 315,553
Contributions, employee	124,498	127,491
Net investment income	2,019,382	(618,988)
Benefit payments, including refunds of employee contributions	(672,657)	(611,676)
Other (net transfer)	(301,476)	223,326
Net change in plan fiduciary net position	1,425,307	(564,294)
Plan fiduciary net position, beginning	10,663,405	11,227,699
Plan fiduciary net position, ending	\$ <u>12,088,712</u>	\$ <u>10,663,405</u>
Net pension liability	\$ <u>1,045,104</u>	\$ <u>2,287,120</u>
Plan fiduciary net position as a percentage of the total pension liability	92.04 %	82.34 %
Covered Valuation Payroll	\$ 2,727,439	\$ 2,751,121
Net pension liability as a percentage of covered valuation payroll	38.32 %	83.13 %

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	256,743	\$ 290,572	\$ 274,423	\$ 303,975
	844,786	808,401	759,480	698,856
	157,810	(58,231)	123,936	(130,446)
	(377,441)	(26,592)	12,896	442,542
	(572,514)	(509,329)	(513,142)	(443,482)
	<u>309,384</u>	<u>504,821</u>	<u>657,593</u>	<u>871,445</u>
	11,421,695	10,916,874	10,259,281	9,387,836
\$	<u><u>11,731,079</u></u>	<u><u>11,421,695</u></u>	<u><u>10,916,874</u></u>	<u><u>10,259,281</u></u>
\$	283,047	\$ 278,236	\$ 280,600	\$ 381,925
	118,201	109,400	116,256	110,738
	1,722,704	642,017	46,128	531,577
	(572,514)	(509,329)	(513,142)	(443,482)
	(193,194)	86,399	49,246	13,094
	<u>1,358,244</u>	<u>606,723</u>	<u>(20,912)</u>	<u>593,852</u>
	9,869,455	9,262,732	9,283,644	8,689,792
\$	<u><u>11,227,699</u></u>	<u><u>9,869,455</u></u>	<u><u>9,262,732</u></u>	<u><u>9,283,644</u></u>
\$	<u><u>503,380</u></u>	<u><u>1,552,240</u></u>	<u><u>1,654,142</u></u>	<u><u>975,637</u></u>
	95.71 %	86.41 %	84.85 %	90.49 %
\$	2,543,105	\$ 2,425,777	\$ 2,498,661	\$ 2,460,919
	19.79 %	63.99 %	66.20 %	39.65 %

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

<u>Year</u>		<u>Actuarially Determined Contribution</u>		<u>Actual Contribution</u>		<u>Contribution Deficiency (Excess)</u>		<u>Covered Valuation Payroll</u>		<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2020	\$	255,561	* \$	255,560	\$	1	\$	2,727,439		9.37 %
2019		315,554		315,553		1		2,751,121		11.47
2018		283,048		283,047		1		2,543,105		11.13
2017		278,237		278,236		1		2,425,777		11.47
2016		280,600		280,600		-		2,498,661		11.23
2015		381,935		381,925		10		2,460,919		15.52

* Estimated based on contribution rate of 9.37% and covered valuation payroll of \$2,727,439 (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
Six Most Recent Fiscal Years

	<u>2020</u>		<u>2019</u>		<u>2018</u>	
District's proportion of the net pension liability	0.0017061168	%	0.0017994916	%	0.0040966605	%
District's proportionate share of the net pension liability	\$ 1,383,800		\$ 1,402,611		\$ 3,129,773	
State's proportionate share of the net pension liability associated with the District	<u>98,483,540</u>		<u>\$ 96,084,721</u>		<u>94,832,811</u>	
Total	<u><u>\$ 99,867,340</u></u>		<u><u>\$ 97,487,332</u></u>		<u><u>\$ 97,962,584</u></u>	
District's covered-employee payroll	\$ 13,049,286		\$ 12,785,711		\$ 12,841,213	
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.60	%	10.97	%	24.37	%
Plan fiduciary net position as a percentage of the total pension liability	39.60	%	40.00	%	39.30	%

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

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0059608771 %	0.0033094794 %	0.0030389132 %
\$ 4,705,281 \$	2,168,042 \$	1,849,430
<u>84,643,629</u>	<u>86,830,076</u>	<u>68,014,429</u>
\$ <u><u>89,348,910</u></u> \$	<u><u>88,998,118</u></u> \$	<u><u>69,863,859</u></u>
\$ 12,275,711 \$	11,809,031 \$	10,987,230
38.33 %	18.36 %	16.83 %
36.40 %	41.50 %	43.00 %

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 75,686	\$ 74,157	\$ 128,941
Contributions in relation to the contractually required contribution	<u>77,266</u>	<u>74,767</u>	<u>168,781</u>
Contribution deficiency (excess)	\$ <u>(1,580)</u>	\$ <u>(610)</u>	\$ <u>(39,840)</u>
District's covered-employee payroll	\$ 10,559,808	\$ 13,049,286	\$ 12,785,711
Contributions as a percentage of covered-employee payroll	0.73 %	0.57 %	1.32 %

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

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

Note 3: Prior to fiscal year 2020, West 40 ISC employees were a component of the District's covered payroll. There was a decline in covered payroll in fiscal year 2020 because West 40 was no longer reported under the District's employer number.

	<u>2017</u>		<u>2016</u>		<u>2015</u>
\$	153,300	\$	124,461	\$	104,583
	<u>230,847</u>		<u>115,964</u>		<u>108,427</u>
\$	<u>(77,547)</u>	\$	<u>8,497</u>	\$	<u>(3,844)</u>
\$	12,841,213	\$	12,275,711	\$	11,809,031
	1.80 %		0.94 %		0.92 %

LaGrange School District 105 South

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

Retiree Health Plan

Three Most Recent Fiscal Years

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 40,761	\$ 32,211	\$ 30,364
Interest on the total OPEB liability	18,408	20,758	22,125
Difference between expected and actual experience	(36,120)	-	-
Changes of assumptions and other inputs	116,705	7,582	5,978
Benefit payments, including the implicit rate subsidy	(73,951)	(122,136)	(116,295)
Other changes	20,020	710	14,877
Net change in total OPEB liability	85,823	(60,875)	(42,951)
Total OPEB liability, beginning	696,759	757,634	800,585
Total OPEB liability, ending	<u>\$ 782,582</u>	<u>\$ 696,759</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 782,582</u>	<u>\$ 696,759</u>	<u>\$ 757,634</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered Valuation Payroll	\$ 7,979,323	\$ 9,098,417	\$ 9,098,417
Net OPEB liability as a percentage of covered valuation payroll	9.81 %	7.66 %	8.33 %

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.053399 %	0.054227 %	0.055824 %
District's proportionate share of the net OPEB liability	\$ 14,779,466	\$ 14,286,506	\$ 14,486,100
State's proportionate share of the net OPEB liability associated with the District	<u>20,013,283</u>	<u>19,183,697</u>	<u>19,023,849</u>
Total	\$ <u><u>34,792,749</u></u>	\$ <u><u>33,470,203</u></u>	\$ <u><u>33,509,949</u></u>
District's covered-employee payroll	\$ 13,049,286	\$ 12,785,711	\$ 12,841,213
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	139.96 %	109.48 %	112.81 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.25 %	(0.07) %	(0.17) %

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 120,053	\$ 112,514	\$ 107,866
Contributions in relation to the contractually required contribution	<u>120,746</u>	<u>113,123</u>	<u>107,874</u>
Contribution excess	\$ <u>693</u>	\$ <u>609</u>	\$ <u>8</u>
District's covered-employee payroll	\$ 10,559,808	\$ 13,049,286	\$ 12,785,711
Contributions as a percentage of covered-employee payroll	1.14 %	0.87 %	0.84 %

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

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

LaGrange School District 105 South
General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
General levy	\$ 15,862,002	\$ 16,567,510	\$ 705,508	\$ 15,569,129
Special education levy	1,095,000	1,174,062	79,062	1,073,322
Corporate personal property replacement taxes	150,000	150,000	-	172,346
Interest on investments	247,500	235,505	(11,995)	264,714
Sales to pupils - lunch	92,000	56,233	(35,767)	78,465
Sales to pupils - a la carte	8,000	4,280	(3,720)	4,330
Rentals - regular textbook	60,000	78,683	18,683	55,397
Rentals - summer school textbook	-	1,825	1,825	-
Rentals - adult/continuing education textbook	-	5,174	5,174	165
Refund of prior years' expenditures	20,000	969	(19,031)	-
Payments of surplus moneys from TIF districts	-	21,000	21,000	-
Other	40,000	28,596	(11,404)	35,743
Total local sources	17,574,502	18,323,837	749,335	17,253,611
State sources				
Evidence Based Funding Formula	1,553,000	1,554,895	1,895	1,553,266
Special Education - Private Facility Tuition	256,100	131,466	(124,634)	119,477
Bilingual Education - Downstate - T.P.I. & T.B.E.	200,000	-	(200,000)	-
State Free Lunch & Breakfast	4,500	2,144	(2,356)	3,761
Early Childhood - Block Grant	180,000	133,281	(46,719)	122,119
Other restricted revenue from state sources	-	15,360	15,360	1,500
Total state sources	2,193,600	1,837,146	(356,454)	1,800,123

(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, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020				2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Federal sources					
National School Lunch Program	\$ 240,000	\$ 145,259	\$ (94,741)	\$	201,099
School Breakfast Program	45,000	16,582	(28,418)		23,566
Summer Food Service Program	-	41,278	41,278		-
Title I - Low Income	290,000	161,565	(128,435)		245,252
Title I - School Improvement and Accountability	200	30,000	29,800		39,295
Title IV - Student Support & Academic Enrichment Grant	25,000	4,753	(20,247)		22,862
Federal Special Education - Preschool Flow-Through	1,000	14,570	13,570		-
Federal Special Education - IDEA Flow Through	12,500	312,017	299,517		8,409
Federal Special Education - IDEA Room & Board	30,000	-	(30,000)		30,263
Title III - English Language *Acquisition	37,000	19,349	(17,651)		25,842
Title II - Teacher Quality	40,000	1,150	(38,850)		55,384
Medicaid Matching Funds - Administrative Outreach	-	18,625	18,625		31,985
Medicaid Matching Funds - Fee-For-Service Program	100,000	65,258	(34,742)		79,342
Other Federal Sources	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>		<u>-</u>
Total federal sources	<u>870,700</u>	<u>830,406</u>	<u>(40,294)</u>		<u>763,299</u>
Total revenues	<u>20,638,802</u>	<u>20,991,389</u>	<u>352,587</u>		<u>19,817,033</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 6,432,000	\$ 6,210,806	\$ 221,194	\$ 6,269,410
Employee benefits	1,331,019	1,231,114	99,905	1,394,052
Purchased services	18,750	53,212	(34,462)	3,804
Supplies and materials	384,030	316,644	67,386	328,885
Other objects	3,900	872	3,028	91
Non-capitalized equipment	<u>3,400</u>	<u>860</u>	<u>2,540</u>	<u>-</u>
Total	<u>8,173,099</u>	<u>7,813,508</u>	<u>359,591</u>	<u>7,996,242</u>
Pre-K programs				
Salaries	119,500	109,877	9,623	111,244
Employee benefits	27,706	16,580	11,126	9,315
Purchased services	2,750	1,208	1,542	2,383
Supplies and materials	<u>1,500</u>	<u>2,442</u>	<u>(942)</u>	<u>1,500</u>
Total	<u>151,456</u>	<u>130,107</u>	<u>21,349</u>	<u>124,442</u>
Special education programs				
Salaries	1,924,920	1,852,505	72,415	1,726,181
Employee benefits	209,575	207,728	1,847	200,648
Purchased services	10,000	8,295	1,705	9,209
Supplies and materials	33,961	17,506	16,455	18,278
Capital outlay	13,000	4,086	8,914	4,364
Other objects	12,900	3,675	9,225	6,045
Non-capitalized equipment	<u>9,000</u>	<u>4,656</u>	<u>4,344</u>	<u>1,770</u>
Total	<u>2,213,356</u>	<u>2,098,451</u>	<u>114,905</u>	<u>1,966,495</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and		Variance	2019
	Final	Actual	From	Actual
	Budget		Final Budget	
<hr/>				
Instruction (Continued)				
Special education programs pre-K				
Salaries	\$ 141,630	\$ 110,590	\$ 31,040	\$ 107,189
Employee benefits	18,850	29,010	(10,160)	17,912
Supplies and materials	1,000	2,049	(1,049)	2,011
Other objects	34,418	3,060	31,358	30,531
	<hr/>	<hr/>	<hr/>	<hr/>
Total	195,898	144,709	51,189	157,643
	<hr/>	<hr/>	<hr/>	<hr/>
Remedial and Supplemental programs K-12				
Salaries	386,195	386,308	(113)	378,629
Employee benefits	85,810	84,925	885	73,469
Supplies and materials	2,550	1,144	1,406	980
	<hr/>	<hr/>	<hr/>	<hr/>
Total	474,555	472,377	2,178	453,078
	<hr/>	<hr/>	<hr/>	<hr/>
Interscholastic programs				
Salaries	287,500	264,836	22,664	266,475
Employee benefits	20,705	32,695	(11,990)	19,780
Purchased services	23,500	6,519	16,981	11,494
Supplies and materials	17,700	7,909	9,791	10,303
Other objects	1,200	-	1,200	-
Non-capitalized equipment	10,000	7,340	2,660	3,297
	<hr/>	<hr/>	<hr/>	<hr/>
Total	360,605	319,299	41,306	311,349
	<hr/>	<hr/>	<hr/>	<hr/>
Summer school programs				
Salaries	135,000	136,697	(1,697)	132,976
Employee benefits	1,500	1,363	137	1,388
Supplies and materials	14,000	5,428	8,572	10,060
Other objects	-	-	-	642
	<hr/>	<hr/>	<hr/>	<hr/>
Total	150,500	143,488	7,012	145,066
	<hr/>	<hr/>	<hr/>	<hr/>

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and		Variance	2019
	Final	Actual	From	Actual
	Budget		Final Budget	
Instruction (Continued)				
Gifted programs				
Salaries	\$ 359,000	\$ 429,728	\$ (70,728)	\$ 416,675
Employee benefits	66,250	64,443	1,807	64,113
Purchased services	5,000	5,150	(150)	2,128
Supplies and materials	3,000	2,803	197	2,462
Other objects	<u>750</u>	<u>750</u>	<u>-</u>	<u>288</u>
Total	<u>434,000</u>	<u>502,874</u>	<u>(68,874)</u>	<u>485,666</u>
Bilingual programs				
Salaries	643,260	707,645	(64,385)	603,456
Employee benefits	124,055	155,400	(31,345)	119,047
Purchased services	27,000	25,463	1,537	23,085
Supplies and materials	14,350	6,659	7,691	10,051
Other objects	<u>-</u>	<u>288</u>	<u>(288)</u>	<u>310</u>
Total	<u>808,665</u>	<u>895,455</u>	<u>(86,790)</u>	<u>755,949</u>
Special Education K-12 Programs				
Private Tuition	<u>287,000</u>	<u>249,522</u>	<u>37,478</u>	<u>347,477</u>
Truants Alternative/Opt Ed Programs				
Private Tuition	<u>10,000</u>	<u>21,177</u>	<u>(11,177)</u>	<u>293</u>
Total instruction	<u>13,259,134</u>	<u>12,790,967</u>	<u>468,167</u>	<u>12,743,700</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, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 500,000	\$ 492,394	\$ 7,606	\$ 462,400
Employee benefits	66,055	60,576	5,479	60,184
Purchased services	200	-	200	-
Supplies and materials	1,150	309	841	846
Total	567,405	553,279	14,126	523,430
Guidance services				
Salaries	100	-	100	-
Employee benefits	300	-	300	-
Total	400	-	400	-
Health services				
Salaries	181,476	217,585	(36,109)	228,755
Employee benefits	10,085	7,920	2,165	7,906
Purchased services	300	-	300	-
Supplies and materials	6,000	12,261	(6,261)	2,877
Other objects	700	251	449	85
Non-capitalized equipment	500	-	500	381
Total	199,061	238,017	(38,956)	240,004
Speech pathology and audiology services				
Salaries	265,000	400,058	(135,058)	384,504
Employee benefits	60,785	61,866	(1,081)	58,600
Purchased services	250	-	250	-
Supplies and materials	1,750	962	788	723
Total	327,785	462,886	(135,101)	443,827

(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, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services (Continued)				
Pupils (Continued)				
Other support services - pupils				
Supplies and materials	\$ 6,000	\$ 7,078	\$ (1,078)	\$ 5,572
Total	6,000	7,078	(1,078)	5,572
Total pupils	1,100,651	1,261,260	(160,609)	1,212,833
Instructional staff				
Improvement of instruction services				
Salaries	3,060	4,678	(1,618)	2,886
Employee benefits	950	64	886	340
Purchased services	308,986	220,792	88,194	261,680
Supplies and materials	12,500	41,880	(29,380)	17,287
Total	325,496	267,414	58,082	282,193
Educational media services				
Salaries	752,155	772,060	(19,905)	757,260
Employee benefits	101,185	98,103	3,082	98,460
Purchased services	243,200	206,457	36,743	134,642
Supplies and materials	248,276	193,944	54,332	174,115
Capital outlay	288,800	244,682	44,118	353,619
Non-capitalized equipment	-	(1,210)	1,210	-
Total	1,633,616	1,514,036	119,580	1,518,096
Assessment and testing				
Purchased services	50,000	50,608	(608)	40,729
Total	50,000	50,608	(608)	40,729
Total instructional staff	2,009,112	1,832,058	177,054	1,841,018

(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, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
General administration				
Board of education services				
Salaries	\$ 1,000	\$ -	\$ 1,000	\$ -
Employee benefits	75,200	130,192	(54,992)	-
Purchased services	252,500	194,824	57,676	366,214
Supplies and materials	3,000	2,832	168	2,982
Other objects	33,000	21,519	11,481	32,715
Total	364,700	349,367	15,333	401,911
Executive administration services				
Salaries	245,000	290,905	(45,905)	232,150
Employee benefits	55,195	43,859	11,336	44,636
Purchased services	5,800	2,974	2,826	899
Supplies and materials	1,850	1,396	454	1,338
Other objects	13,000	9,787	3,213	11,429
Total	320,845	348,921	(28,076)	290,452
Tort immunity services				
Purchased services	222,300	196,486	25,814	164,132
Total	222,300	196,486	25,814	164,132
Total general administration	907,845	894,774	13,071	856,495
School administration				
Office of the principal services				
Salaries	989,476	952,755	36,721	926,739
Employee benefits	230,035	205,213	24,822	214,160
Purchased services	31,040	24,631	6,409	27,172
Supplies and materials	7,800	4,312	3,488	6,754
Other objects	8,000	3,347	4,653	5,248
Total school administration	1,266,351	1,190,258	76,093	1,180,073

(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, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Business				
Direction of business support services				
Salaries	\$ 25,000	\$ -	\$ 25,000	\$ 48,105
Total	25,000	-	25,000	48,105
Fiscal services				
Salaries	354,025	215,990	138,035	152,593
Employee benefits	45,545	43,011	2,534	29,764
Purchased services	32,000	34,618	(2,618)	8,480
Supplies and materials	73,600	8,900	64,700	11,388
Capital outlay	10,000	-	10,000	-
Other objects	57,391	-	57,391	-
Total	572,561	302,519	270,042	202,225
Operation and maintenance of plant services				
Purchased services	35,000	3,034	31,966	3,743
Supplies and materials	5,500	5,500	-	5,500
Capital outlay	15,000	-	15,000	-
Total	55,500	8,534	46,966	9,243
Pupil transportation services				
Salaries	18,300	13,594	4,706	12,766
Total	18,300	13,594	4,706	12,766
Food services				
Salaries	287,300	239,398	47,902	243,870
Employee benefits	2,535	566	1,969	623
Supplies and materials	310,400	198,261	112,139	223,057
Total	600,235	438,225	162,010	467,550

(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, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Business (Continued)				
Internal services				
Supplies and materials	\$ 2,300	\$ -	\$ 2,300	\$ -
Total	2,300	-	2,300	-
Total business	1,273,896	762,872	511,024	739,889
Central				
Direction of central support services				
Salaries	49,500	50,093	(593)	48,634
Employee benefits	12,110	11,834	276	11,703
Other objects	1,500	1,190	310	75
Total	63,110	63,117	(7)	60,412
Planning, research, development and evaluation services				
Salaries	135,510	139,758	(4,248)	139,139
Employee benefits	36,350	31,645	4,705	34,006
Purchased services	1,000	1,000	-	1,000
Supplies and materials	1,000	930	70	1,000
Other objects	7,900	5,714	2,186	5,294
Total	181,760	179,047	2,713	180,439
Total central	244,870	242,164	2,706	240,851
Total support services	6,802,725	6,183,386	619,339	6,071,159

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020				
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual	
Community services					
Salaries	\$ 47,535	\$ 29,215	\$ 18,320	\$ 43,468	
Employee benefits	1,055	155	900	126	
Purchased services	38,308	12,113	26,195	27,446	
Supplies and materials	<u>12,372</u>	<u>2,307</u>	<u>10,065</u>	<u>14,279</u>	
Total	<u>99,270</u>	<u>43,790</u>	<u>55,480</u>	<u>85,319</u>	
Payments to other districts and government units					
Payments for regular programs					
Purchased services	<u>-</u>	<u>257,336</u>	<u>(257,336)</u>	<u>-</u>	
Total	<u>-</u>	<u>257,336</u>	<u>(257,336)</u>	<u>-</u>	
Payments for special education programs					
Purchased services	<u>507,166</u>	<u>642,970</u>	<u>(135,804)</u>	<u>544,156</u>	
Total	<u>507,166</u>	<u>642,970</u>	<u>(135,804)</u>	<u>544,156</u>	
Payments for special education programs - tuition					
Other objects	<u>681,249</u>	<u>893,464</u>	<u>(212,215)</u>	<u>799,386</u>	
Total payments to other districts and other government units	<u>1,188,415</u>	<u>1,793,770</u>	<u>(605,355)</u>	<u>1,343,542</u>	
Total expenditures	<u>21,349,544</u>	<u>20,811,913</u>	<u>537,631</u>	<u>20,243,720</u>	
Excess (deficiency) of revenues over expenditures	<u>(710,742)</u>	<u>179,476</u>	<u>890,218</u>	<u>(426,687)</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and		Variance	2019
	Final	Actual	From	Actual
	Budget		Final Budget	
Other financing uses				
Transfer to Debt Service Fund for interest on revenue bonds	\$ (826,853)	\$ (622,616)	\$ 204,237	\$ (883,119)
Total other financing uses	(826,853)	(622,616)	204,237	(883,119)
Net change to fund balance	<u>\$ (1,537,595)</u>	(443,140)	<u>\$ 1,094,455</u>	(1,309,806)
Fund balance, beginning of year		<u>9,399,556</u>		<u>10,709,362</u>
Fund balance, end of year		<u>\$ 8,956,416</u>		<u>\$ 9,399,556</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020				
	Original and Final Budget	Actual	Variance From Final Budget		2019 Actual
Revenues					
Local sources					
General levy	\$ 3,275,000	\$ 3,309,800	\$ 34,800		\$ 3,120,339
Corporate personal property replacement taxes	1,000,000	1,089,151	89,151		1,008,255
Interest on investments	60,000	85,228	25,228		69,410
Rentals	20,000	39,089	19,089		56,624
Other	175,000	11,934	(163,066)		250
Total local sources	4,530,000	4,535,202	5,202		4,254,878
State sources					
School Infrastructure - Maintenance Projects	-	50,000	50,000		-
Total state sources	-	50,000	50,000		-
Total revenues	4,530,000	4,585,202	55,202		4,254,878
Expenditures					
Support services					
Business					
Purchased services	500	-	500		-
Total	500	-	500		-
Facilities acquisition and construction services					
Purchased services	111,000	50,972	60,028		39,500
Capital outlay	320,000	341,317	(21,317)		29,720
Total	431,000	392,289	38,711		69,220

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Support services (Continued)				
Business (Continued)				
Operation and maintenance of plant services				
Salaries	\$ 733,590	\$ 668,278	\$ 65,312	\$ 625,744
Employee benefits	181,365	162,203	19,162	131,338
Purchased services	730,100	658,584	71,516	608,381
Supplies and materials	379,000	324,173	54,827	302,403
Capital outlay	82,850	37,228	45,622	23,633
Non-capitalized equipment	<u>5,000</u>	<u>3,278</u>	<u>1,722</u>	<u>1,359</u>
Total	<u>2,111,905</u>	<u>1,853,744</u>	<u>258,161</u>	<u>1,692,858</u>
Total support services	<u>2,543,405</u>	<u>2,246,033</u>	<u>297,372</u>	<u>1,762,078</u>
Total expenditures	<u>2,543,405</u>	<u>2,246,033</u>	<u>297,372</u>	<u>1,762,078</u>
Excess of revenues over expenditures	<u>1,986,595</u>	<u>2,339,169</u>	<u>352,574</u>	<u>2,492,800</u>
Other financing uses				
Transfer to Debt Service Fund for principal on revenue bonds	<u>(1,685,000)</u>	<u>(1,260,000)</u>	<u>425,000</u>	<u>(1,595,000)</u>
Total other financing uses	<u>(1,685,000)</u>	<u>(1,260,000)</u>	<u>425,000</u>	<u>(1,595,000)</u>
Net change in fund balance	<u>\$ 301,595</u>	1,079,169	<u>\$ 777,574</u>	897,800
Fund balance, beginning of year		<u>2,726,265</u>		<u>1,828,465</u>
Fund balance, end of year		<u>\$ 3,805,434</u>		<u>\$ 2,726,265</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 380,001	\$ 158,340	\$ (221,661)	\$ 292,697
Interest on investments	<u>30,000</u>	<u>19,078</u>	<u>(10,922)</u>	<u>31,158</u>
Total local sources	<u>410,001</u>	<u>177,418</u>	<u>(232,583)</u>	<u>323,855</u>
State sources				
Transportation - Regular and Vocational	79,000	6,097	(72,903)	5,924
Transportation - Special Education	<u>460,000</u>	<u>277,145</u>	<u>(182,855)</u>	<u>304,718</u>
Total state sources	<u>539,000</u>	<u>283,242</u>	<u>(255,758)</u>	<u>310,642</u>
Total revenues	<u>949,001</u>	<u>460,660</u>	<u>(488,341)</u>	<u>634,497</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	<u>1,011,171</u>	<u>818,990</u>	<u>192,181</u>	<u>919,412</u>
Total support services	<u>1,011,171</u>	<u>818,990</u>	<u>192,181</u>	<u>919,412</u>
Total expenditures	<u>1,011,171</u>	<u>818,990</u>	<u>192,181</u>	<u>919,412</u>
Deficiency of revenues over expenditures	<u>\$ (62,170)</u>	(358,330)	<u>\$ (296,160)</u>	(284,915)
Fund balance, beginning of year		<u>898,782</u>		<u>1,183,697</u>
Fund balance, end of year		<u>\$ 540,452</u>		<u>\$ 898,782</u>

LaGrange School District 105 South
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 673,000	\$ 346,335	\$ (326,665)	\$ 323,912
Social security/Medicare only levy	-	346,921	346,921	308,674
Corporate personal property replacement taxes	39,000	58,500	19,500	19,500
Interest on investments	11,200	13,598	2,398	12,109
Total local sources	723,200	765,354	42,154	664,195
Total revenues	723,200	765,354	42,154	664,195
Expenditures				
Instruction				
Regular programs	122,640	108,280	14,360	109,796
Pre-K programs	2,300	1,626	674	1,694
Special education programs	161,156	154,392	6,764	147,774
Special education programs pre-K	21,144	1,656	19,488	1,619
Remedial and			-	
supplemental programs K-12	5,778	5,197	581	5,174
Interscholastic programs	6,110	4,981	1,129	4,307
Summer school programs	9,200	8,217	983	8,774
Gifted programs	6,216	5,854	362	5,696
Bilingual programs	12,900	12,625	275	11,172
Total instruction	347,444	302,828	44,616	296,006
Support services				
Pupils				
Attendance and social work services	7,836	6,966	870	6,531
Guidance services	100	-	100	-
Health services	25,188	24,588	600	24,956
and audiology services	5,500	5,285	215	5,095
Total pupils	38,624	36,839	1,785	36,582

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Support services (Continued)				
Instructional staff				
Improvement of instruction services	\$ 1,085	\$ 297	\$ 788	\$ 605
Educational media services	<u>81,096</u>	<u>74,355</u>	<u>6,741</u>	<u>72,451</u>
Total instructional staff	<u>82,181</u>	<u>74,652</u>	<u>7,529</u>	<u>73,056</u>
General administration				
Board of education services	1,156	-	1,156	-
Executive administration services	<u>14,084</u>	<u>14,320</u>	<u>(236)</u>	<u>13,022</u>
Total general administration	<u>15,240</u>	<u>14,320</u>	<u>920</u>	<u>13,022</u>
School administration				
Office of principal services	<u>59,200</u>	<u>52,717</u>	<u>6,483</u>	<u>51,151</u>
Total school administration	<u>59,200</u>	<u>52,717</u>	<u>6,483</u>	<u>51,151</u>
Business				
Fiscal services	34,780	28,604	6,176	27,736
Operation and maintenance of plant services	143,643	116,820	26,823	109,830
Pupil transportation services	3,250	2,493	757	2,284
Food services	<u>33,698</u>	<u>28,777</u>	<u>4,921</u>	<u>29,276</u>
Total business	<u>215,371</u>	<u>176,694</u>	<u>38,677</u>	<u>169,126</u>
Central				
Direction of central support services	756	704	52	684
Planning, research, development and evaluation services	<u>2,000</u>	<u>1,968</u>	<u>32</u>	<u>1,963</u>
Total central	<u>2,756</u>	<u>2,672</u>	<u>84</u>	<u>2,647</u>
Total support services	<u>413,372</u>	<u>357,894</u>	<u>55,478</u>	<u>345,584</u>

(Continued)

LaGrange School District 105 South
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Community services	\$ 5,250	\$ 4,690	\$ 560	\$ 4,406
Total expenditures	766,066	665,412	100,654	645,996
Excess (deficiency) of revenues over expenditures	\$ (42,866)	99,942	\$ 142,808	18,199
Fund balance, beginning of year		544,943		526,744
Fund balance, end of year		\$ 644,885		\$ 544,943

(Concluded)

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December of each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements were originally adopted by the Board of Education on August 26, 2019.
- g) All budgets lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following fund had expenditures in excess of budgets for the year ended June 30, 2020:

<u>Funds</u>	<u>Amount</u>
Debt Service	\$ 18,700,488

The Debt Service Fund excess was due to the current year refunding of debt which is shown as a payment of principal and interest, but was not budgeted as such.

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

3. 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 and the Teachers' Health Insurance Security Fund OPEB plan. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 20,991,389	\$ 20,811,913
On-behalf payments received	4,853,222	-
On-behalf payments made	<u>-</u>	<u>4,853,222</u>
General fund - GAAP basis	<u>\$ 25,844,611</u>	<u>\$ 25,665,135</u>

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

For the 2019, 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

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

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

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
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LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

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

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 24-year closed Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four other were financed over 29 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 calculation pursuant to an experience study of the period 2014-2016.
Mortality	For non-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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

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

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

Change in Assumptions:

For the 2019 and 2018 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75 percent.

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

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 THIS CONTRIBUTION RATE

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Fiscal Year End	June 30, 2020

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.13%
Price Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

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

Methods and Assumptions Used to Determine the 2019 Contribution Rate: (Continued)

Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, 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-2017.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

The Discount Rate was changed from 3.62% used in the Fiscal Year 2019 valuation to 3.13%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

LaGrange School District 105 South
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Fiscal Year End	June 30, 2020

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	11.38 years
Municipal Bond Index	2.66%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%
Retirement Rates	IMRF Employees: Rates from the December 31, 2019 IMRF Actuarial
Election at Retirement	15% of future retirees will elect medical coverage at retirement.
Mortality rates	
IMRF employees and retirees	Same rates as IMRF net pension liability valuation as of December 31, 2019.
TRS employees and retirees	Same rates as TRS net pension liability valuation as of June 30, 2019.
Healthcare Trend Rates	6.50, Initial 4.50, Ultimate

Change in Assumptions:

The Discount Rate was changed from 2.79% used in the Fiscal Year 2019 valuation to 2.66%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2020. The Discount Rate was changed from 2.98% used in Fiscal Year 2018 valuation to 2.79%.

SUPPLEMENTARY FINANCIAL INFORMATION

LaGrange School District 105 SouthGeneral Fund
COMBINING BALANCE SHEET
June 30, 2020

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 5,346,802	\$ 480,182	\$ 2,321,898	\$ 8,148,882
Receivables (net of allowance for uncollectibles):				
Property taxes	8,627,515	115,696	150,374	8,893,585
Intergovernmental	439,653	-	-	439,653
Other current assets	<u>8,792</u>	<u>-</u>	<u>-</u>	<u>8,792</u>
Total assets	<u>\$ 14,422,762</u>	<u>\$ 595,878</u>	<u>\$ 2,472,272</u>	<u>\$ 17,490,912</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 65,321	\$ 609	\$ -	\$ 65,930
Salaries and wages payable	14,328	-	-	14,328
Unearned revenue	<u>29,157</u>	<u>-</u>	<u>-</u>	<u>29,157</u>
Total liabilities	<u>108,806</u>	<u>609</u>	<u>-</u>	<u>109,415</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>8,173,028</u>	<u>109,601</u>	<u>142,452</u>	<u>8,425,081</u>
Total deferred inflows	<u>8,173,028</u>	<u>109,601</u>	<u>142,452</u>	<u>8,425,081</u>
FUND BALANCES				
Restricted	-	485,668	-	485,668
Assigned	1,960,000	-	500,000	2,460,000
Unassigned	<u>4,180,928</u>	<u>-</u>	<u>1,829,820</u>	<u>6,010,748</u>
Total fund balance	<u>6,140,928</u>	<u>485,668</u>	<u>2,329,820</u>	<u>8,956,416</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 14,422,762</u>	<u>\$ 595,878</u>	<u>\$ 2,472,272</u>	<u>\$ 17,490,912</u>

LaGrange School District 105 South

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2020

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 17,347,554	\$ 230,590	\$ 163,428	\$ 17,741,572
Replacement taxes	150,000	-	-	150,000
State aid	6,690,368	-	-	6,690,368
Federal aid	830,406	-	-	830,406
Interest	181,149	7,718	46,638	235,505
Other	196,760	-	-	196,760
Total revenues	25,396,237	238,308	210,066	25,844,611
Expenditures				
Current:				
Instruction:				
Regular programs	7,813,508	-	-	7,813,508
Special programs	2,960,973	-	-	2,960,973
Other instructional programs	2,012,400	-	-	2,012,400
State retirement contributions	4,853,222	-	-	4,853,222
Support services:				
Pupils	1,261,260	-	-	1,261,260
Instructional staff	1,587,376	-	-	1,587,376
General administration	698,288	196,486	-	894,774
School administration	1,190,258	-	-	1,190,258
Business	740,744	-	-	740,744
Transportation	13,594	-	-	13,594
Operations and maintenance	8,534	-	-	8,534
Central	242,164	-	-	242,164
Community services	43,790	-	-	43,790
Nonprogrammed charges	1,793,770	-	-	1,793,770
Capital outlay	248,768	-	-	248,768
Total expenditures	25,468,649	196,486	-	25,665,135

(Continued)

LaGrange School District 105 South

General Fund

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

For the Year Ended June 30, 2020

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Excess (deficiency) of revenues over expenditures	\$ (72,412)	\$ 41,822	\$ 210,066	\$ 179,476
Other financing uses				
Transfers out	(622,616)	-	-	(622,616)
Total other financing uses	(622,616)	-	-	(622,616)
Net change in fund balance	(695,028)	41,822	210,066	(443,140)
Fund balance, beginning of year	6,835,956	443,846	2,119,754	9,399,556
Fund balance, end of year	\$ 6,140,928	\$ 485,668	\$ 2,329,820	\$ 8,956,416

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
Interest on investments	\$ 20,000	\$ 27,884	\$ 7,884	\$ 22,604
Total local sources	20,000	27,884	7,884	22,604
Federal sources				
Build America Bond Interest Reimbursement	316,789	401,648	84,859	424,094
Total federal sources	316,789	401,648	84,859	424,094
Total revenues	336,789	429,532	92,743	446,698
Expenditures				
Debt service				
Debt services - interest				
Bonds and other - interest	1,221,464	1,640,139	(418,675)	1,294,547
Principal payments on long-term debt	1,685,000	19,710,000	(18,025,000)	1,525,000
Other debt service				
Purchased services	7,000	263,813	(256,813)	3,650
Total debt service	2,913,464	21,613,952	(18,700,488)	2,823,197
Total expenditures	2,913,464	21,613,952	(18,700,488)	2,823,197
Deficiency of revenues over expenditures	(2,576,675)	(21,184,420)	(18,607,745)	(2,376,499)

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Debt issuance	\$ -	\$ 17,355,000	\$ 17,355,000	\$ -
Premium debt issuance	-	1,442,428	1,442,428	-
Transfer to pay principal on revenue bonds	1,685,000	1,260,000	(425,000)	1,595,000
Transfer to pay interest on revenue bonds	<u>826,853</u>	<u>622,616</u>	<u>(204,237)</u>	<u>883,119</u>
Total other financing sources	<u>2,511,853</u>	<u>20,680,044</u>	<u>18,168,191</u>	<u>2,478,119</u>
Net change in fund balance	<u>\$ (64,822)</u>	(504,376)	<u>\$ (439,554)</u>	101,620
Fund balance, beginning of year		<u>2,690,928</u>		<u>2,589,308</u>
Fund balance, end of year		<u>\$ 2,186,552</u>		<u>\$ 2,690,928</u>

(Concluded)

LaGrange School District 105 South
Fire Prevention and Safety Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 213,000	\$ 153,017	\$ (59,983)	\$ 203,384
Interest on investments	<u>200</u>	<u>9,346</u>	<u>9,146</u>	<u>5,099</u>
Total local sources	<u>213,200</u>	<u>162,363</u>	<u>(50,837)</u>	<u>208,483</u>
Total revenues	<u>213,200</u>	<u>162,363</u>	<u>(50,837)</u>	<u>208,483</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	<u>10,000</u>	<u>4,582</u>	<u>5,418</u>	<u>6,585</u>
Total support services	<u>10,000</u>	<u>4,582</u>	<u>5,418</u>	<u>6,585</u>
Total expenditures	<u>10,000</u>	<u>4,582</u>	<u>5,418</u>	<u>6,585</u>
Excess of revenues over expenditures	<u>\$ 203,200</u>	157,781	<u>\$ (45,419)</u>	201,898
Fund balance, beginning of year		<u>318,816</u>		<u>116,918</u>
Fund balance, end of year		<u>\$ 476,597</u>		<u>\$ 318,816</u>

LaGrange School District 105 South
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Assets				
Cash	\$ 14,345	\$ 30,724	\$ 25,800	\$ 19,269
Liabilities				
Due to:				
Student Council	\$ 4,690	\$ 2,698	5,320	\$ 2,068
Library Fines	2,054	-	222	1,832
Class Gift	483	83	-	566
Special Field Trip	(2,091)	11,226	9,203	(68)
Gown & Medallion	2,154	-	2,103	51
Yearbook	(906)	1,305	-	399
Pepsi Fund	537	499	331	705
Student Benevolent Fund	130	-	-	130
Misc. Transfer Account	194	-	-	194
Social Fund	368	850	126	1,092
PTO Gifts	204	500	703	1
PE Uniforms	124	-	-	124
Nurse (School District Fund)	517	-	-	517
PBIS	371	-	504	(133)
EMM Club	797	397	747	447
Wrestling Team	2,296	700	2,296	700
Green Team	2,567	500	117	2,950
Athletic Department	196	1,540	527	1,209
BPC (JPed)	60	-	-	60
Bank Imaging Fees	(789)	482	292	(599)
District Social Work	408	9,944	3,309	7,043
GWMS Lunch	(19)	-	-	(19)
Total liabilities	\$ 14,345	\$ 30,724	\$ 25,800	\$ 19,269

OTHER SUPPLEMENTARY INFORMATION
(Unaudited)

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

	2019	2018	2017	2016	2015
Assessed valuation	\$ <u>631,043,591</u>	\$ <u>618,793,240</u>	\$ <u>640,214,283</u>	\$ <u>556,914,501</u>	\$ <u>533,430,040</u>
Rates Extended					
Educational	2.6170	2.6530	2.4133	2.8912	2.7720
Tort Immunity	0.0377	0.0375	0.0338	0.0366	0.0370
Special Education	0.1943	0.1873	0.1692	0.1829	0.1805
Operations and					
Maintenance	0.5303	0.5493	0.4830	0.5296	0.5500
Transportation	0.0475	0.0000	0.1012	0.0000	0.1805
Municipal Retirement	0.0570	0.0558	0.0517	0.0565	0.0628
Social Security	0.0570	0.0558	0.0465	0.0507	0.0492
Working Cash	0.0490	0.0000	0.0276	0.0000	0.0337
Fire Prevention and					
Safety	<u>0.0158</u>	<u>0.0358</u>	<u>0.0322</u>	<u>0.0017</u>	<u>0.0017</u>
Total rates extended	<u>3.6056</u>	<u>3.5745</u>	<u>3.3585</u>	<u>3.7492</u>	<u>3.8674</u>
Levies Extended					
Educational	\$ 16,514,410	\$ 16,416,870	\$ 15,450,000	\$ 16,101,538	\$ 14,786,592
Tort Immunity	237,903	231,750	216,300	203,730	197,418
Special Education	1,226,117	1,158,750	1,083,560	1,018,648	963,013
Operations and					
Maintenance	3,346,424	3,399,000	3,092,017	2,949,250	2,933,865
Transportation	299,745	1	648,117	1	963,013
Municipal Retirement	359,694	345,000	331,136	314,825	334,834
Social Security	359,694	345,000	297,513	282,409	262,374
Working Cash	309,211	1	176,875	1	179,963
Fire Prevention and					
Safety	<u>99,704</u>	<u>221,450</u>	<u>206,000</u>	<u>9,620</u>	<u>9,028</u>
Total levies extended	\$ <u>22,752,902</u>	\$ <u>22,117,822</u>	\$ <u>21,501,518</u>	\$ <u>20,880,022</u>	\$ <u>20,630,100</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>1,300.60</u>	<u>1,269.70</u>
Operating costs:		
Educational	\$ 20,615,427	\$ 20,079,588
Operations and Maintenance	2,246,033	1,762,078
Debt Service	21,613,952	2,823,197
Transportation	818,990	919,412
Municipal Retirement/Social Security	665,412	645,996
Tort Immunity	<u>196,486</u>	<u>164,132</u>
Subtotal	<u>46,156,300</u>	<u>26,394,403</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	270,699	347,770
Pre-K programs	278,098	285,398
Summer school	151,705	153,840
Capital outlay	627,313	411,336
Debt principal retired	19,710,000	1,525,000
Non-capitalized equipment	14,924	6,807
Community services	48,480	89,725
Payments to other districts and gov't units	<u>1,793,770</u>	<u>1,343,542</u>
Subtotal	<u>22,894,989</u>	<u>4,163,418</u>
Operating costs	<u>\$ 23,261,311</u>	<u>\$ 22,230,985</u>
Operating costs per pupil - based on ADA	<u>\$ 17,885</u>	<u>\$ 17,509</u>
Tuition Charge		
Operating costs	\$ 23,261,311	\$ 22,230,985
Less - revenues from specific programs, such as special education or lunch programs	<u>2,537,641</u>	<u>2,477,041</u>
Net operating costs	20,723,670	19,753,944
Depreciation allowance	<u>978,690</u>	<u>963,865</u>
Allowance tuition costs	<u>\$ 21,702,360</u>	<u>\$ 20,717,809</u>
Tuition charge per pupil - based on ADA	<u>\$ 16,686</u>	<u>\$ 16,317</u>

LaGrange School District 105 South
SCHEDULE OF GENERAL OBLIGATION ALTERNATE REVENUE BONDS
June 30, 2020

	Maturity as follows			
	for the Year			
	<u>Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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)				
	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	<u>285,000</u>	<u>19,308</u>	<u>304,308</u>
	Total	\$ <u>2,370,000</u>	\$ <u>928,936</u>	\$ <u>3,298,936</u>

(Continued)

LaGrange School District 105 South
SCHEDULE OF GENERAL OBLIGATION ALTERNATE REVENUE BONDS
June 30, 2020

	Maturity as follows			
	for the Year			
	<u>Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2020 General				
Obligation Alternate Revenue				
Bonds dated May 19, 2020				
(Interest at 3.000% to 5.000%				
due on January 15 and July 15;				
Principal due January 15)				
2021	\$ 1,070,000	\$ 463,052	\$ 1,533,052	
2022	870,000	663,550	1,533,550	
2023	905,000	628,750	1,533,750	
2024	940,000	592,550	1,532,550	
2025	975,000	554,950	1,529,950	
2026	1,015,000	515,950	1,530,950	
2027	1,065,000	465,200	1,530,200	
2028	1,120,000	411,950	1,531,950	
2029	1,175,000	355,950	1,530,950	
2030	1,235,000	297,200	1,532,200	
2031	1,295,000	235,450	1,530,450	
2032	1,360,000	170,700	1,530,700	
2033	1,400,000	129,900	1,529,900	
2034	1,445,000	87,900	1,532,900	
2035	<u>1,485,000</u>	<u>44,550</u>	<u>1,529,550</u>	
Total	\$ <u>17,355,000</u>	\$ <u>5,617,602</u>	\$ <u>22,972,602</u>	
	\$ <u><u>19,725,000</u></u>	\$ <u><u>6,546,538</u></u>	\$ <u><u>26,271,538</u></u>	

(Concluded)